



Volvo Group North America

November 26, 2008

Ms. Marlene Dortch
Secretary
Federal Communications Commission
445 Twelfth St., SW
Washington, DC 20554

**Re: Universal Service Contribution Methodology, WC Docket No. 06-122;
Federal-State Joint Board on Universal Service, CC Docket No. 96-45**

Dear Ms. Dortch,

On behalf of Volvo Group North America and its wholly-owned Telematics Service Provider, WirelessCar, this letter is submitted as comments on the Further Notice of Proposed Rulemaking (FCC 08-262) issued on November 5, 2008 in the proceedings listed above. Volvo Group and WirelessCar strongly object to the proposal included in the draft orders in all three Appendices to the FNPRM to impose a \$1.00 or \$0.85 monthly fee on every commercial and passenger vehicle equipped to deliver telematics enabled services. The FCC is considering proposals to move from the current revenue-based assessment mechanism to a telephone number-based assessment or an approach that combines telephone number-based and connections-based assessments. Each of the three proposed draft orders attached to the FNPRM would reject any modifications or adjustments to such a monthly assessment methodology to recognize the special circumstances of telematics services. These proposals effectively would impose a USF "tax" burden of 100% or more of the telecommunications component of the retail cost of telematics service. Furthermore, they could raise the current "tax" assessment by multiples of 100% depending on our customer.

Through WirelessCar, Volvo Group North America offers telematics services to both the commercial and personal vehicle sectors. Business areas within Volvo Group North America that would be directly affected are Volvo Trucks North America, Mack Trucks Inc., Volvo and Prevost buses, and Volvo Construction Equipment North America. WirelessCar also provides telematics services to customers outside of the Volvo Group in the personal vehicle sector.

Telematics is an enabler to generate and make available information via safe and secure wireless communications networks to and from vehicles for a variety of applications. In the case of WirelessCar, the service bundles offered to the commercial and personal vehicle sectors generally are not voice enabled; in fact, today, WirelessCar offers only data exchange applications to the commercial sector.



Volvo Group North America

Commercial telematics services are used primarily by fleet operators, and most applications are focused on managing vehicle assets, goods and/or people transportation. Commercial telematics payoffs come from cost savings, cost avoidance and productivity improvements due to better information on most operational aspects of running a transportation business. By utilizing telematics it is estimated that fuel savings to the commercial fleets range between 5-10%. In essence, telematics applications for a fleet or transportation operator are equivalent to an efficient automation application for a manufacturing company.

Everyday people benefit from having telematics services in the personal vehicle sector. One of the primary benefits is an extension of providing safety features such as a seat belt or airbag with automatic crash notifications or emergency calls. This feature alerts 911 authorities in the event of an accident. Over and above this key safety feature, other services include roadside assistance and access to real time information such as stolen vehicle tracking, diagnostics and monitoring. Also, remote services allow interaction with a vehicle even at a distance and include car locator, door lock/unlock, and monitoring.

The intelligent vehicle of today has been designed largely with safety in mind, and telematics equipment is deployed on several million vehicles with dramatic growth predicted over the coming years. However, the costs associated with these systems are extremely price sensitive, and the move to a substantial monthly universal fee per phone number will likely jeopardize such programs, leading to vehicles that are less safe and less environmentally friendly. Certainly, this would be a step in the wrong direction in the evolution of vehicles.

Although these programs utilize the cellular network with individual telephone numbers, the numbers themselves cannot be used for personal calling. In fact, if the caller initiates a call it is directed to a specified call center for action.

On behalf of both its internal and external customers, Volvo Group North America and WirelessCar believe the imposition of Universal Service Fees of \$0.85 to \$1.00 per vehicle/month is not equitable. As the law requires the USF to be equitable, the Commission could instead consider assessing USF contributions on wireless telecommunications carriers that provide service to telematics companies in proportion to their per minute usage.

Sincerely,

Jonathan Miller
Volvo Group North America

Greg Geiselhart
WirelessCar North America