Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554

In the Matter of	)	
	)	
Universal Service Reform	)	WT Docket No. 10-208
	)	
Mobility Fund	)	
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COMMENTS OF CTIA – THE WIRELESS ASSOCIATION®

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SUMMARY

As CTIA demonstrates in these comments, support for mobile broadband services is consistent with the Communications Act, the National Broadband Plan, and the demands of consumers. Therefore, CTIA supports the creation of a Mobility Fund to facilitate the deployment of mobile broadband services to unserved areas. As explained below, CTIA has some concerns about the limited nature of the current proposal.

To design a support mechanism adequate to ensure the deployment of mobile broadband to all consumers in high cost areas, it would be necessary to (1) size the fund appropriately; (2) provide support for on-going costs as well as deployment costs; and (3) account for the competitive nature of the wireless marketplace. As the FCC moves forward with both the Mobility Fund and the proposed Connect America Fund, it should keep these elements in mind.

In these comments, CTIA specifically urges the Commission to:

- Develop a support mechanism that provides support for both the deployment and operational costs of mobile broadband networks, whether through the proposed Mobility Fund or proposed Connect America Fund;
- More fully articulate how the Mobility Fund and Connect America Fund will work together to ensure that mobile broadband services are available ubiquitously;
- To the extent the Commission seeks to employ reverse auctions, examine approaches that do not distort or foreclose competitive entry; for example, the Commission should consider experimenting with a mix of single-winner and multi-winner mechanisms in order to assess the impact of different approaches;
- Exercise prudence in imposing performance requirements on Mobility Fund participants, including adopting a streamlined set of ETC requirements;
- Protect competitively-sensitive information collected from fund participants;
- Move forward quickly with comprehensive reform that addresses all classes of carriers and consumers;
- Ensure, as it transitions from legacy high cost support mechanisms to new mechanisms, that there is a plan to ensure that 3G availability does not decrease.

Indeed, as the Commission itself has recognized, comprehensive reform of the high-cost universal service support mechanisms will be needed to achieve the goals of the National Broadband Plan. While CTIA supports the efforts to develop and experiment with a support mechanism dedicated to advanced wireless services, CTIA also reminds the Commission that it is imperative that the Commission move forward with reform that addresses all aspects of the legacy high-cost support programs. The Commission must resist calls to place the burden of reform solely on one class of consumer, one class of provider, or one technology. CTIA is committed to the goals of comprehensive reform and looks forward to working with the Commission to develop new support mechanisms that are better targeted toward the services that consumers demand, namely mobility and broadband, and that make better use of scarce public resources by employing efficient, targeted support mechanisms.

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COMMENTS OF CTIA–THE WIRELESS ASSOCIATION®

CTIA – The Wireless Association® ("CTIA") files the following comments on the Commission's Notice of Proposed Rulemaking regarding the creation of a universal service Mobility Fund.[1]

I. INTRODUCTION

As CTIA demonstrates in these comments, support for mobile broadband services is consistent with the Communications Act, the National Broadband Plan ("Plan" or "NBP"), and the demands of consumers. Therefore, CTIA supports the creation of a Mobility Fund to facilitate the deployment of mobile broadband services to unserved areas. CTIA has some concerns, though, about the limited nature of the current proposal. As CTIA explains below, to design a support mechanism adequate to ensure the deployment of mobile broadband to all consumers in high-cost areas, it would be necessary to (1) size the fund appropriately; (2) provide support for on-going costs as well as deployment costs; and (3) account for the competitive nature of the wireless marketplace. As the FCC moves forward with both the Mobility Fund and the proposed Connect America Fund, it should keep these elements in mind.

In these comments, CTIA specifically urges the Commission to:

[1] *Universal Service Reform, Mobility Fund*, WT Docket No. 10-208, Notice of Proposed Rulemaking, FCC 0-182 (rel. Oct. 14, 2010) (the "NPRM").

- Find that support for mobile broadband services is consistent with the Act, the National Broadband Plan, and consumers' needs;
- Develop a support mechanism that provides support for both the deployment and operational costs of mobile broadband networks, whether through the proposed Mobility Fund or proposed Connect America Fund;
- More fully articulate how the Mobility Fund and Connect America Fund will work together to ensure that mobile broadband services are available ubiquitously;
- To the extent the Commission seeks to employ reverse auctions, examine approaches that do not distort or foreclose competitive entry; for example, the Commission should consider experimenting with a mix of single-winner and multi-winner mechanisms in order to assess the impact of different approaches;
- Exercise prudence in imposing performance requirements on Mobility Fund participants, including adopting a streamlined set of ETC requirements for fund participants;
- Protect competitively-sensitive information collected from fund participants;
- Move forward quickly with comprehensive reform that addresses all classes of carriers and consumers;
- Ensure, as it transitions from legacy high cost support mechanisms to new mechanisms, that there is a plan to ensure that 3G services do not decrease.

Indeed, as the Commission itself has recognized, comprehensive reform of the high-cost universal service support mechanisms will be needed to achieve the goals of the National Broadband Plan. While CTIA supports the efforts to develop and experiment with a support

mechanism dedicated to advanced wireless services, CTIA also reminds the Commission that it is imperative that the Commission move forward with reform that addresses all aspects of the legacy high-cost support programs. The Commission must resist calls to place the burden of reform solely on one class of consumer, one class of provider, or one technology. CTIA is committed to the goals of comprehensive reform and looks forward to working with the Commission to develop new support mechanisms that are better targeted toward the services that consumers demand, namely mobility and broadband, and that make better use of scarce public resources by employing efficient, targeted support mechanisms.

II. CTIA SUPPORTS THE DEVELOPMENT OF A MECHANISM TO SUPPORT THE DEPLOYMENT AND ONGOING OPERATION OF MOBILE BROADBAND NETWORKS.

A. Support for Mobile Broadband Is Consistent With the Act, the National Broadband Plan, and Consumer Demand.

In broad terms, it is a laudable goal to create a universal service program to ensure that all Americans have access to the benefits of mobile broadband services.[2] Consumers are embracing mobile broadband faster than any other broadband platform. Indeed, Commission reports show that over the last six months of 2009 not only did the number of mobile wireless subscribers with download speeds of at least 768 kbps *increase by 72%*, they also accounted for *more than 40% of all new connections* in that speed range.[3]

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[2] CTIA has, on a number of occasions, documented consumers' growing preference for mobile services, and the utility and economic growth benefits that such services provide. *See, e.g.*, CTIA comments, WC Docket No. 05-337 (filed Jan. 28, 2010) at 3-5.

[3] *Compare* Federal Communications Commission, Wireline Competition Bureau, Industry Analysis and Technology Division, *Internet Access Services: Status as of June 2009*, at 13 Table 6 (Sept. 2010) (approximately 16 million mobile wireless connections and 86.6 total connections with download speeds of 768 kbps or greater) *with* Federal Communications Commission, Wireline Competition Bureau, Industry Analysis and Technology Division, *Internet Access Services: Status as of December 31, 2009*, at 30, Table 12 (Dec. 2010) (approximately 27.5

Support for mobile broadband also makes sense because mobile broadband is particularly beneficial for low-income and minority consumers. According to a recent report from the Pew Internet and American Life Project, low-income groups in the U.S. are now the fastest growing group of wireless Internet adopters, up to 46 percent from 35 percent in April 2009.[4] Additionally, 54 percent of African-Americans and 53 percent of English-speaking Hispanics access the Internet over their mobile phones, compared to 35 percent of Caucasians.[5] Moreover, 17 percent of those who earn less than $30,000 per year, 20 percent of those who have not graduated from high school, and 15 percent of those who have graduated from high school but have not attended college, connect to the Internet solely through a mobile wireless connection.[6] It is also notable that African-Americans and English-speaking Latinos continue to be among the most active users of the mobile web.[7] Wireless phone ownership is higher among African-Americans and Hispanics than among Caucasians (87 percent vs. 80 percent), and minority consumers use a much greater range of their wireless phones' features compared with Caucasian mobile phone users.[8] Mobile devices, with their ever-increasing capabilities, are

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million mobile wireless connections and 102.8 million overall connections with download speeds of 768 kbps or greater paired with upload speeds of more than 200 kbps).

[4] AARON SMITH, PEW INTERNET & AMERICAN LIFE PROJECT, MOBILE ACCESS 2010 at 9 (July 7, 2010) ("Pew Mobile Access 2010 Report"), *available at* http://www.pewinternet.org/Reports/2010/Mobile-Access-2010.aspx; *see also* Matt Hamblan, *Pew study finds rapid increase in mobile Internet use by low-income Americans*, NETWORK WORLD, July 9, 2010, http://www.networkworld.com/news/2010/070910-pew-study-finds-rapid-increase.html?hpg1=bn.

[5] Pew Mobile Access 2010 Report at 10. The survey did not cover Spanish-speaking Hispanics.

[6] *Id.*

[7] *Id.* at 15.

[8] *Id*. at 16.

bringing broadband Internet access to individuals in novel and expanding ways. In this way, the mobile platform is delivering broadband availability to those that otherwise might not have it.

In addition to being good policy, supporting mobile broadband is consistent with the Commission's statutory obligations. The USF programs must provide "sufficient" support to ensure that rural consumers have access to mobile wireless services that are "reasonably comparable" to those available to urban consumers.[9] Given that consumers in urban areas have had the opportunity to embrace the power of wireless broadband (as described above), the Commission's universal service programs should be directed at providing "reasonably comparable" access for rural consumers as required by Section 254 of the Act.

Support for mobile broadband is also consistent with the National Broadband Plan. As one of six overarching goals for the National Broadband Plan, the Commission committed the United States to continuing to lead the world in mobile broadband.[10] Moreover, as the full Commission has recently stated: "Our goal is for this country to lead the world in such mobile services by ensuring that consumers have access to competitive broadband data services over the fastest and most extensive competitive wireless broadband data networks."[11] Proposed changes to the high-cost universal service program must be measured by whether they help or impede this goal.

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[9] 47 U.S.C. §§ 254(e), 254(b)(3); *see also id.* at §§ 254(b)(5), 254(d). *See infra* Section III (discussing the sufficiency of the proposed Mobility Fund).

[10] *Connecting America: The National Broadband Plan* (2009) ("NBP" or "Plan") at 9, Goal 2 ("The United States should lead the world in mobile innovation, with the fastest and most extensive wireless networks of any nation.").

[11] *Reexamination of Roaming Obligations of Commercial Mobile Radio Service Providers and Other Providers of Mobile Data Services*, WT Docket No. 05-265, Order on Reconsideration and Second Further Notice of Proposed Rulemaking, 25 FCC Rcd 4181, 4182 ¶ 1 (2010) ("*Roaming Order*").

In sum, CTIA supports the creation of an explicit high-cost universal service program to ensure that all Americans have access to high-quality mobile broadband.

B. Support for Mobile Broadband Should Include Funding for Ongoing Costs of Providing Service.

In order to create a successful support mechanism for mobile broadband services in areas that are unserved or otherwise high cost, wireless ETCs must be able to receive support for the ongoing costs of serving these areas. In fact, the Commission staff's own analysis has shown that wireless providers typically experience a significant proportion of total costs as ongoing operating expenses.[12] Specifically, the staff found that ongoing costs would constitute 67 percent of the costs of deploying wireless networks to serve unserved areas.[13] By contrast, the staff analysis found that landline providers experience a relatively smaller share of their network costs as ongoing expenses and a greater proportion of costs as capital expenditures – only 45.8 percent of costs were ongoing for DSL[14] and 52.6 percent for FTTP.[15] Given that wireless technologies experience a high proportion of ongoing costs, the Commission should be sure to adopt a support mechanism – whether through the Mobility Fund or Connect America Fund – that provides sufficient support for wireless broadband, including the ongoing costs of providing service.[16]

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[12] While the staff analysis focused on fixed wireless broadband services, there is little reason to believe that the proportion of ongoing expenses would be less for mobile broadband services.

[13] *The Broadband Availability Gap*, OBI Technical Paper No. 1, at 81, Exh. 4-AB (showing $28.8 billion in total costs for wireless network deployment, comprised of $9.5 billion in initial capex and $19.4 billion in ongoing costs) ("*The Broadband Availability Gap*").

[14] *Id.* at 87, Exh. 4-AK (ongoing costs of $12 billion out of $26.2 billion total).

[15] *Id.* at 96, Exh. 4-AV (ongoing costs of $49.3 billion out of $93.7 billion total).

[16] *See also infra* Section III (discussing the sufficiency of the proposed Mobility Fund).

C. Reverse Auction Approaches Should Account for the Competitive Wireless Marketplace.

CTIA has previously stated that market-based approaches may be useful in ensuring universal service support is calibrated at efficient levels.[17] At the same time, the competitive nature of the wireless marketplace has been one of the great regulatory success stories for bringing benefits to consumers and the economy.[18] While the Mobility Fund NPRM focuses on "unserved" areas, it is important to remember that, as proposed, those areas may be served by one or more providers offering something less than 3G service as defined by the Commission. In such cases, the selection of a single winner will have an acute impact on the competitive environment and on the choices available to consumers. Therefore, if the Commission moves forward with reverse auctions for purposes of the Mobility Fund, it should be careful to adopt proposals that minimize the impact on the functioning of the competitive wireless marketplace. In particular, the Commission should be careful about the potential competitive effects of single-winner reverse auctions.

As Congress and the Commission have recognized, competition results in lower prices, greater innovation, and better services for consumers.[19] Because environments that lack competition among providers are, by contrast, typically less beneficial to consumers and create

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[17] *See, e.g.*, CTIA comments, WC Docket Nos. 10-90 and 05-337 (filed July 12, 2010) at 28-30 ("CTIA NOI/NPRM Comments"); CTIA comments, WC Docket No. 05-337, CC Docket No. 96-45 (filed Jan. 28, 2010) at 13.

[18] *See, e.g.*, *Fostering Innovation and Investment in the Wireless Communications Market*, GN Docket No. 09-157, Notice of Inquiry, 24 FCC Rcd 11322, 11323 ¶ 3 (2009).

[19] *Id.; see also* Telecommunications Act of 1996, Pub. L. No. 104-104, 110 Stat. 56 (1996), S. Conf. Rep. No. 104-230, at 1 (1996) (setting forth a "procompetitive, de-regulatory national policy framework").

less inherent price discipline without regulation, they are fundamentally inconsistent with the Act's deregulatory, pro-competitive vision for telecommunications markets generally and wireless providers in particular.

For these reasons, CTIA has encouraged the Commission to consider proposals such as a "winner-takes-more" competitive bidding approach.[20] Such an approach would use competitive forces to drive down subsidies, without erecting insurmountable barriers to competition or denying rural consumers the benefits of competitive choice. Under this proposal, competitive ETCs would only receive subsidies for the consumers they win in the marketplace. This would be a stark comparison, and vast improvement, over the current approach for rural and rate-of-return ILECs, which receive support based on their investments even though they serve fewer and fewer customers each year.[21] As the Commission has consistently recognized in the case of low-income universal service designations, the size of the fund is limited by the number of consumers in a given geographic area.[22] Moreover, using an approach that does not foreclose the possibility of competitive entry incents providers to offer consumers lower prices and better service.[23]

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[20] *See* James Stegeman, Steve Parsons, Robert Frieden, and Mike Wilson, "Controlling Universal Service Funding and Promoting Competition Through Reverse Auctions," attachment to Reply Comments of CTIA, WC Docket No. 05-337 (filed Nov. 8, 2006).

[21] *See* CTIA NOI/NPRM Comments at 13-19.

[22] *Federal-State Joint Board on Universal Service Telecommunications Carriers Eligible for Universal Service Support, i-wireless, LLC Petition for Forbearance from 47 U.S.C. § 214(e)(1)(A)*, CC Docket No. 94-45, WC Docket No. 09-197, Order, DA 10-117, at ¶ 19 (rel. June 25, 2010); *Petition of TracFone Wireless, Inc. for Forbearance from 47 U.S.C. § 214(e)(1)(A) and 47 C.F.R. § 54.201(i)*, CC Docket No. 96-45, Order, 20 FCC Rcd 15095, 15103-04 ¶ 17 (2005).

[23] *Id.*

If the Commission is concerned about funding the build-out of multiple facilities in high cost areas, it should consider, at minimum, making operational support available to other providers. This would permit new entrants to make private capital investments in high cost areas with the confidence that they will be able to compete for customers on a competitively-neutral basis.

Given the significant questions about a single-winner reverse auction mechanism, the Commission should at minimum consider experimenting with a number of market-based mechanisms before finalizing the parameters of the Mobility Fund. For example, the Commission could utilize winner-takes-more auctions, as proposed by CTIA, in some areas; single-winner auctions within each predominant wireless technology platform (currently, CDMA and GSM) in other areas; and clock-proxy auctions for multiple winning packages based on a variety of service components, as proposed by SouthernLINC Wireless, in addition to the single winner approach proposed in the NPRM.[24]

D. The Commission Should Exercise Prudence in Imposing Performance Requirements on Mobility Fund Participants.

In the NPRM, the Commission proposes imposing a variety of coverage requirements, service quality and rate requirements, a detailed deployment schedule, and numerous measures for Mobility Fund recipients to demonstrate network deployment and quality, such as drive tests.[25] CTIA agrees that credible USF support mechanisms should have clear goals and performance metrics. However, CTIA counsels against adopting overly burdensome performance requirements in the context of the Mobility Fund.

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[24] Comments of SouthernLINC Wireless, WC Docket No. 05-337 and CC Docket No. 96-45 (filed April 17, 2008) at 17-30.

[25] NPRM at ¶¶ 40-44.

The Commission must realize that it is targeting areas that are unserved, and that there is a market-based reason why they are unserved. The FCC must balance its desire for accountability with a recognition that excessive requirements will lead to less participation and may ultimately jeopardize its efforts to bring mobile broadband service to unserved areas. The Commission must also be careful in adopting mandatory speed tests or other measures regarding network performance. As CTIA has previously explained, the Commission must consider the multiple factors that impact mobile wireless services, including customer location, shared bandwidth between services and uses, blockage, and handset choice, among others.[26] The success of the Mobility Fund can best be measured by the participation of new broadband customers in previously unserved areas, and not by static performance metrics.

In the NPRM, the Commission also seeks comment on how to ensure that rates charged by Mobility Fund recipients are "reasonably comparable" with rates charged in urban areas.[27] As a general matter, CTIA urges the Commission to continue to rely on the market as the best indicator of consumer value. To the extent that regulation may be required in the absence of competition, these regulations should be no more burdensome than necessary (such as, for example, a simple requirement that the rates that Mobility Fund recipients charge in supported areas be reasonably comparable to rates for similar services in urban areas).

More broadly, and particularly if Mobility Fund support is circumscribed to the extent proposed in the NPRM, recipients should not be subject to the full panoply of current ETC obligations. Those requirements were not designed with the unique parameters of the Mobility

[26] *See, e.g.,* CTIA NOI/NPRM Comments at 27-28.

[27] NPRM at ¶ 38.

Fund in mind. In addition, any obligations associated with participation in the Mobility Fund should not extend in perpetuity, but rather should sunset after a reasonable period of time.[28]

Moreover, the FCC must protect competitively-sensitive information about providers' network practices and deployment plans. If the Commission decides to collect non-public data, it must take great care to protect the security of carrier networks from both competitive and physical perspectives.

III. THE PROSPOSED MOBILITY FUND, AS DESIGNED AND SIZED, WOULD NOT BE SUFFICIENT TO SUPPORT MOBILE BROADBAND IN HIGH-COST AREAS.

While CTIA supports the development of a dedicated Mobility Fund, it is also apparent that the amount of support and the one-time nature of the Mobility Fund, as proposed, would render the fund inadequate to the task of ensuring the availability of mobile services to *all* Americans.

Areas that ultimately are eligible to receive support from the Mobility Fund will be eligible because they are more difficult to serve. As described above, that difficulty stems not solely from the cost of initial deployment but also from the ongoing costs of maintenance and operation. Not taking these ongoing support needs into consideration would very likely jeopardize the success of the Mobility Fund. Further, the Commission has undertaken no analysis of the amount of support that will be necessary for the goal of ubiquitous mobile broadband, but available evidence indicates that the proposed $100 million to $300 million is nowhere close to the sufficient amount required by statute. This is particularly true given that CTIA submitted a cost study in 2008 demonstrating that it would require an investment of

[28] *See also infra* Section III (discussing the sufficiency of the current proposal).

approximately *$22 billion* to bring ubiquitous 3G service to unserved areas.[29] While providers have made considerable progress in deploying 3G networks since 2008, developing a well-calibrated estimate of the support levels needed to bridge the private investment gap is a key component to sizing the proposed Mobility Fund. Alternatively, and as explored below, if the Commission expects to provide such funding for ubiquitous mobile broadband services through the Connect America Fund instead, it should articulate a plan to do so.

In determining the appropriate size of the Mobility Fund, the Commission must also take account of the fundamental nature of mobile networks, which must be available wherever Americans live, work, and travel. Thus, in identifying areas that are unserved or uneconomic to serve, the Commission must consider not just residential locations, but also business locations, uninhabited road miles, recreation areas, and work sites that are located off of marked roads (such as mines and logging camps). As Senator Rockefeller has noted, the impact of the tragic explosion at the Upper Big Branch mine was exacerbated by the lack of wireless service in the area.[30] As the Commission moves forward, it should be guided by Senator Rockefeller's admonition that the reformed universal system must recognize that "[e]veryone in this country, no matter who they are or where they live, deserves access to modern communications services, including broadband and wireless services."[31]

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[29] CostQuest Associates, "U.S. Ubiquitous Mobility Study: Identification of and Estimated Initial Investments to Deploy Third Generation Mobile Broadband Networks in Unserved and Underserved Areas," attachment to CTIA comments, WC Docket No. 05-337 (filed April 18, 2008).

[30] Letter from Sen. John D. Rockefeller, IV, to Chairman Julius Genachowski, FCC (Aug. 2, 2010).

[31] *Id.* at 2.

A. The FCC Must Articulate a Long-Term Vision for Supporting Mobile Broadband.

If the Commission does not intend to provide sufficient support through the Mobility Fund for ubiquitous mobile services, as the NPRM suggests, then the Commission must articulate an alternative plan for doing so.[32] For example, if the FCC intends to rely on the Connect America Fund ("CAF") to support the build-out and/or ongoing costs of ubiquitous mobile broadband services, it must be implemented in a truly competitively- and technologically-neutral fashion. At minimum, wireless carriers must have a fair and meaningful opportunity to compete to participate in the CAF and receive support for the broadband-focused networks that this fund is designed to support.

For example, the Connect America Fund would need to be designed in a manner that does not deny wireless providers a meaningful opportunity to participate by adopting unrealistic speed thresholds. The NBP proposes a National Broadband Availability Target[33] as a tool to ensure that all consumers have access to broadband at speeds "comparable to what the typical broadband subscriber receives today, and what many consumers are likely to use in the future, given past growth rates."[34] Should the Commission choose to develop such a measure, it must reasonably balance the needs of rural consumers against the threat of a ballooning universal service fund. In so doing, CTIA encourages the Commission to consider the multiple factors that impact mobile wireless services, including customer location, shared bandwidth between services and uses, blockage, and handset choice, among others. Moreover, the Commission must

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[32] *See* 47 U.S.C. §§ 254(b)(5), 254(d), 254(e) (requiring "sufficient" support). *See also* CTIA NOI/NPRM Comments at 22-26.

[33] The National Broadband Availability Target ("Target") is actual download speeds of at least 4 Mbps actual upload speeds of at least 1 Mbps. NBP at 135, Box 8-1.

[34] *Id.* at 135.

resist proposals to use that target as a means of excluding wireless providers from participating in new support mechanisms. For example, CTIA notes that the Commission currently defines broadband in terms of speeds much lower than the proposed target.[35] Similarly, NTIA and RUS have adopted lower speed thresholds in awarding billions of dollars of broadband funding under the Recovery Act.[36]

Finally, if the Commission intends to ensure rural consumers' access to reasonably comparable mobile services through the Mobility Fund and the CAF working in tandem, the Commission should also consider whether Mobility Fund deployments should automatically qualify for on-going support under the Connect America Fund.

B. The Commission Should Move Forward With Competitively-Neutral Comprehensive Reform That Targets Efficient Support Toward the Services That Consumers Demand.

As the NBP recognizes, "the current regulatory framework [for universal service] will not close the broadband availability gap."[37] Indeed, CTIA supports the Commission's efforts to fundamentally reform its universal service programs to support national goals for broadband and mobility, and to derive greater efficiency from the high cost program. Many of the key USF

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[35] *Development of Nationwide Broadband Data to Evaluate Reasonable and Timely Deployment of Advanced Services to All Americans, Improvement of Wireless Broadband Subscribership Data, and Development of Data on Interconnected Voice over Internet Protocol (VoIP) Subscribership*, WC Docket No. 07-38, Report and Order, 23 FCC Rcd 9691 (2008); Order on Reconsideration, 23 FCC Rcd 9800 (2008) (defining as "basic broadband" services equal to or greater than 768 kbps but less than 1.5 mbps in the faster direction).

[36] Dept. of Agriculture, Rural Utilities Service, RIN 0572–ZA01; Broadband Initiatives Program, Dept. of Commerce, National Telecommunications and Information Administration, RIN 0660–ZA28, Broadband Technology Opportunities Program, *Notice of Funds Availability and Solicitation of Applications*, 74 Fed. Reg. 33104, 33108 (2009) ("Broadband means providing two-way data transmission with advertised speeds of at least 768 kilobits per second (kbps) downstream and at least 200 kbps upstream to end users.").

[37] NBP at 141.

recommendations of the NBP rightly reflect a new, comprehensive vision for reform of the high cost support mechanisms. Significantly, the NBP's central goal of shifting high cost universal service support toward broadband and mobility matches consumers' current and future needs and desires. CTIA believes that the Commission is correct in calling for competitively-neutral broadband funding and recognizing the need to support the function of mobility, whether through the broadband-focused fund or a mobility-focused fund. It is time for the Commission to move forward in earnest with these reforms, across all industry segments.

As it does so, the Commission should be prudent in its transitions. As described above, CTIA does not believe that the amount of support proposed for the Mobility Fund would be sufficient to provide mobile broadband services ubiquitously, and questions whether areas that currently receive support will continue to enjoy 3G service without the benefit of that support. CTIA cautions that without having a plan to address areas where current CETC funding is necessary, the benefits that flow from the creation of a Mobility Fund could be offset by the losses incurred in terms of mobility access for those areas that need ongoing support. CTIA believes that there is widespread support for a complete overhaul of the high cost system. CTIA also believes that a new sufficiently-sized support mechanism (whatever that size may ultimately be) must be established so that the availability of mobile broadband expands and does not decrease. The FCC must have a plan so that a decrease in availability does not happen.

CTIA also reiterates its call for the Commission to move forward with reform that addresses *all* industry participants. Thus, the Commission should take care not to place the burden of reform solely on one class of consumer, one class of provider, or one technology, in violation of competitive neutrality.[38] For example, the Commission would be wrong to turn its

[38] *Id.*

back on NBP proposals to limit and redirect incumbent LEC support, which are necessary steps that would inject greater efficiency into the high cost program and deliver greater value for consumers. The Commission and consumers would be well-served by focusing on the NBP's central goal of shifting high cost universal service support toward broadband and mobility, targeted toward consumers' current and future needs and desires.

IV. CONCLUSION

CTIA urges the Commission to consider these comments in formulating its plans for the Mobility Fund.

Respectfully submitted,

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