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September 29, 2011

VIA ELECTRONIC FILING

Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, S.W., Room TW-B204
Washington, DC 20554

Re: WC Docket No. 10-90, 07-135, 05-337, and 03-109
GN Docket No. 09-51, CC Docket No. 01-92 and 96-45

Madam Secretary:

In accordance with Section 1.1206 of the Commission's rules, 47 C.F.R. § 1.1206, I hereby provide you with notice of an oral ex parte presentation in connection with the above-captioned proceeding. On September 27, 2011, undersigned counsel and Andrew Newell of Viaero Wireless ("Viaero") met with Margaret McCarthy to discuss universal service and intercarrier compensation reform.

Viaero discussed the importance of phasing down ongoing support under the CETC mechanism simultaneously with the phasing in of a replacement mechanism that provides ongoing support for mobile broadband. Viaero stated that uncertainty with respect to transition mechanisms will be especially disruptive to carriers' ability to borrow and invest in new technologies.

Viaero also noted that it does not believe that throttling and data caps in rural areas will be a significant issue for its network because the population is less dense and the company has abundant backhaul capacity on its network, and has multiple points of interconnection into the Internet.

Viaero discussed the difference between service quality provided by an ETC compared to a non-ETC. In the rural portions of its ETC service areas, Viaero often has two to three times more cell sites than its competitors, primarily because federal high-cost support has been used to invest in new cell sites in areas that would not otherwise be constructed. Consumers and first

Hon. Marlene H. Dortch

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responders overwhelmingly prefer Viaero's network because it is dependable throughout the areas where they live, work and travel.

By contrast, Viaero's market share in its largest towns is below the large national carriers, because the network service quality is comparable and the large carriers can exploit advantages such as national advertising and access to the latest handsets. Moreover, these carriers can offer their customers roaming on Viaero's network when they travel to rural areas.

In sum, the high-cost support mechanism is succeeding in driving investment to rural areas, to the benefit of consumers living there, and Viaero is building a business in areas where the large national carriers are content to build out to large towns and highways.

A copy of the slides presented at the meeting, which track Viaero's comments in these proceedings, is enclosed. If you have any questions or require any additional information, please contact undersigned counsel directly.

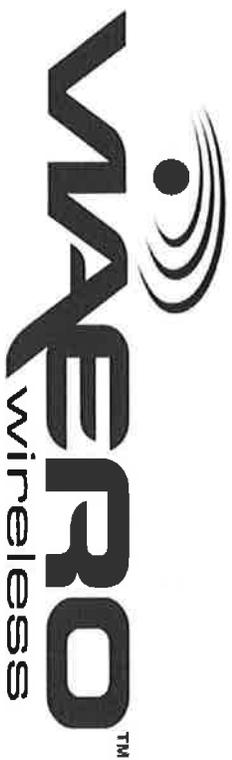
Sincerely,



David A. LaFuria

Enclosure

Cc: M. McCarthy, Esq.
A. Newell, Esq.



We are where you are.



**A 3-PHASE PROPOSAL FOR
COMPREHENSIVE USE REFORM**

Simple, Elegant, Achievable



1. Achieve Immediate Savings

- Implement reforms suggested in the NPRM
- Clarify applicability of Title II regulation

2. Declare and Define the End of Rate of Return

- Develop Cost Models for Wireless and Wireline Broadband Funding

3. Transition Support to Cost Model-Based Broadband Funding Mechanism

Step 1 Can Be Achieved In This Proceeding, And Steps 2 and 3 Can Be Completed In A Follow-On Proceeding

Immediate Savings Opportunities



- 1. Reduce HCIS For Smaller Rural ILECs**
 - Overall goal should be to identify scale inefficiencies and stop rewarding them
 - Distinguish between scale inefficiencies and cross-subsidization
- 2. Cap High-Cost Support On A Per-Line Basis**
 - Stop the most egregious waste and inefficiency
 - Set an initial, rational limit on network costs for the country's least efficient networks
- 3. Eliminate the Safety Net Additive**
- 4. Rationalize Local Switching Support**
 - Stop rewarding and encouraging over-provisioning of switches
 - Scale should be an inefficiency internalized by carriers, not contributors

These Reforms Will Free Up Significant Funding To Support Broadband Deployment

Title II Regulation

Establish Clear Guidance That ETCs Are Title II Carriers

- Clear intention of enabling statutes
- Will likely reduce demands made on the USF by larger carriers that refuse to submit to Title II regulation, yielding further savings

Clarity On This Issue Could Dramatically Reduce Wireless ETC Demand On The USF Without Artificially Constraining Available Funds

What *Not* To Do

- Avoid “Carrier Need-Based” Solutions
 - Funding carriers based on their perceived “needs” makes gaming the system a certainty
 - A system that is not responsive to consumers will ultimately implode
- Do Not Phase Out Wireless ETC Support Without a Plan
 - Wireless broadband holds great promise for rural America
 - Interruption in ETC funding will artificially stall 4G investment and rural wireless investment generally
 - The identical support rule is not sacred, but it must be replaced in a thoughtful manner

**Regulatory Uncertainty Freezes Investment;
Bad Policy Strands It**