

**Steve Largent**  
President/CEO

October 18, 2011

*Via Electronic Mail and ECFS*

Hon. Julius Genachowski, Chairman  
Federal Communications Commission  
445 Twelfth Street, SW  
Washington, DC 20554

Re: *Sufficient Support for Mobile Broadband*  
*WC Docket Nos. 10-90, 07-135, 05-337, 03-109; CC Docket Nos. 01-92, 96-45;*  
*GN Docket No. 09-51*

Dear Chairman Genachowski:

CTIA–The Wireless Association (“CTIA”) commends your leadership in moving forward with reform of the universal service fund (“USF”) and intercarrier compensation (“ICC”) systems. As the Commission has recognized, the USF and ICC systems must be comprehensively reformed so that they stimulate the deployment of the networks that consumers need and want today. There is no question that those networks are broadband and *mobile* networks. Despite clear direction set through the Obama Administration’s technology agenda and the bipartisan consensus that has emerged about the importance of significant support for mobile broadband networks, your current plan appears to cut wireless funding by more than 66% and relegate mobile networks to 7% of the universal service high cost fund.<sup>1</sup> The Commission should use the final weeks before a vote to alter this approach and restore funding to mobile broadband networks more consistent with the public interest.

Without access to broadband *and* mobility, consumers are denied significant economic, educational, medical, and public safety benefits.<sup>2</sup> Some of these benefits – particularly in the public safety and medical areas – are *only* available via mobile broadband.<sup>3</sup> And many consumers can access *all* of the benefits of broadband more affordably via mobile devices and networks.<sup>4</sup> Statistics overwhelmingly bear out consumers’ enormous preference for mobile broadband services. The Commission’s most recent broadband report, reflecting data through December 2010, shows that mobile broadband connections at or above 3 Mbps download and 768 kbps upload skyrocketed from just over 2 million in December 2009 to over 11 million in December 2010<sup>5</sup> – an increase of 550% in just one year’s time. (During the same time period, fixed broadband connections at the same speed level increased by less than 15%.<sup>6</sup>) As a result of this strong growth, in December 2010 mobile connections accounted for 20% of all broadband connections at or above 3 Mbps download and 768 kbps upload – substantially more than DSL.<sup>7</sup>

---

<sup>1</sup> See *infra* p. 2

<sup>2</sup> See, e.g., National Broadband Plan at 9-10. See generally Comments of CTIA, WC Docket Nos. 05-337 *et al.* (filed Nov. 26, 2008) at 2-7.

<sup>3</sup> See, e.g., National Broadband Plan at 202, 313-15.

<sup>4</sup> Comments of CTIA, WC Docket Nos. 10-90 *et al.* (filed April 18, 2011) at 6.

<sup>5</sup> *Internet Access Services: Status as of December 31, 2010* (Ind. Analysis & Tech. Div., WCB 2011) at 26 Tbl. 9.

<sup>6</sup> *Id.*

<sup>7</sup> *Id.* at 26 Chart 8.



Therefore, consistent with the statutory requirement that universal service be “sufficient,”<sup>8</sup> the Commission must ensure that it allocates ample support for the mobile broadband networks that American consumers need and want. In your recent speech describing your draft USF/ICC reform order,<sup>9</sup> you referenced the Commission’s Notice of Proposed Rulemaking (“NPRM”) in the proceeding, which proposed only \$300 million in mobility support out of a \$4.5 billion fund.<sup>10</sup> The last time that wireless carriers received only about \$300 million in high-cost support was seven years ago, in 2004.<sup>11</sup> In other words, the NPRM would allocate less than 7% of USF support to mobile networks. As CTIA has previously shown, this amount is not sufficient to meet the ubiquitous mobile broadband challenge. We therefore urge the Commission to ensure that its order correctly reflects the importance of mobility to today’s broadband communications ecosystem.

The Obama Administration’s economic and technology agenda recognizes the evolution that has occurred in technology and the marketplace, and mandates a more substantial investment in mobile broadband. Following up on comments in his 2011 State of the Union address, the President proposed that the federal government make a \$5 billion investment to ensure that at least 98% of Americans have access to 4G wireless services, citing the need to reform the universal service fund to achieve this goal.<sup>12</sup> By maintaining the proposed level of funding in your item, it would take over 16 years to get to the \$5 billion investment proposed by the President, not considering the significant and necessary support for the ongoing provision and maintenance of wireless networks in uneconomic rural areas.

Members of Congress from both sides of the aisle also urge the FCC to ensure that sufficient universal service support be allocated to wireless networks. Senator Jay Rockefeller, Chairman of the Senate Commerce Committee, observed that, “[i]n order to honor the spirit of universal service and the legal requirements of Section 254, ... [e]veryone in this country, no matter who they are or where they live, *deserves access to ... broadband and wireless services.*”<sup>13</sup> This can only be accomplished through sufficient universal service support for mobile broadband networks.

Similarly, Republican Members of Congress urge the Commission to allocate support to mobile broadband in a competitively and technology-neutral way. Reps. Fred Upton and Greg Walden, Chairmen of the House Energy and Commerce Committee and its Subcommittee on Communications and Technology, respectively, recently stated that the Commission should

---

<sup>8</sup> 47 U.S.C. § 254(e). *See also id.* at 254(b)(5).

<sup>9</sup> Chairman Julius Genachowski, “Connecting America: A Plan To Reform and Modernize the Universal Service Fund and Intercarrier Compensation System” (Oct. 6, 2011), available at [http://hraunfoss.fcc.gov/edocs\\_public/attachmatch/DOC-310252A1.pdf](http://hraunfoss.fcc.gov/edocs_public/attachmatch/DOC-310252A1.pdf).

<sup>10</sup> *Connect American Fund, et al.*, WC Docket Nos. 10-90 *et al.*, Notice of Proposed Rulemaking and Further Notice of Proposed Rulemaking, 26 FCC Rcd 4554 (2011). *See also Universal Service Reform, Mobility Fund*, WT Docket No. 10-208, Notice of Proposed Rulemaking, 25 FCC Rcd 14716 (2010).

<sup>11</sup> Universal Service Monitoring Report, CC Docket No. 98-202 (Ind. Analysis & Tech. Div., WTB 2010) at 3-16, Tbl. 3.2

<sup>12</sup> Press Release, “President Obama Details Plan to Win the Future through Expanded Wireless Access” (Feb. 10, 2011), available at <http://www.whitehouse.gov/the-press-office/2011/02/10/president-obama-details-plan-win-future-through-expanded-wireless-access>.

<sup>13</sup> Letter from Sen. John “Jay” Rockefeller to Chairman Julius Genachowski (Aug. 2, 2010) at 2 (emphasis added).

implement universal service reforms that “*encourage competition*, reduce arbitrage, and focus the fund on serving rural consumers who need it.”<sup>14</sup> Reps. Joe Barton, Marsha Blackburn, and several other Members of Congress recently stated that “high-cost support should be determined through the use of technology-neutral market-based mechanisms” because when “telephone carriers, cable operators, *wireless providers*, and satellite companies compete, the consumer wins.”<sup>15</sup> A recent letter from the Florida Congressional Delegation, including Reps. Cliff Stearns and Gus Bilirakis, urged the FCC to adopt a “competitive, *technology-neutral* method of bringing broadband to rural America.”<sup>16</sup> Relegating less than 7% of the USF to mobility support would be inconsistent with these directives.

In proposing a USF and ICC reform order for the October agenda, you have set the Commission on a path to achieve a crucial goal that prior Commissions have attempted and failed. It is a bold step, but a desperately needed one. It is imperative that the Commission establish a forward-looking framework that charts the right path for the future. Thus, the Commission cannot ignore the economic and marketplace reality – or the goals of the Administration and bipartisan members of Congress – in acknowledging the enormous and growing role of mobile broadband to the success of consumers, the economy, and the country.

Sincerely,



Steve Largent

cc: Hon. Michael Copps  
Hon. Robert McDowell  
Hon. Mignon Clyburn  
Zachary Katz  
Christine Kurth  
Angela Kronenberg  
Margaret McCarthy  
Sharon Gillet  
Rick Kaplan  
Carol Matthey  
Rebekah Goodheart  
Jane Jackson

---

<sup>14</sup> Letter from Reps. Fred Upton and Greg Walden to Chairman Julius Genachowski (Oct. 6, 2011) at 1 (emphasis added).

<sup>15</sup> Letter from Reps. Joe Barton, Marsha Blackburn, *et al.* to Chairman Julius Genachowski (Oct. 6, 2011) at 1 (emphasis added).

<sup>16</sup> Letter from Florida Congressional Delegation to Chairman Julius Genachowski (Oct. 5, 2011) at 1 (emphasis added).