January 24, 2013

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

Re: United States Cellular Corporation

WT No 12-69

Dear Ms. Dortch:

In accordance with Section 1.1206 of the Commission's rules, 47 C.F.R. § 1.1206, we hereby provide you with notice of an oral ex parte presentation in connection with the above-captioned proceedings. On January 23, 2013, representatives of U.S. Cellular including Ed Perez, Vice President – Sales & Marketing Operations; Jim Anetsberger, Senior Director – Strategic Partnerships; Patricio Paucar, Director – Device Strategy & Management; Roberto Yanez, Director – RF Engineering; Mark Vitale, Sr. Manager – Device Strategy and Portfolio and the undersigned, met first with Louis Peraetz of Commissioner Clyburn's staff, and then subsequently with Ruth Milkman, Jim Schlichting, Tom Peters, Maria Kirby, Susan Singer, and Nese Guendelsberger of the Wireless Telecommunications Bureau.

During the course of the discussions, we covered the points summarized in the attached presentation and urged the Bureau to work with the FCC to adopt a dual Band12-17 interoperability rule as soon as possible.

In addition, we stressed the important role that carriers such as U.S. Cellular play as a competitive force in the marketplace. We distributed copies of the attached article summarizing recent rankings where U.S. Cellular was ranked as the top Wireless Service Provider on the Forrester Customer Experience Index. We also stressed the importance of our company's innovative product offerings as well as the strength of our network performance as evidenced by the fact than less than 2% of our cell sites in the area impacted by Superstorm Sandy lost power. We also indicated that by the

end of 2013, U.S. Cellular in conjunction with King Street Wireless, L.P. would have 4G LTE service deployed to 87% of its customers.

In regard to the slide presentation attached, we also specifically made the following points not set forth in the written materials:

Slide 4

We indicated that iPhone 5 model A1429 is capable of roaming on GSM or CDMA and that other OEMs we have talked with can support the CDMA and/or GSM technologies via a software update to a single development platform. We also pointed out that it is technically possible for a Band 12 CDMA carrier to purchase wholesale GSM voice and 3G data under a commercial arrangement if CDMA options are not available.

Slide 5 & 6

Unique platform development costs include: R&D, mechanical and electrical engineering, industrial design, prototype development, manufacturing and tooling, etc. The device OEM's return on investment for band 12 platforms is lower and less certain and therefore creates greater risk.

We noted that the unique platform development costs for stand alone band 12 devices spread over relatively small device volumes presents financial risks to OEMs that they attempt to recover from Band 12 carriers via imposition of material upfront costs. We stressed that we order approximately 3.2 million handsets per year and that even working via buying coalitions of other band 12 carriers (excluding Verizon volumes) will not overcome these challenges.[1]

The estimate for stand alone Band 12 development savings is based upon our collective discussions with nearly a dozen device manufacturers over the course of the last two years and is informed by some team members' prior work experience with major OEMs. We estimate the development cost per device platform to range between $15 million to $30 million depending upon the manufacturer. Those estimates were then multiplied by the number of devices in the typical competitive portfolio (12-15 devices per year) with the math yielding a total benefit range of

---

[1] We acknowledge that even under a single 12/17 platform, there is no guarantee that every OEM will immediately agree to manufacture every device for U.S. Cellular that it currently makes for AT&T. Those decisions will be the result of additional commercial negotiations between carriers and OEMs. It is however the professional judgment of the U.S. Cellular device procurement team that a move to a single 12/17 platform will almost immediately open the door to significant additional handset options for the customers of U.S. Cellular, other Band 12 operators, and for all other consumers who will now have another competitive option to choose from for their wireless service.

between $180 million to $450 million in development costs that would be avoided by moving towards a single Band 12/17 device platform.[2]

Similarly, the costs to AT&T of moving to a single 12/17 device platform were estimated by multiplying the maximum per device testing costs for validation of an additional band ($50,000 per device = U.S. Cellular's typical cost) by the average number of devices launched annually by AT&T (approximately 30) to yield a maximum cost to AT&T of approximately $1,500,000 in a worst case situation.

On the policy side, we stressed the fact that the lack of Band 12 support for M2M devices means that Band 12 carriers will be unable to participate in the growing M2M marketplace and stressed the importance of M2M in the Commission's efforts to address issues such as M-Health and mobile commerce.

We talked about the importance of having a diversity of device and OS options to customers and how some customers of U.S. Cellular are leaving for other carriers in order to gain access to additional operating systems. Without a Band 12/17 requirement U.S. Cellular® will have limited to no access to devices in 2013 from 4 out 6 top tier OEMs that we currently work with.

Slide 7

In response to a question from the Bureau, we indicated that based upon our device testing to date, we believe all of our current commercially deployed band 12 devices would pass band 17 interference testing consistent with 3GPP specifications and that we had confirmed that fact in discussions with vendors.

Slide 10

We clarified that "Band 17 Filters and Duplexers" and "Band 12 (17 capable) Filters and Duplexers" were all components that were less than $1 each and were comparable in price when ordered in comparable volumes.

---

[2] It is important to note that the costs of converting a device from Band 17 to 12/17 are minimal and would result in significant savings from moving to a single device platform, it is a more complicated engineering challenge to take a Band 13 Verizon device and customize that device to accommodate Band 12 as incremental RF components would become necessary. The overlap of Bands 12 and Bands 17make a single device platform the most logical and cost effective combination. We also want to note for the record that it is much more feasible and cost effective to create a single harmonized Band 12/17 platform than to take a band 17 device and swap in a band 12 filter as we discussed the numerous constraints U.S. Cellular® has faced in attempting to develop this type of unique band 12 device platform

Sincerely,

/S/

Grant B Spellmeyer, Esq.
Executive Director – Federal Affairs & Public Policy