

July 8, 2013

Via Electronic Filing

Ms. Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, SW
12th Street Lobby – TW-A325
Washington, D.C. 20554

***Re: Notice of Ex Parte Presentation
MD Docket Nos. 13-140, 12-201, 08-65***

Dear Ms. Dortch:

On July 8, 2013, Krista Witanowski, Assistant Vice President, Regulatory Affairs, of CTIA – The Wireless Association® (“CTIA”), had a conference call with Nicholas Degani, Legal Advisor, Wireline, Office of Commissioner Ajit Pai with regard to the above-captioned proceeding.

Consistent with the attached presentation, CTIA urged the Commission to reject the proposal to incorporate wireless regulatees into the ITSP regulatory fee, or at a minimum refrain from acting on this FY2014 proposal in the FY2013 order. CTIA supported the Commission’s proposal to update the FTEs in core bureaus from 1998 figures to 2012 but cautioned against any reallocation of FTEs from certain core bureaus as unwieldy and not administrable.

Pursuant to Section 1.1206 of the Commission’s rules, this letter is being electronically filed via ECFS with your office and a copy of this submission is being provided to the meeting attendees. Please let the undersigned know if you have any questions regarding this filing.

Sincerely,

/s/ Krista Witanowski

Krista Witanowski
AVP Regulatory Affairs
CTIA – The Wireless Association®

Attachment

cc: Nicholas Degani

FCC Regulatory Fees

CTIA-The Wireless Association®

July 8, 2013

Overview

- CTIA supports Commission efforts to:
 - Update data on FTEs in core bureaus from 1998 to 2012
 - On an ongoing basis, update FTEs regularly
 - Continue to exclude FTEs funded by spectrum auctions or other revenue
- CTIA urges the Commission to decline proposals to:
 - Impose ITSP regulatory fee on wireless regulatees
 - Reallocate WCB and IB FTEs

Proposal to Incorporate Wireless into ITSP is Flawed

- Proposal Would Not Achieve the Commission's Goals
 - Focus should be on burden to FCC, not nature of service
 - Fact that ITSP and wireless offer voice is not sufficient
 - No basis for uniform category
 - Wireline carriers are subject to wide range of regulations that appropriately do not apply to wireless services
 - Wireless contributions to FCC are not unbalanced
 - Wireless industry contributes more to FCC's budget than any other industry segment
- Raises Significant Legal Issues
 - Section 9 of the Communications Act requires change in law or regulation for such a change but none cited here

Proposal to Incorporate Wireless into ITSP is Flawed (Cont'd)

- Proposal Would Be a Significant and Fundamental Change
 - CTIA estimates that proposal could increase CMRS regulatory fees by 24% or more
- Lacks Transparency as to Impact on Wireless Industry
 - Raises significant questions about basis for assessing fees
 - No clarity regarding how ITSP fees would be applied to non-CMRS wireless regulatees
- At a minimum, FCC Should Not Act on This Proposal in Upcoming FY2013 Order
 - NPRM proposes changes to be effective in FY2014
 - FCC has rejected folding wireless into ITSP previously

Proposal to Reallocate WTB and IB FTEs

- Difficult to determine whether a uniform standard is being applied for reallocating FTEs
- Raises concerns regarding consistency and administrability cross-bureaus
- For example, would reduce IB direct FTEs from 119 to 27
 - Concerns include fact that IB front office personnel would be indirect FTEs, unlike front office in other core bureaus
- Proposal to reallocate direct FTEs away from ITSP category for FY2013 lacks transparency / detail as to rationale, reallocation numbers, and impact

Wireless Sector Contributes More to FCC Budget than Any Other Sector

- Any review of industry sectors' "fair share" must account for overall contributions to the FCC budget
- FY2013 budget: \$460.5 million includes:
 - \$339.8 million through regulatory fees
 - \$98.7 million through revenue retained from spectrum auctions – more than 20% of FCC budget
- Wireless regulatees contribute roughly 33.3% of FY2013 budget through:
 - regulatory fees
 - revenues retained from spectrum auctions
- Auction revenue pays for 194 direct FTEs, of which 122 appear to be in WTB