



# TELECOMMUNICATIONS

## SNAP UPdate<sup>SM</sup>

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### **Will the FCC's Proposed Mobility Fund Close the Gap in Mobile Wireless Access?**

The FCC has proposed a new Mobility Fund (“Mobility Fund”) to help improve coverage in areas where advanced wireless services, including third generation, or “3G”, services, are unavailable. Specifically, the FCC sought comments on using reserves accumulated in the Universal Service Fund (“USF”) to create a Mobility Fund to improve coverage of consumers’ current-generation (or better) mobile voice and Internet service where such coverage is currently missing. The Mobility Fund would also use a reverse auction to make one-time support available to service providers to extend mobile coverage in specified unserved areas, particularly in rural areas.

Specifically, the FCC in the Notice of Proposed Rulemaking (“NPRM”) proposes to:

- use \$100 million to \$300 million from the USF to create the Mobility Fund by using a portion of the several hundred million dollars in annual USF support voluntarily relinquished by Verizon Wireless and Sprint Nextel, recently reserved as a “down payment on broadband USF reform;”
- use a reverse auction in which the potential providers of services in identified unserved areas compete for support from the Mobility Fund;
- identify the areas unserved by advanced mobile wireless services;

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- adopt several eligibility requirements for providers seeking support from the Mobility Fund, including Eligible Telecommunications Carrier (“ETC”) status in the area to be served; and
- provide Mobility Fund support to “at most one provider in any given unserved area.”

The NPRM also seeks comments on several issues, including whether to make support available to any unserved area in the nation or just in a limited set of unserved areas, minimum performance and coverage requirements for the Mobility Fund supported service and funding requirements.

The FCC recognized in the National Broadband Plan (NBP) that the USF was not designed to target support for broadband explicitly and in the NPRM it recognized the need to modernize the USF to support services provided over advanced networks. But, is improving consumers’ access to current mobile and next generation wireless and Internet service an appropriate use of USF? Does it make sense to use such funds to provide Mobility Fund support to only one provider in an unserved area, given that either CDMA or GSM technology support 3G service? Will the “down payment” be enough to improve and encourage more investment in mobile wireless and Internet service in unserved areas? We welcome your thoughts.

Comments are due to the FCC forty-five days after publication in the Federal Register (WT Docket No. 10-208). Reply comments are due thirty days thereafter.

We welcome your thoughts! Please feel free to comment at our interactive blog at [blog.tlgdc.com](http://blog.tlgdc.com).

*If you have questions about this issue, or if we may be of assistance to you, please feel free to contact us.*

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