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February 28, 2007

VIA EDIS Electronic Filing

Marilyn R. Abbott
Secretary
U.S. International Trade Commission
500 E Street SW
Washington, DC 20436

Re: *Certain Baseband Processor Chips and Chipsets, Transmitter and Receiver (Radio) Chips, Power Control Chips, and Products Containing Same, Including Cellular Telephone Handsets,* **Inv. No. 337-TA-543: Request to Appear at Public Hearing**

Dear Secretary Abbott:

On February 9, 2007, the Commission issued a Notice of Public Hearing in the above-captioned matter, 72 Fed. Reg. 7456 (February 15, 2007). The Notice provides an opportunity for government agencies, public interest groups, and other interested members of the public to make oral presentations on the issues of remedy and public interest. Pursuant to that notice, we, Nyika O. Strickland and James B. Coughlan, hereby submit this request to appear on behalf of Motorola, Inc. ("Motorola") and assist in the presentation of the oral testimony of Dr. Jerry A. Hausman, a shared expert witness on behalf of Intervenors Samsung, Motorola, and LGEMU. A brief synopsis of Dr. Hausman's oral presentation is attached.

It is our understanding that participants in the hearing will be grouped by panels. Motorola respectfully requests to be assigned to a handset manufacturer panel, or alternatively to an Intervenor panel. If there are any questions, please contact the undersigned.

Sincerely,

Nyika O. Strickland
(nstrickland@kirkland.com)
James B. Coughlan
(jcoughlan@kirkland.com)
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Attorneys for Motorola, Inc.

Enclosure

cc: Michael Liberman, Esq. (via email and overnight mail)
Karin Norton, Esq. (via email)
Counsel for Broadcom, Qualcomm, and Intervenors (via email)

SYNOPSIS OF THE ORAL PRESENTATION OF
DR. JERRY A. HAUSMAN ON BEHALF OF INTERVENORS SAMSUNG ELECTRONICS CO., LTD., MOTOROLA, INC., AND LG ELECTRONICS MOBILECOMM U.S.A., INC.
Hearing In The Matter Of *Certain Baseband Processor Chips And Chipsets, Transmitter And Receiver (Radio) Chips, Power Control Chips, And Products Containing Same, Including Cellular Telephone Handsets*, Inv. No. 337-TA-543

Dr. Hausman's testimony will support the Intervenors' positions that there should be no downstream remedy under the EPROMS analysis[1] and that the public interest factors weigh against any downstream remedy. Dr. Hausman will explain why an order directed to downstream handsets would be contrary to Commission precedent and would disrupt legitimate commerce, and present several reasons why an exclusion order should not apply to downstream handsets in this case, including, *inter alia*: (1) the value of the infringing article is a very small portion of the total value of the downstream handsets in which they are incorporated; (2) third parties will face significant burdens as a result of the proposed exclusion order; and (3) legitimate business in the United States would suffer as a result of a downstream exclusion order. A major technology, EV-DO, would be practically shut down and manufacturers would not be able to meet the demand for EV-DO handsets, because there are no alternative suppliers for the accused EV-DO baseband processors. The burdens faced by handset manufacturers and other third parties, particularly the consumers who have come to rely on these technologies, would be significant, especially in light of the small benefit to the Complainant Broadcom.

In addition, Dr. Hausman will present several reasons why an exclusion order applying to downstream handsets would harm the public interest.[2] First, and perhaps foremost, such an exclusion order would mean that consumers would have less choice, lower quality, and higher prices, and there would be less technological progress. Thus, consumer welfare, which economists typically consider to be the most important component of the "public interest," would decrease by a significant amount. Second, an exclusion order including handsets would decrease economic efficiency. That is, consumers would pay higher prices and receive lower quality service, leading to negative consumers' surplus. Producers' surplus (or incremental profits), in terms of alternative available technologies, would decrease, and any increase for the alternative technologies would come at the expense of the carriers. Finally, there will be significant investment loss if the Commission adopts Broadcom's proposed exclusion order. Broadcom will receive no increased incentive for future R&D, yet the affected manufacturers and service providers will be more reluctant to invest in R&D and networks in the future, because of a recognized risk that those investments will be lost.

In sum, Dr. Hausman will show that the U.S. economy will suffer as a result of an exclusion order covering downstream products in this Investigation, and there will be significant harm to end consumers, carriers, handset manufacturers, and other members of the public.

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[1] Dr. Hausman will be available to take questions regarding EPROMS factors 5 and 6 on behalf of Samsung, Motorola, and LGEMU.

[2] Public interest is defined by statute as "the public health and welfare, competitive conditions in the United States economy, the production of like or directly competitive articles in the United States, and United States consumers." 19 U.S.C. §1337(d).