



October 22, 2018

**VIA ELECTRONIC FILING**

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

**Re: *Revision of Part 15 of the Commission's Rules to Permit Unlicensed National Information Infrastructure (U-NII) Devices in the 5GHz Band (ET Docket No. 13-49); Accelerating Wireless Broadband Deployment by Removing Barriers to Infrastructure Investment (WTB Docket No. 17-79); Accelerating Wireline Broadband Deployment by Removing Barriers to Infrastructure Investment (WC Docket No. 17-84)***

Dear Ms. Dortch:

On October 18, 2018, Dave Wright (by phone) and I of Ruckus Networks/ARRIS, along with Melanie Medina of Willkie Farr & Gallagher LLP, met separately with Erin McGrath, wireless advisor to Commissioner O'Rielly, and Umair Javed, wireless advisor to Commissioner Rosenworcel. We commended the Commission's ongoing efforts to promote America's leadership in 5G and to encourage broadband deployment, particularly in rural areas.

We highlighted our serious concerns, however, about the harmful effects of the recently-enacted tariffs on Chinese imports on U.S. 5G leadership, broadband deployment, and the wider broadband economy.<sup>1</sup> The tariffs, which have already gone into effect, impose additional 10 percent duties on \$200 billion of goods, including core broadband infrastructure and networking equipment and other critical inputs for wireless and wireline connectivity, as well as consumer broadband equipment. These tariffs will automatically increase to 25 percent on January 1, 2019.

The costs to the U.S. broadband economy will be significant. Even at just the 10 percent level, ARRIS estimates that the tariffs will impose approximately *\$200 million per year* in additional costs on its equipment and devices that enable broadband connectivity. We noted that the enactment of the tariffs alone has already had serious business implications for ARRIS.<sup>2</sup> We further explained that the

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<sup>1</sup> See, e.g., Press Release, Office of the U.S. Trade Representative, USTR Finalizes Tariffs on \$200 Billion of Chinese Imports in Response to China's Unfair Trade Practices (Sept. 18, 2018), <https://ustr.gov/about-us/policy-offices/press-office/press-releases/2018/september/ustr-finalizes-tariffs-200>; Notice of Modification of Section 301 Action: China's Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation, 83 Fed. Reg. 47974 (Sept. 21, 2018). These concerns are detailed in ARRIS's comments filed with USTR, a copy of which was provided during the meetings and is attached as Attachment A.

<sup>2</sup> In particular, we noted that one analyst recently downgraded ARRIS stock because of the anticipated added costs associated with the tariffs. Jeff Baumgartner, *ARRIS Downgraded on Cable Modem Tariff Worries*, Light Reading, Oct. 15,

tariffs risk slowing deployment of 5G and broadband more generally, diverting resources away from 5G and other broadband research and development efforts, and threatening U.S. broadband leadership.

We underscored that, while ARRIS supports the Administration's goal of curtailing unfair trade practices abroad, ARRIS firmly believes that the immediate imposition of tariffs will complicate the achievement of the Administration's 5G and broadband objectives. In this regard, we emphasized the need for an exclusion process for this latest tranche of tariffs, which would provide affected companies like ARRIS with additional time to make adjustments to their operations and mitigate the harms of the tariffs. We noted that nearly 170 bipartisan members of Congress recently sent a letter to USTR stressing the importance of establishing an exclusion process for these latest tariffs.<sup>3</sup>

We also discussed the possibility of making the 5.9 GHz band available for unlicensed use. We expressed our support for NCTA's recent proposal suggesting that the Commission issue a Further Notice of Proposed Rulemaking to open up this band for unlicensed operations,<sup>4</sup> and noted that this would be an important first step in gathering additional information and hearing from all stakeholders.

Respectfully submitted,

/s/ Jason E. Friedrich

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2018, <https://www.lightreading.com/cable/cable-modem-cmts/arris-downgraded-on-cable-modem-tariff-worries/d/d-id/746814?print=yes>.

<sup>3</sup> ARRIS provided a copy of this letter during the meetings, which is attached as Attachment B.

<sup>4</sup> See Letter from Rick Chessen, SVP, Law & Regulatory Policy, NCTA, to Marlene Dortch, Secretary, FCC, ET Docket No. 13-49 (Oct. 16, 2018).

# **Attachment A**

# **Attachment B**