Differentiation: A MUST for the Wireless Network

User Differentiation: Channel Conditions

- Good channel: higher data speeds
- Poor channel: lower data speeds
- Network management needs to differentiate among users experiencing different channel conditions to increase aggregate speeds for ALL users

User Differentiation: Resource Consumption

- From excellent to poor channel conditions, resource consumption can increase by a factor of 36 for a user, starving other users
- Network management needs to differentiate among users to satisfy needs of all users

Differentiation

Cost of "No Differentiation"

More blocked calls and reduced data speeds

Service Differentiation: Quality of Service

- Different services such as web browsing and voice calls need different Quality of Service
- Network management needs to differentiate among user services to optimize overall user experience of these services

Transparency

- **The Transparency Rule**
  - The FCC should retain, but not expand, the existing transparency rule.
  - The proposed expanded transparency requirement of network performance including throughput, congestion and peak load management would be meaningless and potentially confusing to a subscriber as these metrics are monitored and changed on a millisecond by millisecond basis.

Transparency Rule & Wireless Networks

Network Management

- Proprietary, product differentiators: Disclosure would reduce innovations, and degrade user experience
- Always-evolving to reflect new revisions & lessons learned: Highly impractical to track
- Critical to network performance and user experience

[redacted]

Challenges of Additional Disclosures

[redacted]

Performance

- Dynamic radio environment, resource allocation operating every millisecond, and varying QoS requirements of applications. Any real-world quantification of performance and its verification for regulatory compliance impossible.

Expanded Regulation Would Harm Consumers

- An expanded No Blocking Rule would inhibit wireless providers from managing their networks. Determining a "Minimum Level of Service" for the variety of communications and circumstances within the wireless network is infeasible.
- An Anti-Discrimination/Commercial Reasonableness Rule would inhibit mobile providers from differentiating network traffic and introducing differentiated offerings in the marketplace.
- Applying a one-size-fits-all regime would reduce consumer options.

A Reasonable Network Management Exception Cannot Remedy Overbroad Rules

Competition Delivers for Wireless Consumers

"The American consumer has been the beneficiary: new pricing and new services that have been spurred by competition."

-- Prepared Remarks of FCC Chairman Tom Wheeler, 20
14 CTIA Show, Las Vegas, NV (Sept. 9, 2014)

"Competition today is driving enormous benefits in the direction of the American Consumer."

-- Remarks of Bill Baer, Assistant Attorney General, Antitrust Division, U.S. Department of Justice (Jan. 30, 2014)

- Mobile Broadband Speeds: Increased 8 times over since 2010
- Mobile Broadband Prices: Dropped 93% between 2008 and 2012
- Consumer Choice: 92% of Americans are served by 3 or more mobile broadband providers (as compared to 15% for wired providers)

Title II Would Jeopardize the Mobile Marketplace's Dynamism, Deter Investment and Innovation, and Harm Consumers

- Section 332 bars the FCC from reclassifying mobile broadband into a common carrier service.
- A Title II regime would subject mobile broadband to a host of inappropriate regulations, eviscerating the ability to innovate and suppressing investment.
- Forbearance associated with a "third way" approach would itself be extremely risky.
- No matter how the Commission effectuated reclassification, it would be subject to years of litigation, extending uncertainty and harming consumers.

Mobile Broadband Is A Single Integrated Information Service