

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

Challenges of Additional Disclosures

Performance

- Dynamic radio environment, resources allocated, 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, 2014 CTIA Show, Las Vegas, NV (Sept. 9, 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)

“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)

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