

**Before the
Federal Communications Commission
Washington, D.C. 20554**

In the Matter of)
)
Wireless Telecommunications Bureau Seeks) WT Docket No. 16-137
Comment on the State of Mobile Wireless)
Competition)

**COMMENTS OF
NTCA–THE RURAL BROADBAND ASSOCIATION**

I. INTRODUCTION & STATEMENT OF INTEREST

NTCA–The Rural Broadband Association (“NTCA”) hereby submits these comments in the above captioned proceeding.¹ NTCA is an association of nearly 900 rural telecommunications operators that provide a mix of broadband Internet access, video, long distance and/or wireless service in some of the hardest-to-serve regions of the United States.

In its *Public Notice*, the Bureau seeks information about wireless providers and the services offered. NTCA regularly solicits data from its members about wireless services offered, technology(ies) employed, and customers served. NTCA’s latest wireless survey report was published in January 2016.² One hundred-nine member companies responded to NTCA’s request for information. The survey results provide

¹ Wireless Telecommunications Bureau Seeks Comment on the State of Mobile Wireless Competition, *Public Notice*, WT Docket No. 16-137, DA 16-450 (rel. April 29, 2016) (*Public Notice*).

² *NTCA 2015 Wireless Survey Report* (released January 2016). Attached as an Appendix to these comments. Also available online at www.ntca.org/images/stories/Documents/Advocacy/SurveyReports/2015ntcawirelessurvey.pdf.

aggregated information about pricing, features, and technology. Sixty percent of survey respondents offer some type of wireless services to their customers. Forty-two percent of those survey respondents who provide wireless service offer mobile voice and 40% mobile broadband. However, more members who offer wireless to their subscribers--87%--use their spectrum as a cost-effective means of offering a fixed broadband product in specific circumstances.³ A copy of NTCA's most recent survey report is attached.

II. MOBILE WIRELESS SERVICES

The Bureau asks for detailed information on the current deployment of specific mobile broadband network technologies.⁴ NTCA asked its members to provide information on both current technology and future plans. Asked which wireless CMRS technologies their company has deployed, 73% of survey respondents indicated LTE service, 55% CDMA EVDO, 46% CDMA 1X, 46% GSM, 32% HSPA+, 18% WiMax, 14% UMTS/WCDMA, and 5% TDMA.⁵ Sixty-four percent of those survey respondents currently offering wireless indicated that they had plans to deploy next generation technology, and 75% of those plan to do so within the next 1-2 years.⁶ Ninety-three percent said they would be deploying LTE.⁷

NTCA's members offer mobile service in a variety of configurations suited to their needs and subscribers' expectations. The majority of NTCA's members have wireless licenses and sell service under their own brand name (53%). Seven percent with

³ NTCA 2015 Wireless Survey Report, p. 8.

⁴ *Public Notice*, p. 4.

⁵ NTCA 2015 Wireless Survey Report, p. 11.

⁶ *Ibid.*

⁷ *Id.*, p. 12.

spectrum offer service to subscribers under a national brand. Seventeen percent of survey respondents resell another carrier's service under their own brand, while 10% do so under a national brand.⁸

III. NTCA MEMBERS' CONCERNS

The Bureau seeks information about “the factors affecting consumers’ choices...in the mobile wireless industry today, and on the usage of mobile wireless services.”⁹ NTCA questioned its members who do not offer wireless services about their future wireless plans. Sixteen percent indicated that they are considering entering the wireless arena, while 69% say that they previously considered offering wireless service and deemed it not feasible.¹⁰

A number of concerns threaten NTCA's members' wireless plans. Seventy-six percent of survey respondents indicated that “competition from national carriers” is a concern.¹¹ Consumers in rural areas see the advertisements of national carriers and expect their local providers to offer the same prices, the same handsets, and the same nationwide service as the large carriers. Despite some lessening of exclusive agreements between handset manufacturers and the largest providers, small carriers still report having difficulty obtaining the newest handsets and are thus at a severe competitive disadvantage. This is reflected in the fact that 42% of survey respondents indicated that

⁸ NTCA 2015 Wireless Survey Report, p. 14.

⁹ *Public Notice*, p. 7.

¹⁰ NTCA 2015 Wireless Survey Report, p. 9.

¹¹ *Id.*, p. 13.

handset availability remained a major barrier to their ability to provide wireless service to their customers.¹²

The inability to negotiate favorable roaming agreements is another competitive impediment for small providers. Though the Commission has adopted data roaming requirements,¹³ more than a third of the survey respondents (39%) complained that “negotiating roaming agreements” remains a major area of concern.¹⁴ Bi-lateral roaming agreements ensure the best user experience. Consumers have service wherever a compatible network is available. However, even when the rural provider offers the only service in an area, larger providers often restrict their customers’ ability to roam on the rural network. This practice has serious competitive and public safety ramifications.¹⁵ There should be a thorough, Commission-led examination of whether the rules in place are enabling an effective roaming marketplace in which consumers do not lose access to service.

IV. SPECTRUM

The *Public Notice* requests data on the utilization of spectrum.¹⁶ NTCA’s Wireless Survey Report provides information about the spectrum members currently hold

¹² *Ibid.*

¹³ *Reexamination of Roaming Obligations of Commercial Mobile Radio Service Providers and Other Providers of Mobile Data Services*, Second Report and Order, WT Docket No. 05-265 (rel. Apr. 7, 2011).

¹⁴ NTCA 2015 Wireless Survey Report, p. 13.

¹⁵ *See*, Joint Comments of the Rural Wireless Association and NTCA – The Rural Broadband Association, *Improving Resiliency, Reliability and Continuity of Mobile Wireless Communications Networks*, PS Docket Nos. 13-239, 11-60 (filed May 31, 2016).

¹⁶ *Public Notice*, p. 5.

and use,¹⁷ but the continued availability of licensed spectrum for small companies is a large concern. Since 2001, more than a dozen wireless mergers or acquisitions have occurred. Large carriers are getting larger.¹⁸ Despite an increase in spectrum availability, just over half of NTCA's members currently hold wireless spectrum licenses – about the same as in 2001.¹⁹

Forty-two percent of NTCA's 2015 survey respondents cited the inability to obtain spectrum at auction as a concern.²⁰ Small carriers cannot compete with large carriers interested in the same spectrum asset. Increasing spectrum needs of consumers, but decreasing capabilities to obtain and then use spectrum in a competitive marketplace, are making it difficult for small wireless carriers to remain viable. The Commission should employ proven methods that ensure that small providers have a realistic opportunity to obtain spectrum. Bid credits, small geographic licensing areas and strict build out periods would help provide a more level playing field for small, rural providers who compete in spectrum auctions.

¹⁷ See, NTCA 2015 Wireless Survey Report, pp. 6-7.

¹⁸ *Policies Regarding Mobile Spectrum Holdings*, Report and Order, WT Docket No. 12-269, GN Docket No. 12-268, at ¶ 24 (rel. June 2, 2014) (stating the number of nationwide facilities-based wireless service providers has decreased by a third from six to four – Verizon Wireless, AT&T, Sprint and T-Mobile).

¹⁹ Survey results indicate that NTCA member companies face challenges in utilizing unlicensed spectrum, as well. While 39% of respondents use unlicensed spectrum for backhaul, and 47% are using unlicensed spectrum to provide wireless services to customers (including fixed broadband and backhaul), 65% of those using unlicensed spectrum indicated they had difficulties doing so, mainly interference and line-of-site problems. See, NTCA 2015 Wireless Survey Report, pp. 7, 11.

²⁰ *Id.*, p. 13.

V. CONCLUSION

NTCA's annual wireless survey shows its member companies are doing a commendable job of providing service to their rural customers despite the often formidable challenges they face. The Commission—through actions such as: 1) investigating the current state of roaming between large providers and small; 2) prohibiting exclusive handset agreements between wireless providers and manufacturers; and 3) ensuring that small providers have a reasonable opportunity to obtain spectrum at auction—can play an important role in ensuring that rural Americans are able to receive the same high-quality wireless service as their non-rural counterparts.

Respectfully submitted,



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