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February 7, 2007

57739-000020

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

Re: Service Rules for the 698-746, 747-762 and 777-792 MHz Bands (WT Docket No. 06-150); Implementing a Nationwide, Broadband Interoperable Public Safety Network in the 700 MHz Band (PS Docket No. 06-229); and Development of Operational, Technical and Spectrum Requirements for Meeting Federal, State and Local Public Safety Communications Requirements Through the Year 2010 (WT Docket No. 96-86)

Dear Ms. Dortch:

On February 6, 2007, Mark Stachiw, Senior Vice President, General Counsel and Secretary of MetroPCS Communications, Inc. ("MetroPCS"), accompanied by Carl Northrop and Michael Lazarus of Paul, Hastings, Janofsky & Walker LLP, met with Dana Shaffer, Paul Moon, and Cathy Massey of the Commission to discuss the above-referenced proceedings.

MetroPCS made an oral presentation as summarized in the attached handout, copies of which were distributed at the meeting.

Kindly refer any questions in connection with this letter to the undersigned.

Respectfully submitted,



Michael Lazarus  
of PAUL, HASTINGS, JANOFSKY & WALKER LLP

cc: (via email) Fred Campbell  
Dana Shaffer  
Paul Moon  
Cathy Massey

**PRESENTATION OF  
METROPCS COMMUNICATIONS, INC.**

WT DOCKET NO. 06-150 (700 MHz)  
PS DOCKET NO. 06-229 (Public Safety)  
WT DOCKET NO. 96-86 (Public Safety)

**METROPCS COMMUNICATIONS, INC.**  
8144 WALNUT HILL LANE, SUITE 800  
DALLAS, TEXAS, 75231

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## BACKGROUND

### **METROPCS IS ONE OF THE FASTEST GROWING BROADBAND WIRELESS SERVICE PROVIDERS IN THE U.S.**

- **MetroPCS Has an Innovative Service Plan That is Enjoying Unparalleled Market Acceptance**
  - **Local and Long Distance Calling on a Prepaid, No Long-Term Contract, Unlimited Fixed Rate Basis**
  - **Data Services and Other Services Offered on an *a la Carte* Basis**
  - **MetroPCS is a Meaningful Substitute For Landline Service**
    - **Approximately 80% Of MetroPCS Customers Use MetroPCS Service as Their Primary Telecommunications Service**
  - **MetroPCS is Expanding the Wireless Market Effectively**
    - **Approximately 65% of MetroPCS Customers are Completely New to Wireless**
- **Launched Service in 2002 in San Francisco, Atlanta, Sacramento, and Miami**
- **Current Operations in San Francisco, Miami, Atlanta, Sacramento, Detroit, Dallas/Ft. Worth, and Tampa/Sarasota With Over 2.6 Million Subscribers**

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**BACKGROUND (CONTINUED)**

- **Active Participant in Auction No. 66**
  - **Fourth Highest Winner With High Bids in the Aggregate Amount of \$1,391,410,000**
  - **High Bidder On Six C Block BEAs and Two D Block REAGs (NE and W)**
- **Growing At One of the Fastest Rates in the Industry**
  - **MetroPCS Targets a Mass Market Largely Unserved by the National Wireless Carriers**
  - **MetroPCS Became the Second Largest Wireless Carrier in South Florida Within 3 Years of Initiating Service**
  - **MetroPCS Has a Track Record of Building Systems and Initiating Commercial Service Promptly**
  - **MetroPCS is One of the Few Carriers Who is Entering Major Metropolitan Area Markets as a New Entrant at This Time**
- **Substantial Interest in Royal Street Communications**
  - **Royal Street Began Offering Service in Orlando and Lakeland-Winterhaven in November 2006; Expects to Offer Service in Los Angeles in 2007**
- **MetroPCS Has a Definite Interest in Acquiring and Continuing to Expand its Services in the 700 MHz Band Spectrum**

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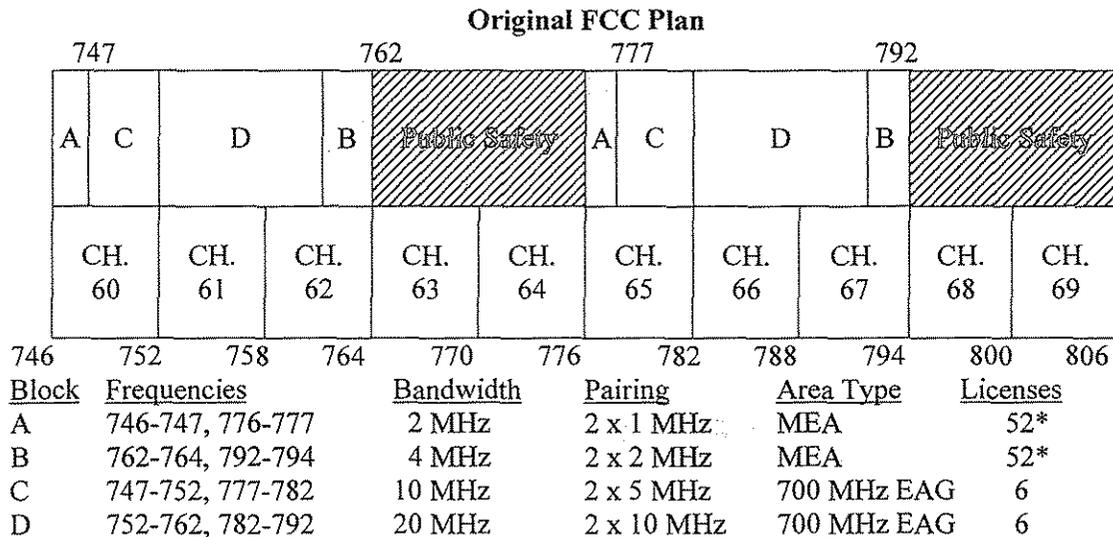
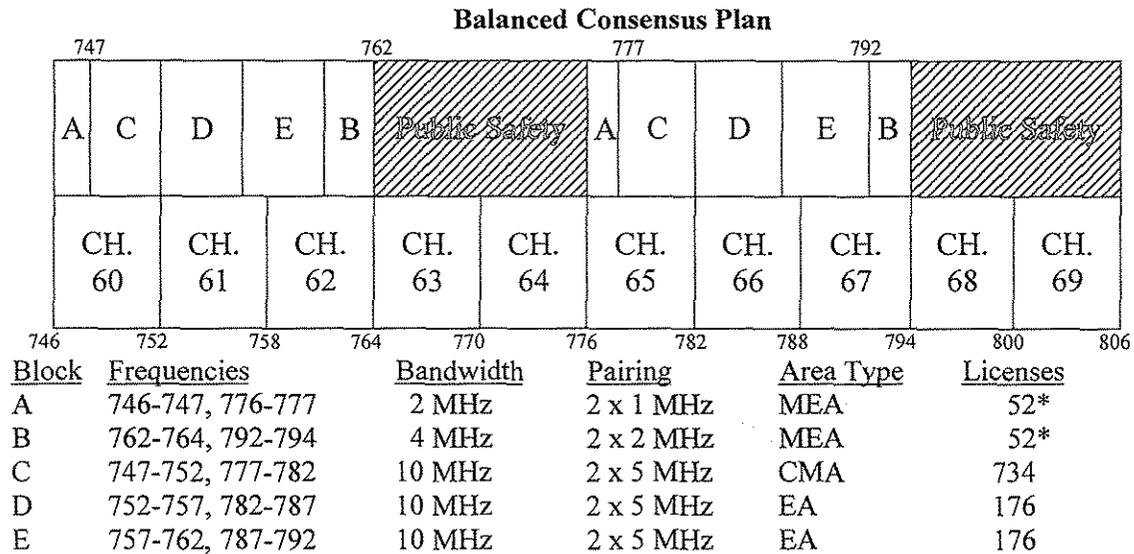
## **THE COMMISSION SHOULD ADOPT THE BALANCED CONSENSUS 700 MHz BAND PLAN**

- **The Commission Should Heed the Valuable Lessons Of Auction No. 66, Described by Chairman Martin as the “Biggest, Most Successful Wireless Auction in the Commission’s History”**
  - **Variety of Geographic Areas Is Good**
  - **Substantial Demand Exists For Small Geographic Areas and Paired Spectrum**
  - **Aggregation Works – SpectrumCo, LLC Assembled Nearly a Nationwide Footprint in Auction No. 66 By Aggregating Together Smaller Service Areas Demonstrating That Combinatorial Bidding is Not Necessary**
  - **Demand for Smaller Spectrum Block Licenses is Strong**
  - **New Entrants and Smaller Carriers Can and Will Participate if There is Sufficient Opportunity**
  - **The Commission's Auction Can Handle the Requirements of a CMA License Auction**
- **Large Blocks of Spectrum or Market Areas Limit Opportunities**
- **The Public Interest is Served When There are Numerous Licensing Alternatives For Applicants**

**THE COMMISSION SHOULD ADOPT THE BALANCED CONSENSUS 700  
MHz BAND PLAN  
(CONTINUED)**

- **Some Carriers Who Have Not Expressly Endorsed the Consensus Plan Have Put Forth Plans With Many Common Elements**
- **The Commission Should Take the Time to Get It Right**
- **Last Major Block of Spectrum Under 2.5 GHz Scheduled for Auction for Mobile Wireless Services**

**THE BALANCED CONSENSUS BAND PLAN v. FCC CURRENT PLAN: UPPER 700 MHz BAND**  
 (\*Blocks have been auctioned.):



**THE BALANCED CONSENSUS BAND PLAN v. FCC CURRENT PLAN: LOWER 700 MHz BAND**  
 (\*Blocks have been auctioned.):

**Balanced Consensus Plan**

698	704	710	716	722	728	734	740	746
A	B	C	D	E	A	B	C	
CH. 52	CH. 53	CH. 54	CH. 55	CH. 56	CH. 57	CH. 58	CH. 59	

<u>Block</u>	<u>Frequencies</u>	<u>Bandwidth</u>	<u>Pairing</u>	<u>Area Type</u>	<u>Licenses</u>
A	698-704, 728-734	12 MHz	2 x 6 MHz	REAG	12
B	704-710, 734-740	12 MHz	2 x 6 MHz	CMA	734
C	710-716, 740-746	12 MHz	2 x 6 MHz	MSA/RSA	734*
D	716-722	6 MHz	unpaired	700 MHz EAG	6*
E	722-728	6 MHz	unpaired	REAG	12

**Original FCC Plan**

698	704	710	716	722	728	734	740	746
A	B	C	D	E	A	B	C	
CH. 52	CH. 53	CH. 54	CH. 55	CH. 56	CH. 57	CH. 58	CH. 59	

<u>Block</u>	<u>Frequencies</u>	<u>Bandwidth</u>	<u>Pairing</u>	<u>Area Type</u>	<u>Licenses</u>
A	698-704, 728-734	12 MHz	2 x 6 MHz	700 MHz EAG	6
B	704-710, 734-740	12 MHz	2 x 6 MHz	700 MHz EAG	6
C	710-716, 740-746	12 MHz	2 x 6 MHz	MSA/RSA	734*
D	716-722	6 MHz	unpaired	700 MHz EAG	6*
E	722-728	6 MHz	unpaired	700 MHz EAG	6

## **ADVANTAGES OF THE BALANCED CONSENSUS PLAN**

**The Balanced Consensus Plan is Supported By a Broad Cross-Section of Small, Mid-Sized, Regional, and Rural Wireless Carrier Interests, Incumbents and New Entrants Alike, as Well as Several State Commissions**

- **The Plan Provides for a Mix of Licenses of Varying Geographic Sizes, Which Will Facilitate the Competitive and Rapid Deployment of Innovative Wireless Services in the 700 MHz Bands**
- **A Greater Variety of Geographic Areas and More 10 MHz Spectrum Blocks Will Accommodate Diverse Business Plans and Services**
  - **Major Economic Areas (MEAs) and Economic Areas (EAs) are Well-Suited to the Expansion Needs of Many Carriers Who Have Built MTA and BTA-Based Businesses**
  - **Diverse License Areas and Spectrum Blocks Create More Options For Both Incumbents and New Entrants, as Demonstrated By Auction No. 66**
  - **Smaller Blocks Enable Carriers to Assemble the Bandwidth and Territory Best Suited to Their Business Plan Resulting in Increased Utilization**

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## **ADVANTAGES OF THE BALANCED CONSENSUS BAND PLAN (CONTINUED)**

- **More Spectrum Blocks Will Be Offered in the Auction**
  - **Smaller Blocks Allow Applicants to Build Their Spectrum Holdings Based on Their Needs -- Not Upon a Government-Ordained Market Structure**
  - **Ensures That License Does Not Include Areas Which Will Not Be Built**
- **The Proposal Replaces EAGs With REAGs to Replicate to the Extent Feasible the Service Areas Utilized in Auction No. 66**
  - **Hawaii, Alaska and Puerto Rico are Distinct Markets That Should Not be Lumped in With Areas in the Continental U.S. Thus, the 12 REAGs Used in Auction 66 are Preferable to the six 700 MHz EAGs**
  - **Allow AWS Winners to Acquire Licenses in New Markets Without Unneeded Overlap With Previously Acquired AWS Licenses**
- **The Balanced Consensus Band Plan Facilitates Efficient Aggregation of Spectrum and Territory in the Auction Process**
- **The Balanced Consensus Band – Which Encompasses Two REAGs, Two EAs, and Two CMAs – Benefits All Interests of the Wireless Industry, Including Large Carriers, Regional Carriers, Rural Carriers, Incumbents and New Entrants, as Well as the Public Interest**

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## MISCELLANEOUS ISSUES

- **MetroPCS Favors the Previously Established Service and Performance Requirements**
  - **Buildout Requirements Tend to Favor Incumbents Over New Entrants**
- **Renewal Criteria Should be as Predictable as Possible**
  - **Commission Should Avoid Comparative Renewal Process**
- **The 700 MHz License Term Should be Extended to a Fifteen Year License Term**
  - **Would Mirror AWS License Term Which Contributed to Success of AWS Auction**

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## TIMING

- **The Commission Should Not Hold the 700 MHz Auction Before January 2008**
  - **Smaller Carriers Need Sufficient Time to Acquire New Financing for the 700 MHz Auction – Especially Coming So Quickly After the Recent Conclusion Of Auction No. 66**
    - **Rushing the Auction Will Favor Larger Incumbents and Inhibit Robust Participation By Smaller Carriers Who Were Major Participants in Recent Auctions**
  - **The Commission Allowed Potential Bidders Nearly a Year Between the Time the Band Plan for Auction No. 66 was Finalized and the Start of the Auction (Final Band Plan Was Set By Order On Reconsideration Released August 15, 2005; Auction Began August 9, 2006)**
    - **Allows For Development of Business Plans and the Raising of Necessary Funding**
  - **Potential Bidders Need an Adequate Amount of Time to Perform Due Diligence on Potential Licenses, as Well as to be Able to Evaluate the Potential Interference Possibilities That May Exist in the 700 MHz Band – Applicants are Solely Responsible for Identifying Associated Risks and for Investigating and Evaluating the Degree to Which Such Matters May Affect Their Ability to Bid on, Otherwise Acquire, or Make Use of Licenses Available**

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**TIMING (CONTINUED)**

- **Even With an Auction Start Date of January 28, 2008, the Commission, Based on Past Auctions, Will Have Sufficient Time to Deposit the Proceeds of the Auction Well in Advance of June 30, 2008 – 153 Days:**
  - **The Commission Began Auction No. 66, Which Consisted of 90 MHz (As Opposed to 60 MHz For the 700 MHz Auction) and a Variety of Spectrum Areas, on August 9, 2006, the Auction Closed On September 18, 2006, Final Payments Were Received On October 19, 2006 – 71 Days**
  - **The Commission Began Auction No. 58 on January 26, 2005, the Auction Closed on February 15, 2005, Final Payments Were Received on March 21, 2005 – 54 Days**
  - **700 MHz Auction With Similar Rules (e.g., Simultaneous Multi-Round Without Combinatorial Bidding) Should Take No Longer Than These Recent Wireless Auctions**

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## **METROPCS OPPOSES ANY REALLOCATION OF THE COMMERCIAL PORTION OF THE 700 MHz BAND**

- **MetroPCS Applauds the Commission's Efforts to Implement an Interoperable, Broadband, Public Safety Network in the 24 MHz Of 700 MHz Spectrum Currently Allocated to Public Safety**
- **There Remains a Large Unsatisfied Demand for Spectrum for Commercial Operations, and the Commission Should Not Alter Existing Expectations**
  - **The Growth of Regional Operators (MetroPCS, LEAP, AllTel, US Cellular) and The Arrival Of New Entrants (SpectrumCo) Has Been Pro-Competitive, and Additional Commercial Spectrum is Critical to Support This Competition**
  - **The AWS Auction Demonstrates Considerable Unsatisfied Pent-Up Demand**
- **Commercial Services Play an Important Role in Public Service Emergencies**
- **The Comments of the Region 24 MHz Regional Planning Committee Merit Attention**
- **The Commission Should Not Experiment With This Critical Spectrum**
  - **The Last Commission Experiment - - e.g., the Guardband Manager - - Has Not Been Successful**

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## CONCLUSION

- **The Balanced Consensus Band Plan Will Encourage the Active Participation in the 700 MHz Auction of Carriers of All Sizes Who Have Spectrum Needs**
- **The Variety of Market Areas in the Balanced Consensus Plan Will Accommodate Diverse Business Models and Service Plans**
- **The Result Will be a Robust Auction Which Holds the Greatest Promise of Resulting in Spectrum Being Put to its Highest and Best Use**
- **The Commission Should Abide by the Statutory Auction Timetable for the 700 MHz Auction and Not Advance the Start Date for the 700 MHz Auction Precipitously**
- **MetroPCS Opposes Any Reallocation of the Commercial Portion of the 700 MHz Band**