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June 1, 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, 06-169, 96-86 and PS Docket No. 06-229)

Dear Ms. Dortch:

On May 31, 2007, Mark Stachiw, Senior Vice President, General Counsel and Secretary of MetroPCS Communications, Inc. ("MetroPCS"), accompanied by Carl Northrop of Paul, Hastings, Janofsky & Walker LLP and Justin Lilley of TeleMedia Policy Corp., participated in five separate meetings with (1) Chairman Martin and Erika Olsen; (2) Commissioner Adelstein and Barry Ohlson; (3) Commissioner McDowell and Angela Giancarlo; (4) Commissioner Tate and Aaron Goldberger; and (5) Fred Campbell and Cathy Massey of the Wireless Telecommunication Bureau, to discuss the above-referenced proceedings.

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

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

Respectfully submitted,

/s/ Michael Lazarus

Michael Lazarus
of PAUL, HASTINGS, JANOFSKY & WALKER LLP
cc: (via email) Chairman Martin
Commissioner Adelstein
Commissioner McDowell
Commissioner Tate
Erika Olsen
Barry Ohlson
Angela Giancarlo
Aaron Goldberger

Paul Hastings

Marlene H. Dortch

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Fred Campbell
Cathy Massey

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The following parties support the Commission-recommended plan for the Lower 700 MHz Band, and in the Upper Band favor splitting the 20+ MHz Block into 2 smaller blocks with smaller geographic areas (EAs or CMAs) for 2 of the 3 blocks (Proposals 2 or 5)

Alltel Corporation

Aloha Partners, L.P.

AT&T¹

Blooston Rural Carriers (including: All West Communications, Inc., BEK Communications Cooperative, Big Bend Telephone Company, Cannon Valley Communications, Inc., CC Communications, Chibardun Telephone Cooperative, Inc., Clear Lake Independent Telephone Company, Command Connect, LLC, Communications 1 Network, Eastern Colorado Wireless, LLC, FMTC Wireless, Inc., Hancock Rural Telephone Corp d/b/a Hancock Telecom, Harrisonville Telephone Company, Haviland Telephone Company, Inc., Heart of Iowa Communications, Interstate Telecommunications Cooperative, Kennebec Telephone Company, Inc., Ligtel Communications, Inc., Manti Telephone Company, Mid-Rivers Telephone Cooperative, Inc., Midstate Communications, Inc., Nucla-Naturita Telephone Company, Ponderosa Telephone Company, Red River Rural Telephone Association, Inc., Smithville Telephone Company, South Slope Cooperative Communications Co., Venture Communications Cooperative, Webster Calhoun Cooperative Telephone Association, Yadkin Valley Telephone Membership Corp.).

C&W Enterprises, Inc.

Centennial Communications Corp.

Cellular South Licenses, Inc.

Corr Wireless Communications, LLC

Dobson Communications Corporation

Ericsson Inc.²

Frontier Communications

Leap Wireless International, Inc.

MetroPCS Communications, Inc.

National Telecommunications Cooperative Association

Rural Cellular Association

Rural Telecommunications Group, Inc.

SpectrumCO LLC

Sprint Nextel³

T-Mobile USA, Inc.

Union Telephone Company

United States Cellular Corporation

¹ AT&T supports 2 REAGs in the Upper 700 MHz Band.

² Ericsson does not support a particular band plan proposal, but notes that the record shows that “allocating an overly large 22 MHz block is unnecessary and, instead, diverts the use of the spectrum away from frequency arrangements that could actually lower the technical requirements for broadband technologies, and thereby lower the cost to consumers.”

³ Sprint Nextel supports 2 CMAs in the Upper 700 MHz Band.

**PRESENTATION OF
METROPCS COMMUNICATIONS, INC.**

700 MHz Service Rules

WT DOCKET NO. 06-150

WT DOCKET NO. 06-169

PS DOCKET NO. 06-229

WT DOCKET NO. 96-86

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

May 31, 2007

THE COMMISSION SHOULD TAKE A BUILDING BLOCK APPROACH IN ITS 700 MHZ BAND PLAN

- **A 700 MHz Band Plan that contains a mix of smaller channel blocks with license areas of varying geographic sizes promotes the public interest**
 - **An impressively diverse coalition of small, medium and large companies with vastly different business plans has endorsed this building block approach**
 - **A building block approach will spur competition through robust participation by large and small incumbents, by new entrants, by rural carriers and by designated entities**
 - **Applicants desiring a larger channel block or territory can aggregate adjoining spectrum or license blocks in the course of the auction without a significant exposure problem**
 - **As was demonstrated in the AWS-1 Auction, aggregation works as long as the channel blocks are fungible and no special conditions are placed on individual licenses designed to tailor them to a particular use or business plan**
 - **The reverse is not true: the anti-collusion rules inhibit partitioning and disaggregation in the course of the auction**
 - **Using a building block approach holds the most promise of replicating the success of the heralded AWS-1 auction**
-

THE COMMISSION'S LOWER BAND PROPOSAL AND PROPOSAL 2 OR 5 FOR THE UPPER BAND SERVE THE PUBLIC INTEREST

- **There is nearly unanimous support for the Commission's Lower Band proposal**
- **A greater number of smaller license areas and smaller channel blocks in the Upper Band serve the public interest by fostering competition and supporting a variety of business plans and services**
 - **A broad cross-section of small (local), mid-sized (regional), and large (nationwide) players, which includes rural and major market players, incumbents and prospective new entrants, manufacturers and industry associations, recommends splitting the 20 MHz block in half**
 - **These channel blocks provide more opportunity for existing carriers and new entrants**
- **Most commenters who support subdividing the 20 MHz block also recommend allocating two of the three service blocks in the Upper Band using smaller service areas (CMAs or EAs)**
- **There are material differences between the AWS-1 spectrum block and the 700 MHz spectrum block which justify moving away from 20 MHz channel blocks in the 700 MHz band plan**
 - **The 90 MHz of paired AWS spectrum could include larger channels and still accommodate many diverse bidders; 54 MHz of paired 700 MHz commercial spectrum will not**
 - **700 MHz has propagation characteristics suited to serving rural areas and is adjacent to existing cellular frequencies which makes this spectrum attractive to incumbent rural carriers and new entrants who have plans to provide broadband services meaning that more licenses are needed to create opportunities**

UPPER BAND PROPOSALS 1 AND 3 VIOLATE SOUND ALLOCATION PRINCIPLES AND WOULD NOT SERVE THE PUBLIC INTEREST

- **These band plans, which include a 22 MHz paired channel and REAGs for each spectrum block, are tailored to the business plans of a select few large companies**
 - **It is uncertain whether certain of these companies are committed to participate in the auction or to pay a fair market price for the spectrum in a truly competitive auction**
 - **Adopting either of these band plans would engage the Commission in picking winners and losers**
- **Proposals 1 and 3 would make the auction of the Upper Band less competitive and freeze out certain prospective auction participants who hold great promise for providing broadband services in rural and underserved areas**
- **A 20 MHz or greater spectrum block is not necessary to foster high speed broadband data services**
 - **A 5 MHz spectrum block would support 3G CDMA technologies**
 - **Each of the two 10 MHz spectrum blocks would provide sufficient capacity for three CDMA EVDO channels or two 5 MHz WiMax TDD channels**
- **Prior auctions establish that a nationwide footprint can be assembled from smaller license areas; a preponderance of REAGs is not necessary**

THE 700 MHZ ALLOCATION NEED NOT BE SKEWED TO FOSTER A “THIRD BROADBAND PIPE” TO THE HOME

- **A diverse group of carriers already is working to bring a third, fourth and fifth broadband pipe to the home**
 - **New broadband capacity is being developed using Broadband-over-Power-Lines (including a service test by DirecTV); on the 2.5 GHz networks of Sprint and Clearwire; from municipal Wi-Fi networks; and through unlicensed operation in DTV white spaces**
 - **Mobile wireless broadband lines rose from 1% to 17% of total broadband lines from June 2005 to June 2006; 59% of recent total high-speed line adds were mobile wireless subscriptions**
 - **In June 2006, the Commission found that 63.3% of zip codes had five or more high speed service providers and more than 76% have four or more providers**
- **The Commission should not disrupt the market forces that already are fostering competition to provide a third pipe by skewing the 700 MHz allocation for an identifiable group of industry giants**
 - **Tailoring a spectrum block for a select few would create an unlevel playing field**
 - **The proponents of larger blocks and areas have the resources to acquire the spectrum they want using the building block approach**
 - **There is no evidence in the record demonstrating that a large nationwide provider is likely to deliver high-speed broadband service sooner or better than a rural or regional provider**

GEOGRAPHIC PERFORMANCE REQUIREMENTS AND KEEP WHAT YOU USE RULES ARE UNWISE

- **The Commission has rejected geographic coverage requirements in the past for good reason**
 - **Geographic coverage standards are arbitrary and will force uneconomic investment**
 - **Geographic coverage standards are unfair due to vast differences in population dispersions and raise difficult implementation issues – e.g. do you need to cover federal and state lands, bodies of water, wilderness and wildlife areas, historical areas, etc?**
 - **Construction priorities and timetables should be dictated by market forces; not by FCC rules**
 - **Licensees who pay market prices for spectrum have a powerful economic incentive to use it promptly, to partition unneeded areas, and not to warehouse it for an extended period**
- **Strict geographic standards favor nationwide incumbents and hurt new market entrants**
 - **Nationwide players can meet geographic standards more easily by utilizing existing infrastructure put in place over many years; new entrants doing “greenfield” construction will bear the brunt of the stricter standard and be at a competitive disadvantage**
 - **Subjecting 700 MHz licensees to vastly more stringent construction standards places 700 MHz operators at an unfair competitive disadvantage vis-a-vis incumbents in other bands and violates the principle of technical neutrality**
- **Government imposed construction standards are a poor substitute for smaller license areas that enable applicants to acquire only the territories they truly desire to serve**

- **The best way to foster build-out is to adopt reasonable construction requirements which, if not met, result in the loss of the license**
 - **Allowing carriers to keep-what-they-use fosters “cherry picking”**
 - **Keep-what-you-use is unlikely to cause major incumbents to divest spectrum or territory since they are able to meet build-out requirements more easily than others**
 - **Keep-what-you-use rules will force the Commission to implement another “unserved area” licensing scheme which would be a step backward**
 - **The cellular unserved area scheme generated border disputes, licensing disputes, burdensome paperwork (coverage maps) and constant regulatory oversight**
 - **Keep-what-you-use limits the future flexibility carriers need to adapt to unanticipated shifts in wireless demand**
 - **The Commission can adopt a proven build-out standard that still would be the strictest ever**
 - **MetroPCS supports the AT&T proposal that the Commission apply the 30 MHz PCS population coverage standard (1/3rd in 5 years; 2/3rds in 10 years) to all 700 MHz licenses**
 - **Require substantial service in order to renew the license**
 - **This approach is grounded in precedent but also satisfies the call of those who want to raise the construction bar**
 - **The Commission’s CMRS Competition Reports confirm that prior standards have fostered ubiquitous service and a competitive industry**
-

THE COMMISSION SHOULD ADOPT A MARKET BASED APPROACH TO ASSISTING PUBLIC SAFETY; NOT THE FRONTLINE PROPOSAL

- **MetroPCS supports the goals of assuring that Public Safety has sufficient spectrum and the means to develop a nationwide interoperable network to support first responders**
- **The Frontline Proposal, and the proposed variations to it, do not meet the stated goals**
 - **The Frontline proposal has not received the necessary unqualified endorsement of the public safety community or of DHS**
 - **A commercial auction is a poor way to choose a proper partner for public safety**
 - **Public safety needs cannot be entrusted to a monopoly commercial service provider**
 - **The Frontline proposal is of questionable legality**
 - **Frontline has crafted its proposal to limit competition by including “poison pills”**
 - **The Frontline proposal raises serious issues regarding the Commission’s DE program**
 - **The Frontline wholesale-only business model is unproven and risky**
 - **Frontline is asking the Commission to resurrect discredited “command and control” spectrum allocation policies that have been criticized in the past by Frontline’s founders**
 - **The Frontline proposal would require intensive ongoing Commission oversight**
- **The better approach is to have public safety partner with the federal government or do its own RFP**
- **If the Commission wants to have commercial operators play a role in an interoperable nationwide network, it should create market incentives for all commercial operators to participate**