

June 28, 2007

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, SW
12th Street Lobby, TW-A325
Washington, D.C. 20554

**Re: *Ex Parte* Submission
PS Docket No. 06-229; WT Docket Nos. 96-86, 06-150, 06-169**

Dear Ms. Dortch:

CTIA - The Wireless Association® (“CTIA”) hereby submits this letter and the attached presentation in response to a June 19, 2007, filing by Frontline Wireless, LLC (“Frontline”) in the above-referenced 700 MHz proceedings.¹ CTIA takes this opportunity to correct Frontline’s mischaracterizations regarding the wireless marketplace and to again urge the Federal Communications Commission (“Commission” or “FCC”) to move forward with an open auction and flexible service rules for the 700 MHz bands.

Despite Frontline’s characterization, the mobile wireless industry is vibrantly competitive. Indeed, the FCC has repeatedly found the CMRS marketplace to be effectively competitive.² The attached slides show growing consumer choice among mobile wireless service providers and offerings, negating any concerns about market concentration. Wireless carriers have every incentive to utilize spectrum they purchase at auction, as demonstrated by wireless carriers’ continued investment in their networks. Wireless carriers do not, and cannot as a practical matter, warehouse spectrum as Frontline alleges.

For consumers, vigorous mobile wireless competition has meant lower prices, improved service quality, expanded coverage, and new and innovative service offerings. This competition can be seen in wireless carriers’ efforts to differentiate their mobile wireless broadband offerings, including the increased availability of inexpensive Wi-Fi capable mobile wireless handsets.³ Without any regulatory intervention, all of the nationwide wireless carriers are now marketing mobile

¹ Letter to Marlene Dortch, Secretary, Federal Communications Commission from Gerard J. Waldron, Counsel to Frontline Wireless, LLC, WT Docket No. 06-150 (filed June 19, 2007).

² *See, e.g.*, In re: Implementation of Section 6002(B) of the Omnibus Budget Reconciliation Act of 1993, 21 FCC Rcd. 10947, 11030-31 (2006); ., In re: Implementation of Section 6002(B) of the Omnibus Budget Reconciliation Act of 1993, 20 FCC Rcd. 15908, 15984-85 (2005).

³ Jessica E. Vascellaro and Amol Sharma, “Cellphones Get Wi-Fi, Adding Network Options,” The Wall Street Journal, B1 (June 27, 2007).

wireless devices that enable consumers to download applications of their choice, access content of their choice, and use the network access of their choice. The Federal Trade Commission has also recognized the importance of the competitive CMRS industry, specifically mobile wireless broadband as an important competitive substitute to cable modem and DSL services.⁴

The industry's rapid response to ever-changing consumer demand is a testament to the Commission's deregulatory approach to the mobile wireless industry. As a result of the Commission's open auctions and flexible service rules, competition remains vigorous and consumer choice, not regulatory fiat, has dictated carrier conduct.

It is for these reasons that CTIA continues to oppose the restrictive auction and service rules that Frontline suggests for the 700 MHz spectrum. The obvious consequences of tailoring the license to the interests of Frontline, or any other entity, are a loss of revenue in the auction and the risk that the spectrum is not optimally utilized should Frontline fail to convert its proposal into a sustainable business.⁵ Frontline's proposal reverts back to "command and control" spectrum policy management with a laundry list of license conditions designed to disadvantage current and potential competitors and favor itself. The combination of conditions – buildout of the E Block and public safety broadband spectrum, E block spectrum subject to preemption for public safety emergency use, a wholesale business plan, an open access requirement on all licenses held by the licensee, a wireless *Carterfone*-type obligation, and roaming service – render the prospects of business success a real and open question. If Frontline's proposal truly is a viable business and results in the best use of the spectrum, it should participate in bidding at open auction like all other interested bidders without the need for these special license conditions.

⁴ "Broadband Connectivity Competition Policy," Fed. Trade Comm'n, at pg. 109, *available at* <http://www.ftc.gov/reports/broadband/v070000report.pdf> (June 27, 2007).

⁵ Robert Hahn and Hal Singer, "Earmarked Airwaves?" The Washington Post, A19 (June 27, 2007).

Pursuant to Section 1.1206 of the Commission's Rules, this letter is being electronically filed with your office. If you have any questions regarding this submission, please contact the undersigned.

Sincerely,

/s/ Paul W. Garnett

Paul W. Garnett

Attachment

cc: Chairman Kevin Martin
Commissioner Michael Copps
Commissioner Jonathan Adelstein
Commissioner Deborah Taylor Tate
Commissioner Robert McDowell
Erika Olsen
Bruce Gottlieb
Barry Ohlson
Renee Crittendon
Aaron Goldberger
Angela Giancarlo
Fred Campbell