

**T-Mobile USA, Inc.**

**The Roaming Home  
Market Exclusion Should  
Be Reconsidered**

**WT Docket No. 05-265**

**February 27, 2008**

# Roaming Is Essential To T-Mobile's Business Strategy

- As the fourth largest “national” U.S. carrier, T-Mobile relies on extensive roaming agreements with other GSM/GPRS carriers to fill out its footprint, especially in rural areas.
- Successful roaming relationships are essential to T-Mobile's strategy to keep existing and attract new customers.
  - T-Mobile takes advantage of opportunities to expand its facilities-based network when it is economically rational and feasible to do so, such as through acquisitions (e.g., SunCom Wireless) and building new facilities (e.g., construction in eastern Tennessee).
- To increase its coverage area and roaming capacity, T-Mobile's roaming arrangements extend to carriers that operate at 850 MHz, 1900 MHz, or both frequencies.

# Position Overview

- In October 2007, T-Mobile and four other parties petitioned for reconsideration of the home market exclusion.
- T-Mobile proposed redefining the exclusion:
  - The exclusion should apply only to areas where a home carrier has an operating network that can be used to provide CMRS.
  - It should not extend everywhere that a home carrier has “spectrum usage rights.”
- All parties in the reconsideration proceeding support redefining or removing the home market exclusion, **except** for the two very largest U.S. carriers – AT&T (GSM) and Verizon Wireless (CDMA) – that directly benefit from the exclusion.

# Reasons to Change the Home Market Exclusion

- The current home market exclusion:
  - Hampers the continued development of the wireless marketplace to the detriment of consumers;
  - Eliminates regulatory parity among wireless carriers;
  - Encourages discriminatory behavior;
  - Adds to and *de facto* amends existing build-out requirements; and
  - Harms competition and consumers.
- On January 30, 2008, T-Mobile submitted an analysis by Dr. Harold Furchtgott-Roth discussing the harmful impact of the home market exclusion.

# The Furchtgott-Roth Declaration: Weaknesses of the Current Home Market Exclusion

- The current exclusion has unintended negative consequences.
- The current exclusion creates a discriminatory market environment.
  - Shifts the legal presumption from regulatory parity to a preference for discrimination based upon license status.
- FCC policies have always provided wireless providers with the incentive to acquire spectrum licenses as opposed to acting solely as resellers and roamers.
- But the current exclusion makes it more difficult for new market entrants to deploy competitive services and may discourage carriers from holding licenses.

# The Furchtgott-Roth Declaration: Weaknesses of the Current Home Market Exclusion

- Despite the FCC's intent that the home market exclusion promote build out of infrastructure in all geographic areas, the opposite outcome appears more likely.
  - Adopting more stringent construction requirements on a prospective basis, such as those that apply to 700 MHz licenses, better promotes the FCC's objectives.
- The current exclusion may harm American consumers.
  - U.S. consumers currently enjoy some of the lowest wireless service rates in the world and are unaware of roaming boundaries under existing arrangements.
  - This situation is likely to change as roaming services become less efficient as a result of the home market exclusion.

# Conclusion

- The record in this proceeding demonstrates that the FCC should reconsider the home market exclusion.
- In its current form, the exclusion discriminates in favor of the two largest U.S. telecommunications carriers, ignores the realities of building out license areas, inhibits new market entrants, and harms service providers in rural areas.
- Redefinition or elimination of the exclusion will remove the exclusion's unintended negative consequences and help promote the development of wireless broadband.

