BINGHAM

Jean L. Kiddoo
Direct Phone: (202) 373-6034
Direct Fax: (202) 373-6482
jean.kiddoo@bingham.com

October 14, 2008

VIA ELECTRONIC FILING

Marlene H. Dortch, Secretary
Federal Communications Commission
The Portals
445 12th Street, S.W.
Washington, DC 20554

Re: *Ex Parte* Communication – WT Docket 08-95

Dear Ms. Dortch:

On behalf of MetroPCS Communications, Inc. ("MetroPCS") and NTELOS Inc. ("NTELOS"), and pursuant to Section 1.1206 of the Commission's Rules, 47 C.F.R. § 1.1206, this is to provide notice of *ex parte* meetings held on Friday, October 10, 2008, in connection with the above-referenced proceeding. The meetings were attended by James S. Quarforth, Chief Executive Officer & President of NTELOS, Mary McDermott, Senior Vice President-Legal and Regulatory Affairs of NTELOS, Mark A. Stachiw, Executive Vice President, General Counsel & Secretary of MetroPCS, and the undersigned counsel to MetroPCS and NTELOS (together the "MetroPCS/NTELOS Participants").

The MetroPCS/NTELOS Participants met separately with Commissioner Jonathan S. Adelstein and Renée Roland Crittendon, and with Commissioner Michael J. Copps and Bruce Liang Gottlieb (together the "FCC Participants"). The purpose of the meetings was to discuss MetroPCS' and NTELOS' Petition to Condition Consent or Deny Application filed on August 11, 2008, and their Reply filed on August 26, 2008, in the above-referenced docket. A written summary of the topics discussed at the meetings was provided to the FCC Participants and is enclosed herewith for inclusion in the Commission record.

Should any additional information be required with respect to this *ex parte* notice, please do not hesitate to contact me.

Very truly yours,

/s/

Jean L. Kiddoo

Enclosure
cc (by email): FCC Participants
Mary McDermott
Mark A. Stachiw

A/72688578.1

Presentation of
MetroPCS & NTELOS

WT Docket No. 08-95
Alltel/Verizon Merger

October 9-10, 2008

MetroPCS & NTELOS

- Merger of Alltel with Verizon will harm retail wireless competition
- Narrowly tailored merger conditions are necessary to eliminate the competitive harm caused by this merger
  - Roaming
  - Pro-Competitive Divestiture
- Action in generic automatic roaming docket does not address problems caused by merger
- The Commission must seek additional information prior to reaching a decision

MetroPCS & NTELOS

Anticompetitive Merger Effects: Roaming

- Alltel has been a pro-competitive force for roaming
  - Alltel has acted a a balance on Verizon's rates
- Verizon's offer to maintain Alltel roaming agreements with "regional, small and/or rural carriers" for 2 years is too short; it is unclear who is included within "regional, small or rural carriers;" and it will not help carriers who do not currently have agreements with Alltel

MetroPCS & NTELOS

Anticompetitive Merger Effects: Roaming

- The merger will result in higher retail rates to consumers
  - In many cases, roaming is included as part of one or more of a carrier's service plans
  - Alltel provides roaming services at rates that are considerably lower than Verizon's
  - Without Alltel, Verizon will have no competitive check
  - When Verizon raises rates, local rates will need to follow
- The merger will stifle competition for local retail services by reducing the competition to Verizon offered by small, rural and regional carriers

MetroPCS & NTELOS

Anticompetitive Merger Effects: Roaming

- The merger will eliminate roaming or drive up the costs to consumers for local service plans that include roaming
  - Alltel allows roaming at the same rate regardless of whether the requesting carrier has a license in the market, while Verizon either denies roaming or charges considerably more for roaming where the requesting carrier has a license
  - Verizon has opposed automatic roaming at every turn and has begun to re-craft existing roaming agreements
- Carriers which rely on CDMA will have no choice but to accept Verizon's anti-competitive offers since there is only one other supplier of CDMA national roaming

MetroPCS & NTELOS

Anticompetitive Merger Effects: Roaming

- Once small carriers are driven out of business, Verizon will be able to raise rates
  - Almost no new spectrum is available for new entrants
  - Even if small carriers are not driven out of business, since roaming is an important input to local retail rate plans, Verizon will be able to raise its own rates in line with its competition being forced to do so
  - The merger will result in an effective duopoly where each participant has an incentive not to price discount or reduce rates

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Anticompetitive Merger Effects: Roaming

- Roaming conditions are necessary
  - Verizon should be required to offer automatic roaming for 10 years
  - Verizon's roaming rates should be capped at the lower of: 5 cents a minute or the lowest wholesale roaming rate Verizon charges to any carrier
  - Verizon should be prohibited from charging different rates depending on where roaming occurs
  - Verizon should be required to offer data roaming services at reasonable rates

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Anticompetitive Merger Effects: Roaming

- Roaming conditions are merger-specific and will not be addressed in the generic automatic roaming docket
  - The conditions address the specific competitive harms resulting from the merger
  - Conditions have been imposed in the past in similar circumstances – *e.g.*, Ameritech-SBC merger
  - The proposed conditions are specific and narrowly tailored
  - The proposed conditions are required to retain a competitive retail wireless marketplace
  - The generic docket deals with the industry as a whole whereas merger conditions address the specific anticompetitive harms caused by merger

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Anticompetitive Merger Effects: Roaming

- Roaming concerns are the single most significant issue raised in comments
  - The Commission did not ask a single data request pertaining to CDMA roaming
  - The Commission must review Alltel's and Verizon's roaming agreements to adequately assess the impact of the merger on retail wireless competition
  - The existing roaming agreements will prove that the Alltel/Verizon merger will reduce competition and reduce services

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Anticompetitive Merger Effects: Spectrum Aggregation

- Divestiture conditions must further meaningful competition
  - At a minimum the merged entity should not hold both 800 MHz cellular licenses in any market
  - Recent auctions have been structured in a way that effectively precluded such carriers from participating
  - Concentration will choke competition as applications are designed for larger bandwidth of the nationwide carriers
  - Divestiture to smaller carriers or financial players who will operate systems for at least 5 years will also help assure that roaming incentives remain

MetroPCS & NTELOS

Anticompetitive Merger Effects: Spectrum Aggregation

- Any divestitures ordered by the Commission should afford rural and regional mid-tier carriers to have meaningful access to spectrum and other divested assets
  - Sale/swap to other 3 national carriers should be prohibited
  - Sale to financial investors should require 5-year commitment
  - Sale should allow for disaggregation on market-by-market basis
  - In divestiture markets where Alltel and Verizon operate on both CDMA and another technology, the CDMA properties should be divested to alleviate concentration of CDMA roaming market