



October 1, 2009

Via Electronic Filing

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 Twelfth Street, SW, TW – A325
Washington, DC 20554

**Re: WT Docket Nos. 07-195 and 04-356 and GN 09-51 – Notification of Oral
Ex Parte Presentation**

Dear Ms. Dortch:

On September 30, 2009, John Muleta, Milo Medin and the undersigned, on behalf of M2Z, met with Commissioner Mignon Clyburn and Renée Crittendon, to discuss the status of the AWS-3 proceeding. The enclosed materials were provided at the meeting and outline the topics of our discussion.

Pursuant to Section 1.1206(b) of the Commission rules, an electronic copy of this letter is being filed. Please let me know if you have any questions regarding this submission.

Sincerely,

A handwritten signature in black ink, appearing to read 'Uzoma Onyeije', with a long horizontal flourish extending to the right.

Uzoma Onyeije

cc: Commissioner Mignon Clyburn
Ms. Renée Crittendon

Innovation. Freedom.

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Status Update on AWS-3

A Presentation to Commissioner Clyburn

September 30, 2009

- Silicon Valley backed firm seeking to provide nationwide wireless broadband services in the AWS-3 spectrum band.
- Diverse company with experienced investors and a management team committed to innovation and consumer empowerment on all fronts.

Founders and Board committed to innovation, open networks and consumer empowerment

Name	Firm	Select Investments	Other Board Memberships
John Doerr	Partner, Kleiner Perkins Caufield & Byers	   	Google, Amazon, Intuit, Homestore, Sun, Good Technology, Miasole, Purkinje, Spatial Photonics
Bruce Sachs	Partner, Charles River Ventures	     	iControl, BigBand Networks, Celerica, Cedar Point Communications, Acopia Networks and Vertex Pharmaceuticals, Inc.
Geoff Yang	Partner, Redpoint Ventures	     	Ask Jeeves, Tivo, Azul Systems, BigBand Networks, Calix, Caymas Systems, Efficient Frontier, M2Z Networks, MySpace, JotSpot and Oodle
Milo Medin	Chairman & CTO, M2Z		
John Muleta	CEO, M2Z		First Avenue Networks, HRSmart, PacketHop, Visto

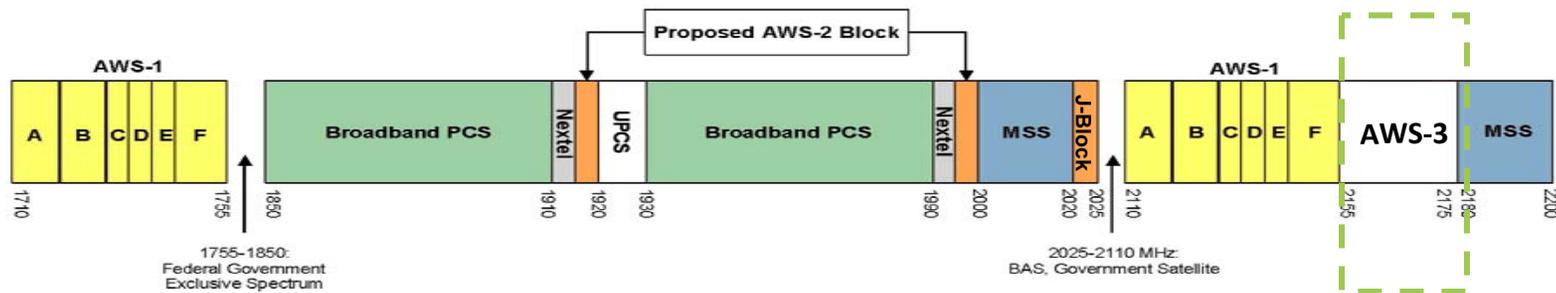
- **According to PEW Research, 37% of the population still does not have broadband primarily due to affordability and the impact is on the poor and on minorities.¹**

- **A July 2009 study by the University of Illinois (Chicago) on citywide technology use within Chicago finds:²**
 - Nearly 40 percent of Chicago residents, especially African-Americans, Latinos and those aged 67 or more, have limited or no access to the Internet.
 - Both African-Americans and Latinos without Internet access at home are more likely than whites to cite costs as the main reason for not being online, rather than a lack of interest.

- **According to the National Broadband Plan team's data, 3-6 million households don't have access to the minimum level of broadband (768 kbps) and it would cost at least \$20 billion of wired investment to get them this level of access.**

AWS-3 Band has been fallow for a number of years

- 25 MHz Unpaired Allocation at 2155-2180 MHz.
- Designation and Relocation Proceedings completed in 2006.³
- AWS-3 still has no service rules in place.



Net
Neutrality

- 1) **Open access network:** no blocking of content (similar to 700 MHz “C” Block);⁴
- 2) **Open platform network:** no proprietary end-user equipment (similar to 700 MHz “C” Block);⁵

Universal
Access

- 3) **Nationwide Free Broadband Service:** at least 25% of the network capacity dedicated to a free (no monthly subscription charge or other fees) service with a minimum of 768 kbps (download) which is the FCC’s definition of basic broadband;⁶
- 4) **Aggressive build out requirements:** coverage of 50% of the population in 4 years; 95% within 10 years (with license revocation as a remedy for failure to comply).⁷

Free Minimum of 768 Kbps

Premium/Wholesale 3-6 Mbps

Service

- » Free Service @ 768 Kbps

- » Minimum 3 Mbps service

Description:

- » Instant install, 'Fixed portable' use, nationwide coverage
- » Consumer buys CPE such as netbooks and other smart devices

- » Instant install, 'Fixed portable' use, nationwide coverage
- » Enables nationwide roaming

Public Policy

Pro Consumer

- » Openness and Free = clear path to volume for devices and applications driving down consumers' cost of acquiring devices and applications
- » Upgrade path to premium offerings for consumers adopting to bband

Pro Competition

- » M2Z operating model is built to support Wholesale partners who need a 'third pipe', and nationwide footprint for broadband roaming

Impact:

Business Drivers:

- » Ad-supported (via geo-location tagged search)
- » Dependent on rollout schedule

- » Wholesale
- » Premium Subscription
- » Roaming partnerships
- » Dependent on Rollout schedule

**Current Advertised Rates for Wireless Broadband Access
(Proprietary Consumer Equipment purchased separately)**

\$ 60.00/ month ⁸
with typical data rates of up to 600-1.7 Mbps downloads
Proprietary CPE



\$ 40.00/ month ¹¹
with data rates of 400-700 kbps download
Proprietary CPE



\$59.99/ month ⁹
with typical data rates of up to 600-1.4 Mbps downloads
Proprietary CPE



\$ 20.00/ month ¹²
with data rates of up to 768 kbps download
Proprietary CPE (?)

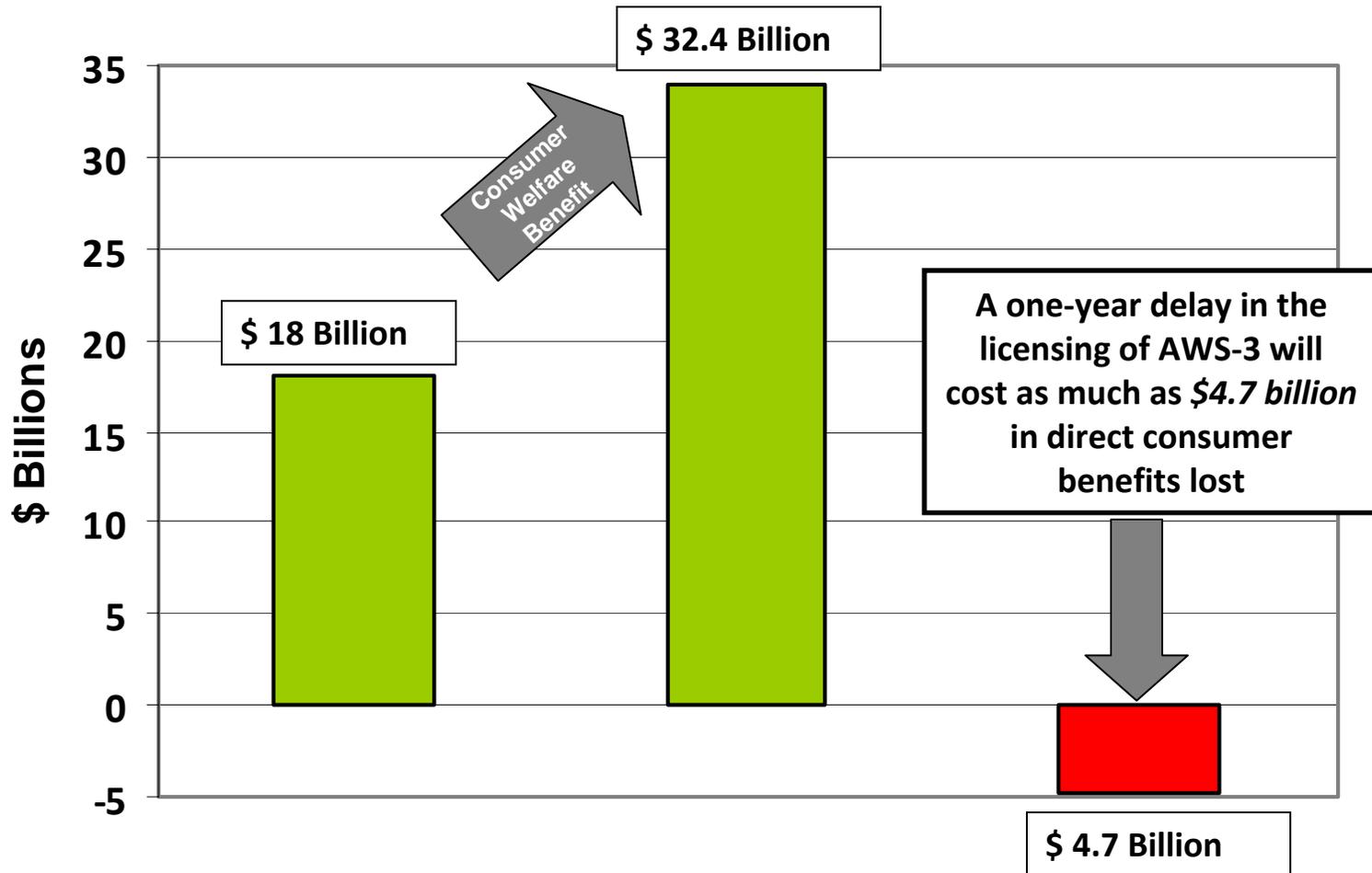


\$ 59.99/ month ¹⁰
with typical data rates of up to 700-1.5 Mbps downloads
Proprietary CPE



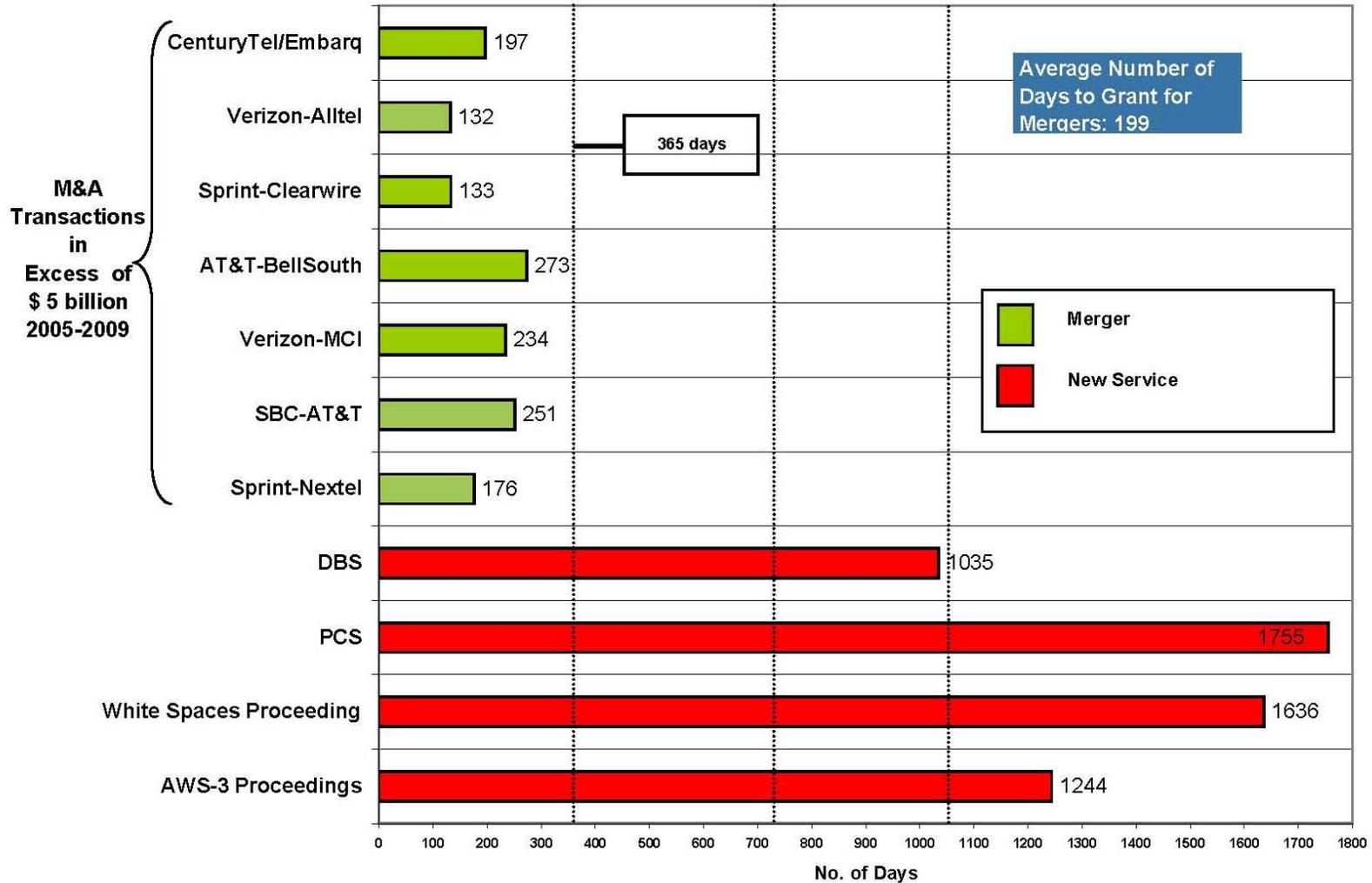
\$ 0.00/ month ¹³
with minimum data rates of 768 kbps
Open Device Platform

AWS-3



Sources: Former FCC Chief Economist Dr. Simon Wilkie conservatively calculated the consumer benefit of the AWS-3 proposed rules' public interest commitments from \$18 billion to as high as \$25 billion over the life of the license. Alternatively, a study by Dr. Kostas Liopiros found that those benefits could reach as high as \$32.4 billion. The direct cost to consumer benefit of a one-year delay in the grant of that license was calculated at up to \$4.7 billion.¹⁴

As of 9/30/2009



* This chart depicts the number of days that these matters were pending prior to being granted.¹⁵

- ✓ **The Commission should immediately conclude the AWS-3 proceeding and auction the Spectrum so consumers can benefit from the spectrum.**

- ✓ **The Commission should add a New Entrant Only Requirement to AWS-3 in order to allow new entrants a real opportunity to build a disruptive network.**

- ✓ **Canadian AWS-1 Auction is a successful model for encouraging new entry**
 - Prior to the 2008 Canadian AWS-1 auction, less than 60 percent of the population subscribed to wireless mobile services.

 - To address that dismal number, the 2008 Canadian AWS-1 auction set aside for new entrants three of the six blocks (accounting for 40% of the available spectrum).¹⁶

 - “The set-aside spectrum [for new entrants] was, in our opinion, one of the key factors that led to the high level of competitive bidding (and hence, higher prices), luring in bidders that would have otherwise not participated in the auction.”¹⁷

1. See John Horrigan, Pew Internet & American Life Project, “Home Broadband Adoption 2009” p. 3, 37, Jun. 17, 2009, available at: <http://www.pewinternet.org/Reports/2009/10-Home-Broadband-Adoption-2009.aspx> .
2. See Karen Mossberger and Caroline J. Tolbert, “Digital Excellence in Chicago” p. 6, Jul. 2009, available at: http://egov.cityofchicago.org/webportal/COCWebPortal/COC_ATTACH/Digital_Excellence_Study_2009_--_Web.pdf.
3. See *Amendment of Part 2 of the Commission’s Rules to Allocate Spectrum Below 3 GHz for Mobile and Fixed Services to Support the Introduction of New Advanced Wireless Services, including Third Generation Wireless Systems*, ET Docket No. 00-258, Ninth Report and Order, FCC 06-45 (rel. Apr. 21, 2006) (“AWS 9th R&O”) (establishing procedures for relocation of incumbent users)
4. See Service Rules for Advanced Wireless Services in the 2155-2175 MHz Band; Service Rules for Advanced Wireless Services in the 1915-1920 MHz, 1995-2000 MHz, 2020-2025 MHz, and 2175-2180 MHz Bands, WT Docket Nos. 07-195 & 04-356, Further Notice of Proposed Rulemaking, FCC 08-158, at ¶ 3 and proposed rule 27.16(b) (rel. Jun. 20, 2008) (“AWS-3 FNPRM”).
5. Id.
6. AWS-3 FNPRM at ¶ 3 and proposed rule 27.1191.
7. Id at ¶ 3 and proposed rule 27.14(a).
8. Advertised Rates by AT&T available at: <http://www.att.com/gen/general?pid=11023>.
9. Advertised Rates by Verizon available at: <http://www.verizonwireless.com/b2c/mobilebroadband/?page=plans&lid=//global//plans//mobile+broadband+plan>.
10. Advertised Rates by T-Mobile available at: <https://www.t-mobile.com/shop/plans/cell-phone-plans-detail.aspx?tp=tb1&rateplan=T-Mobile-webConnect-Data>.
11. Advertised Rates by Cricket available at: <http://www.mycricket.com/cricketplans/details/broadband>.
12. Advertised Rates by Clearwire available at: <http://www.clearwire.com/>.
13. .See AWS-3 FNPRM at ¶ 3 and proposed rule 27.1191 (b).
14. See e.g. Simon Wilkie, “The Consumer Welfare Impact of M2Z Networks Inc.’s Wireless Broadband Proposal,” WT Docket Nos. 07-16 and 07-30, (filed Mar. 02, 2007); Kostas Liopiros, “The Value of Public Interest Commitments and the Cost of Delay to American Consumers,” WT Docket No. 07-16 (submitted Mar. 19, 2007).

15. Information developed from FCC Office of General Counsel Major Transactions Page. (<http://www.fcc.gov/transaction/mergerorderschron.html>)
16. See Licensing Framework for the Auction for Spectrum Licenses for Advanced Wireless Services and other Spectrum in the 2 GHz Range, Gazette Notice DGRB-011-07 (Dec. 2007) available at [http://www.ic.gc.ca/epic/site/smt-gst.nsf/vwapj/awslicensing-e.pdf/\\$FILE/awslicensing-e.pdf](http://www.ic.gc.ca/epic/site/smt-gst.nsf/vwapj/awslicensing-e.pdf/$FILE/awslicensing-e.pdf) ; see also News Release, Industry Canada, “Government of Canada Opens Up Wireless Industry to More Competition” (May 27, 2008) available at <http://www.ic.gc.ca/eic/site/ic1.nsf/eng/04212.html> . Industry Canada also mandated that existing carriers share towers and roaming spectrum in order to give new entrants an opportunity for achieving scale.
17. See, e.g., David George-Cosh, “Wireless auction raises \$4.25 billion; About 300 licenses up for grabs. Canadians will have up to five more firms to choose from in each province, territory,” Montreal Gazette, July 22, 2008 at B2; David George-Cosh, “Wireless Users Stand to Win; Bidding Ends; New choices to emerge in cellphone market,” National Post, July 22, 2008 at A1; see also CIBC World Markets, “AWS Auction Finally Ends – \$4.25B Is A Big Tally,” at 4 (Jul. 21, 2008)