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January 27, 2010

Via Electronic Delivery

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

**Re: Notice of *Ex Parte*
Reexamination of Roaming Obligations of CMRS Providers
WT Docket No. 05-265**

**Rural Telecommunications Group, Inc. Petition for Rulemaking to Impose a
Spectrum Aggregation Limit on All Commercial Terrestrial Wireless
Spectrum Below 2.3 GHz
RM-11498**

**Verizon Wireless and Atlantic Holdings LLC Seek FCC Consent to Transfer
Licenses, Spectrum Manager and De Facto Transfer Leasing Arrangements,
and Authorizations, and Request a Declaratory Ruling on Foreign
Ownership
WT Docket No. 08-95**

**Applications of AT&T Inc. and Cellco Partnership d/b/a Verizon Wireless
For Consent to Assign or Transfer Control of Licenses and Authorizations
and Modify a Spectrum Leasing Arrangement
WT Docket No. 09-104**

Dear Ms. Dortch:

The Rural Telecommunications Group, Inc. (“RTG”) respectfully submits this letter in reference to the above-captioned proceedings currently before the Commission. In a recent filing to the Commission, MetroPCS Communications, Inc. (“MetroPCS”) expounded upon the

negative, anti-competitive consequences of the existing “in-market” roaming exception.¹ RTG supports MetroPCS’s opposition to the in-market or “home” roaming exception.

As explained in greater detail in the *MetroPCS Ex Parte*, market consolidation in recent years has indeed created a virtual duopoly - consisting of AT&T Inc. (“AT&T”) and Verizon Wireless (“Verizon”) - in the marketplace for roaming services. RTG has consistently asserted that roaming is a necessary input to maintaining a competitive, retail mobile marketplace. Furthermore, contrary to what AT&T and Verizon have argued in the public record, the unintended consequence of the in-market roaming exception has been a palpable chilling effect on new mobile offerings to rural communities. Specifically, without the assurance that it can obtain roaming services from established providers, a new mobile operator will be *less* likely to expand its service area through the purchase of wireless licenses in new markets. This problem was further compounded by the creation of 700 MHz licenses consisting of large geographic areas during Auction No. 73. AT&T and Verizon emerged from that auction the true winners, not merely because they won the bulk of the licenses auctioned, which is troubling enough, but more importantly because potential competitors were scared away by the in-market roaming exception put in place in 2007.

The truth of the matter is that both AT&T and Verizon have depended upon roaming since the dawn of the commercial mobile industry in order to expand their service area and to offer to their respective (and potential) customers an enlarged service footprint. However, after an era of constant consolidation and growth, aided in no small part by a lack of a spectrum cap for much of the preceding decade, both operators have now grown to a point where their reliance upon roaming has been minimized dramatically. Today, both of those companies enter into roaming negotiations with small and rural mobile operators with a pronounced advantage, namely, that they can dictate the rates, terms and conditions as well as where a competitor is allowed to roam. Before the adoption of the in-market roaming exception, AT&T and Verizon depended heavily on roaming partners. In fact, both operators relied on roaming for years and years in markets where they held wireless licenses but where neither had built out any wireless networks. To demand a different set of rules for new market entrants is anticompetitive and ignores the historical backdrop that has allowed Verizon and AT&T to achieve the market dominance they enjoy today.

RTG notes that neither Verizon nor AT&T would ever be disadvantaged by the in-market rule. Verizon and AT&T still need to roam on many of the rural carriers in areas where Verizon and AT&T hold licenses but have not built out facilities. Rural carriers need the roaming revenue that Verizon and AT&T generate when their customers roam in rural areas in order to subsidize operation of their rural carrier networks. These rural carriers would never invoke the in-market roaming rule against Verizon or AT&T to prevent them from roaming in their territories. Because Verizon and AT&T know that a rural carrier would never deny them the ability to roam, they can rest assured that the in-market rule would never be used against them.

¹ Letter of Carl W. Northrop, Michael Lazarus and Mark A. Stachiw to Marlene H. Dortch, Reexamination of Roaming Obligations of Commercial Mobile Radio Service Providers, WT Docket No. 05-265 (filed January 6, 2010) (“*MetroPCS Ex Parte*”).

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The current in-market roaming exception effectively negates any leveling of the playing field established by the Commission after the *2007 Roaming Order* because it prevents mobile operators from entering into new license areas and it discourages new licensees from entering into the mobile marketplace. RTG agrees with MetroPCS that the in-market roaming exception should be eliminated outright in order to restart true competition for roaming services, and in turn, enter a new era of retail wireless competition.

Should you have any questions or require additional information, please do not hesitate to contact me.

Respectfully submitted,

Rural Telecommunications Group, Inc.

By: /s/ Caressa D. Bennet
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General Counsel