



January 6, 2011

EX PARTE NOTICE

Electronic Filing

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

Re: WT Docket No. 10-133
ET Docket No. 10-123
PS Docket No. 06-229
WT Docket No. 05-265

Dear Ms. Dortch:

To help supplement the record in anticipation of the Commission's impending annual report on competition in the wireless industry,¹ T-Mobile USA, Inc. ("T-Mobile") submits the following summary of issues facing the wireless industry that are of the utmost importance if the Commission is to foster competition in the mobile wireless marketplace.

The U.S. currently lags behind much of the rest of the world in broadband deployment.

T-Mobile strongly supports the FCC's efforts to make more spectrum available for competitive mobile broadband services at the earliest possible date. Making additional spectrum available is critical to ensuring that Americans have access to affordable broadband services at the speeds necessary to meet consumer needs and help fuel economic growth and job creation. Broadband is a critical component as U.S. companies strive to compete in a global market, and countries around the world are racing to make sufficient spectrum available for broadband services. For example, Germany recently auctioned 360 megahertz of spectrum, increasing the amount of spectrum available to over 650 MHz. Other countries in Europe and around the globe are moving to make available similar amounts of spectrum for mobile broadband. With 410 MHz of spectrum currently available for mobile services, and only 50 MHz of additional spectrum potentially available in the near term, the U.S. trails (or soon will trail) far behind many other countries. This disparity in the amount of available spectrum is exacerbated by the fact that U.S. customers use mobile services much more intensely than customers in other countries. Specifically, usage-per-user in the U.S. is 4-7 times that of most other countries. T-Mobile urges

¹ See *Wireless Telecommunications Bureau Seeks Comment on the State of Mobile Wireless Competition*, Public Notice, WT Docket No. 10-133, DA No. 10-1234 (rel. June 30, 2010).

the FCC to take all steps available to quickly identify and allocate additional spectrum for commercial use.

Spectrum is a key input to jobs and economic growth.

As the FCC's Fourteenth Report on the Analysis of Competitive Market Conditions in the wireless industry ("*14th Wireless Competition Report*") recognized, wireless services play a fundamental role in job creation and economic recovery. Wireless providers directly employ more than 268,000 people – a figure that has grown by six percent year-over-year in the last four years. And the wireless industry's impact on job creation expands well beyond the carriers themselves; as CTIA has indicated in its filings, approximately 2.4 million American jobs are either directly or indirectly dependent upon the U.S. wireless industry.

Continued job growth in the telecom sector is directly dependant on the availability of additional spectrum that will make it possible for wireless providers to continue to deploy competitive new products and services. Since Deutsche Telekom acquired VoiceStream, T-Mobile's predecessor, approximately 10 years ago, for example, it has invested approximately \$30 billion in the U.S. economy, creating more than 35,000 jobs. And in just the three years between 2006-2009, T-Mobile created 11,000 jobs in the U.S. Indeed, the build-out of T-Mobile's AWS spectrum alone has created a significant number of new jobs, causing T-Mobile's employment levels to grow from roughly 36,000 to 44,000 employees in the past few years. In contrast, over this same period of time the largest carriers, AT&T and Verizon, appear to have eliminated approximately 40,000 jobs – largely through mergers and consolidation. Making additional spectrum available will help enable smaller facilities-based competitive carriers to grow and challenge the largest incumbents, while increasing jobs and furthering the Nation's economic recovery.

T-Mobile and other U.S. carriers need additional spectrum now to deploy advanced mobile broadband services and compete with the two largest carriers.

As the FCC's recent Staff Technical Paper, "Mobile Broadband: The Benefits of Additional Spectrum" (October 2010) confirms, the volume of mobile data usage in 2009 will increase by a factor of 35 by the year 2014, so that the so-called broadband spectrum "deficit" will be close to 300 MHz by that time. For its part, the National Broadband Plan, released in March 2010, recommended that the Commission make 500 MHz of new spectrum available for broadband use within the next 10 years, of which 300 MHz between 225 MHz and 3.7 GHz should be made available for mobile use within the next five years. T-Mobile heartily endorses these findings and goals. There simply is not enough spectrum already allocated or being brought to market in the near term. This spectrum availability problem is compounded by the fact that, from start to completion, the spectrum allocation and licensing process is notably slow, taking on average more than six years. Moreover, once spectrum is allocated and licensed, it typically takes from 18 to 24 months before commercial operations are initiated. As a result, even if the U.S. succeeds in making an additional 500 MHz of spectrum available over the next 10 years, U.S. commercial providers will still lag far behind their European and Asian counterparts based on their access to usable spectrum to provide advanced broadband services. Again, there is a critical need for immediate FCC action.

The public safety community's critical communications needs can be met through partnering with commercial wireless carriers.

T-Mobile recognizes the importance of ensuring that public safety officials have sufficient spectrum available to them to meet their current and future spectrum needs. As the National Broadband Plan concluded, however, partnering with commercial providers will allow public safety entities to take advantage of economies of scale and other benefits of large scale network deployment to ensure that they have access to the most advanced interoperable broadband technologies at reasonable cost. For example, in the commercial context T-Mobile has successfully partnered with Cingular (now AT&T) to share a wireless network in California and New York, and in the U.K. T-Mobile is currently pursuing a similar network sharing arrangement with Orange. T-Mobile believes that commercial providers can successfully pursue such partnerships with public safety entities to meet public safety's need for reliable communications and priority access during times of emergency. T-Mobile looks forward to working with the Commission to further examine the feasibility and benefits of this approach.

Limited FCC regulatory action is necessary to foster competition in the wireless marketplace.

Although T-Mobile agrees that the wireless industry has benefited from the deregulatory framework the Commission historically has applied to it, the Commission should take certain discrete and limited actions now to foster sustainable competition in the mobile broadband market in the face of increasing market consolidation by the two largest facilities-based wireless carriers.

First, the Commission must look for ways to facilitate competition in the spectrum below 1 GHz, which, as the Commission recognized in the *14th Wireless Competition Report*, possesses superior propagation and other beneficial characteristics for the provision of mobile broadband service, especially in rural areas. In particular, because this spectrum can transmit over longer distances requiring less cell sites, carriers deploying in the spectrum face lower capital costs in the form of less infrastructure requirements and much quicker service deployment. As the Commission has found, virtually all the licensed spectrum below 1 GHz is held by the two largest carriers. To promote competition in the wireless marketplace, the Commission must look for ways to make more low band spectrum available to competing providers. One way to accomplish this is to rapidly auction the 700 MHz D Block; another is to move forward expeditiously to facilitate access to UHF and VHF TV bands through the use of incentive auctions and other mechanisms that will help to ensure that the spectrum is put to its most productive use.

In addition, the Commission should move forward, consistent with the recommendation in the National Broadband Plan, with adoption of an automatic data roaming requirement. Indeed, unlike in Europe where there are four competitors that use the same technology, in the U.S. there is only one dominant carrier (AT&T or Verizon) for each technology platform. As the Broadband Plan recognized, competing carriers seeking to gain a customer base to facilitate their own network buildout and expand their service footprint have struggled to negotiate roaming arrangements with these dominant providers. As a result, in today's marketplace competitive wireless carriers face uncertainty as to whether roaming will be available them at all, and when it

Ms. Marlene H. Dortch

Page 4 of 4

is available it is often on unreasonable terms. It is essential the FCC act quickly to confirm that data roaming – like voice roaming – must be offered on just and reasonable terms and conditions.

Pursuant to Section 1.1206(b) of the Commission's rules, an electronic copy of this letter is being filed with the office of the Secretary.

Respectfully submitted,

/s/ Kathleen O'Brien Ham

Kathleen O'Brien Ham
Vice President,
Federal Regulatory Affairs
T-Mobile USA, Inc.
401 9th Street, NW
Suite 550
Washington, DC 20004