

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of Promoting Interoperability
in the 700 MHz Commercial Spectrum
Interoperability of Mobile User Equipment Across
Paired Commercial Spectrum Blocks in the 700 MHz Band

WT Docket No. 12-69

REPLY COMMENTS
of
McBRIDE SPECTRUM PARTNERS, LLC

Vincent D. McBride
Managing Member
July 16, 2012

“In the long and tragic history of inequality between races and gender in America, today we are creating the greatest single opportunity ever made fairly available to small businesses, women and minorities. For the first time in our nation’s history, the federal government is creating opportunities in a new industry in which all Americans will have a fair chance to compete from day one”. “Entrepreneurs’ C Block” is established, which is designed to fulfill the statutory mandate to ensure that small businesses, rural telephone companies and businesses owned by minorities and /or women (“referred to as “designated entities”) have the opportunity to participate in providing broadband PCS.”

Reed E. Hundt



Humpty Dumpty (AT&T) all put back together again.

An **oligopoly** is like a monopoly, in which only one company exerts control over most of a market. In an oligopoly, there are at least two firms controlling the market. A **Holygopoly** is a monopoly with two heads, AT&T and Verizon.

*“The only thing we learn from history is that we don’t learn from history.”
Fredrich Hegel,*

*“Always question the smartest guys in the room.”
Vincent D. McBride*



The Prostitutes and the Sheeple they Control.

Executive Summary

McBride Spectrum Partners, LLC applauds all of the comments in this proceeding that address the substantial public interest harms caused by the unprecedented and unjustifiable lack of interoperability in the Lower 700 MHz band. Indeed, interoperability has been a foundation condition on which all telecommunications networks have been established in this country, resting upon fundamental assumptions set forth in the 1934 Communications Act (and as reaffirmed in the 1996 Telecommunications Act). Allowing two private companies, AT&T and Verizon to develop a private spectrum band class, post auction for airwaves owned by the American people under the cover of a non-government standardization board (3GPP) undermines the very powers vested solely in the Commission and by Congress. Interoperability circumvents the Commission data roaming mandates and the open network access auction rules for the upper C block spectrum band. AT&T and Verizon have indirectly been given unjust dictating control over the use of the public airwaves owned by the people. This unchecked, behavior sets a very

SEC. 251. INTERCONNECTION.

(a) GENERAL DUTY OF TELECOMMUNICATIONS CARRIERS- Each telecommunications carrier has the duty--

(1) to interconnect directly or indirectly with the facilities and equipment of other telecommunications carriers; and not and will have a chilling effect on all future spectrum auctions. ¹

(2) not to install network features, functions, or capabilities that do not comply with the guidelines and standards established pursuant to section 255 or 256.

SEC. 256. COORDINATION FOR INTERCONNECTIVITY.

(a) PURPOSE- It is the purpose of this section--

(1) to promote non discriminatory accessibility by the broadest number of users and vendors of communications products and services to public telecommunications networks used to provide telecommunications service through--

(A) coordinated public telecommunications network planning and design by telecommunications carriers and other providers of telecommunications service; and

(B) public telecommunications network interconnectivity, and interconnectivity of devices with such networks used to provide telecommunications service; and

(2) to ensure the ability of users and information providers to seamlessly and transparently transmit and receive information between and across telecommunications networks.

(b) COMMISSION FUNCTIONS- In carrying out the purposes of this section, the Commission--

(1) shall establish procedures for Commission oversight of coordinated network planning by telecommunications carriers and other providers of telecommunications service for the effective and efficient interconnection of public telecommunications networks used to provide telecommunications service; and

(2) may participate, in a manner consistent with its authority and practice prior to the date of enactment of this section, in the development by appropriate industry standards-setting organizations of public telecommunications network interconnectivity standards that promote access to--

(A) public telecommunications networks used to provide telecommunications service;

(B) network capabilities and services by individuals with disabilities; and

(C) information services by subscribers of rural telephone companies.

(c) COMMISSION'S AUTHORITY- Nothing in this section shall be construed as expanding or limiting any authority that the Commission may have under law in effect before the date of enactment of the Telecommunications Act of 1996.

(d) DEFINITION- As used in this section, the term 'public telecommunications network interconnectivity' means the ability of two or more public telecommunications networks used to provide telecommunications service to communicate and exchange information without degeneration, and to interact in concert with one another.

SEC. 257. MARKET ENTRY BARRIERS PROCEEDING.

(a) ELIMINATION OF BARRIERS- Within 15 months after the date of enactment of the Telecommunications Act of 1996, the Commission shall complete a proceeding for the purpose of identifying and eliminating, by regulations pursuant to its authority under this Act (other than this section), market entry barriers for entrepreneurs and other small businesses in the provision and ownership of telecommunications services and information services, or in the provision of parts or services to providers of telecommunications services and information services.

(b) NATIONAL POLICY- In carrying out subsection (a), the Commission shall seek to promote the policies and purposes of this Act favoring diversity of media voices, vigorous economic competition, technological advancement, and promotion of the public interest, convenience, and necessity.

(2) the statutory barriers identified under subsection (a) that the Commission recommends be eliminated, consistent with the public interest, convenience, and necessity.

SEC. 706. ADVANCED TELECOMMUNICATIONS INCENTIVES.

(a) IN GENERAL- The Commission and each State commission with regulatory jurisdiction over telecommunications services shall encourage the deployment on a reasonable and timely basis of advanced telecommunications capability to all Americans (including, in particular, elementary and secondary schools and classrooms) by utilizing, in a manner consistent with the public interest, convenience, and necessity, price cap regulation, regulatory forbearance, measures that **promote competition in the local telecommunications market, or other regulating methods that remove barriers to infrastructure investment.**

Fair Competition

The principles of fair competition in the business world are defined by law, and therefore unfair competition may well be unlawful or criminal. The exact meaning of unfair advantage or harm caused in business competition may be vague or in dispute, in particular if different competitors promote different interpretations which suit their own interests. It may be difficult to define what it would mean to compete on equal terms, and the operative terms of competition that exist in reality may be challenged only when a participant is seriously disadvantaged by them. Often "equal terms" is defined as an "equal opportunity" or "equal chance" to compete. Matters pertaining to antitrust law, also known as competition law. Antitrust violations constituting unfair competition occur when one competitor attempts to force others out of the market (or prevent others from entering the market) through tactics such as interoperability. Neither frequency ownership nor last-mile monopoly are products of a free market, no matter how much the carriers may claim so. They are the products of government policy. Governments with different policies have far more competitive markets. And more investment. This throttling of competition through government fiat is as expensive to our economy as China's censorship regime is to its citizens. Fair competition based on the price and service not on the abuse of near monopoly powers and predatory pricing. Actions of some competitors actively harm the position of others with respect to their ability to compete on equal and fair terms. Without an interoperability requirement, smaller carriers' current inability to offer broad roaming will continue to increase AT&T's already significant "head-start" advantage, which "will deter investment and constitute a significant hurdle to competition. Regulatory intervention is required. The largest providers have manipulated the international standards-setting process.

In particular, AT&T and Verizon urged the 3GPP to create separate band classes for the Lower 700 MHz B and C Block.¹² Now, AT&T and VZ seek to leverage INTEROPERABILITY to further entrench their dominance.

Humpty Dumpty Has No Clothes.

Anyone that wants to build a new wireless communications company and compete with AT&T by providing mobile service must have access to usable spectrum which is a precondition to providing wireless service. Allowing AT&T to freely control most of the available spectrum without interoperability in the Lower 700 MHz band will ultimately lock-out any competition in the mobile service industry. AT&T will kill off any competition by default because the competition will have no access to roaming within the 700 MHz. spectrum band “the lifeblood” of today's 4G LTE networks. AT&T and VZ will control every aspect of the whole mobile ecosystems. Without interoperability in the Lower 700 MHz band AT&T is in a dominant position with oppressive control over the network vendors, handsets, applications, the mobile cloud, and the last mobile mile. The fixed desktop is fast becoming a dinosaur and foresight tells us that our lives are becoming more dependent on having mobile access in a fast changing world of telecommunications. Allowing this unprecedented interoperability in the Lower 700 MHz band will allow control over valuable and limited airwaves setting a dangerous precedent and will have a chilling effect on the open and free mobile Internet as we know it today and in the future. Without interoperability AT&T and VZ will stifle innovation both in devices and on the network. The combined carriers would be able to leverage an unfair amount of market power to prioritize which handsets get used, what technologies work on those handsets and which apps you'll be able to download from the network. It is up to the Commission to ensure the American people that all of the check and balances are in place. The U.S. antitrust laws in this country are alive and well and can not be manipulated or circumvent by any one company regardless of its size. This interoperability is anticompetitive behavior at worst and a bold and aggressive attempt to form a duopoly in the mobile service industry. Not having interoperability in the 700MHz. band will negatively impact every mobile consumer far into the future.

Interoperability

Interoperability in the 700MHz. spectrum band must be mandated by the commission. AT&T and VZ will not be happy with interoperability but small carriers must have access to new 4G networks across all the 700 MHz spectrum bands as well as having voice & data roaming at fair prices. AT&T is claiming interoperability is extremely complicated and costly. Verizon Wireless, states that mandating interoperability will be expensive and lead to thicker, bulkier devices and more costly base stations. Small carriers, such as Cellular South and U.S. Cellular are asking that the FCC mandates interoperability so that they won't be squeezed out of roaming deals with the larger carriers. Qualcomm says supporting the right set of bands to allow roaming between AT&T, Verizon Wireless, and the smaller carriers is incredibly complicated and will take years to develop. Key requirements in order to have fair competition are 700 MHz interoperability and roaming. Those two pieces must now be mandated in the 700 MHz band. Verizon Wireless and AT&T are locking smaller players out by mandating equipment from their suppliers only works in their particular band class. The Rural Cellular Association (RCA) has

been waiting months for the FCC to make a ruling on mandatory 700 MHz interoperability and data roaming requirements, and it is bolstering its argument with a new report that claims some 38,500 jobs could be created and another 78,500 saved in rural areas if wireless broadband were deployed in the 700 MHz band using equipment that is interoperable with all flavors of 700 MHz. band. "Roaming is very important," said Katz. The market would see an "erosion of the potential network effects" and this "would act as a barrier to entry" into the 700 MHz market, he added. The Public Safety Now Coalition supports an amendment by Sen. Roger Wicker (R-Mo.) and Sen. Mark Begich (D-Alaska) that would require any 700 MHz devices deployed one year after the bill is enacted be capable of operating on any 700 MHz network. FCC mandated that large carriers such as AT&T and Verizon had to share their data networks with smaller regional carrier they are already required to share voice networks such that roaming deals are priced reasonably. As part of this mandate, was a push for interoperability across different bands of the 700 MHz network and their associated hardware so that smaller carriers can roam on the different networks of the larger carriers. AT&T and Verizon are not too pleased and cite expense and increased handset size as making this an unfavorable direction. Verizon Wireless is now suing the FCC over the new rules requiring wireless providers to offer reasonable rates on data roaming to their competitors. In its appeal, Verizon argued the agency overstepped its authority in issuing the regulations. Today, Verizon Wireless requires its LTE equipment manufacturers to only support Band 13 at 700 MHz, while AT&T Mobility's LTE network runs on Band 17. Device manufacturers can support however many bands they want, but the legislation would force interoperability with the larger operators, a move smaller operators have been trying to get approved at the FCC. Interoperability is clearly in the public interest prerequisite to competition. An interoperability requirement will ensure that AT&T, which will hold the vast majority of 700 MHz. spectrum and disproportionate influence over the vendor ecosystem, will not hold the vendor community captive, to the detriment of A Block licensees. Economies of Scale. The 700 MHz band is unique in that it does not match other international allocations, so no global economies of scale can be leveraged. This makes it more difficult for smaller providers when the biggest U.S. holders of the spectrum use the standards bodies to facilitate creating equipment that only works for their portions of the band, thus orphaning bands of smaller providers. As a result, Lower A Block holders face far higher costs than those associated with other spectrum bands. Time to Market. In first serving the needs of the unique band class that is dominated by AT&T, the Lower A Block holders are significantly disadvantaged through the lack of access to new devices and delays in the development of standards, chip sets, and equipment. For example, AT&T developed a new band class and has completed product development in the time it has taken lower A block licensees to get their band class approved. VZW had its LTE network deployed covering 100 million people before Band Class 12 was even fully ratified in the LTE standards body. An interoperability requirement is therefore needed to create a competitive marketplace and a robust ecosystem, much like a number portability requirement was needed to ensure that customers could have meaningful choices. Prerequisite to Data Roaming. Without an interoperability requirement, AT&T can easily use the standards body process to render the FCC new data roaming requirements worthless. We need interoperability in the 700MHz. spectrum band the Commission has no choice, but to mandate interoperability across the whole 700 MHz. spectrum band ASAP.

McBride Spectrum Partners agrees with the comments of :

U.S. Cellular

THE COMMISSION SHOULD ACT EXPEDITIOUSLY TO CLEAR CHANNEL 51 BROADCAST OPERATIONS IN AN EFFORT TO FOSTER ADDITIONAL A BLOCK DEPLOYMENTS.

THE COMMISSION SHOULD CONCLUDE THAT CLAIMS REGARDING HARMFUL INTERFERENCE TO LOWER 700 MHZ B AND C BLOCK LICENSEES ARE NOT SUPPORTED BY THE RECORD AND ARE NOT A OBSTACLE TO REQUIRING INTEROPERABILITY.

DUE TO THE COMPETITIVE HARM BEING CAUSED BY BAND CLASS 17, THE COMMISSION SHOULD REQUIRE THAT ANY MOBILE DEVICE DESIGNED TO OPERATE ON LOWER 700 MHZ A, B OR C BLOCK SPECTRUM BE REQUIRED TO TUNE TO ALL OF THESE BANDS AND SUPPORT BAND 12 AS DEFINED IN 3GPP STANDARDS.

Competitive Carriers Association (“RCA”)

“The lack of interoperability in the Lower 700 MHz band is part of the vicious cycle in which the two super-carriers leverage the existing competitive imbalance to further tilt the playing field against smaller providers. AT&T in particular has used its market power to force adoption of balkanized technical standards. Its artificial segregation of Band Class 12 and creation of Band Class 17 post-auction have produced a device ecosystem in which widely available, economically reasonable handsets function only in the Lower B and C Blocks used by AT&T, and generally do not function in the Lower A Block used by smaller competitors. The lack of interoperability in the Lower 700 MHz band in particular has resulted in a device ecosystem controlled by AT&T that has sharply impeded competition. These difficulties have frustrated competitive carriers’ efforts to build out their networks and to obtain the requisite financing

on reasonable terms. By contrast, the Lower 700 MHz band has been balkanized because of AT&T's success in isolating its smaller competitors that hold Lower A Block licenses. AT&T, by virtue of its market power, has manipulated the Third Generation Partnership Project ("3GPP") standards setting process and insisted on the development of devices that operate only in Band Class 17, isolating the Lower A Block. As a result, many competitive wireless carriers have found it difficult, if not impossible, to obtain handsets that operate in the Lower A Block spectrum. AT&T has successfully delayed or derailed competitive carriers' 4G LTE deployments in the Lower 700 MHz band and it continues to try to delay these efforts. Already, the lack of interoperability has hampered deployment by competitive carriers while clearing the way for AT&T to increase its already considerable competitive advantage. Allowing the two top carriers in the country to dominate our spectrum guarantees we are headed towards a mobile duopoly, which is very un-American."

King Street Wireless

The Commission's authority to require interoperability is really beyond question. The Commission's summary discussion in the NPRM more than amply demonstrates that to be the case. See NPRM, at paras. 56-59, demonstrating support from Titles 1, 2 and 3 of the Act. See also the discussion in Section I, supra. Collectively, they further demonstrate that the Commission has more than ample authority to require interoperability. The arguments to the contrary of the Big Two are little more than desperate efforts to head off what they must understand as being inevitable. They should therefore be summarily dismissed.

NTCH

"What the Big Two (AT&T and VZ) are orchestrating is a polarized marketplace where most other users of the 700 MHz band are relegated to a **spectrum ghetto** on the wrong side of the

tracks.”

Metro PCS

“Interoperability is more important than ever as the Twin Bells – AT&T and Verizon – increase their market power and act to cordon off their spectrum holdings in specific bands and blocks. As is well known to the Commission, AT&T has built a **walled garden** around its 700 MHz B Block spectrum, by supporting a boutique band class (Band Class 17) for equipment operating over this spectrum. This creates a serious problem which lies at the heart of this proceeding. And, there are other warning signs on the horizon with respect to boutique band classes. “

T- Mobile

THE COMMISSION SHOULD EXTEND INTEROPERABILITY ACROSS THE ENTIRE 700 MHZ BAND.

THE COMMISSION HAS AMPLE AUTHORITY TO IMPOSE AN INTEROPERABILITY REQUIREMENT

Interoperability Will Promote Economies of Scale and Scope in the Commercial Equipment Market. Interoperability Will Enhance Public Safety Services and Equipment. Implementation of an Interoperability Mandate Will Not Be Burdensome on Lower 700 MHz Licensees.

Facilitating interoperability is an important goal that will promote, among other things, roaming, lower cost handsets, and enhanced public safety services and devices. As an initial step towards achieving these benefits, the Commission should require interoperability across the Lower 700 MHz band. The Commission should also propose rules that would require interoperability across the entire 700 MHz band, pending the resolution of any additional technical roadblocks.

Vulcan Wireless

“The Commission’s prompt decision to mandate interoperability in the Lower 700 MHz band will help provide the certainty that A Block licensees required to meet their looming build-out and service obligations. Under Section 27.14(g) of the Commission’s rules, absent an extension or waiver from the Commission, A Block licensees must provide signal coverage and offer service over at least 35 percent of their licensed geographic service areas by June 13, 2013, and must provide service over at least 70 percent of their geographic service areas by the end of the A Block license term. As long as the Lower 700 MHz band remains fragmented, A Block licensees will continue to face crippling uncertainty concerning their ability to deploy and offer viable service in the near- and long-term. Such uncertainty will persist even if the Commission is able to resolve the interference-related problems raised by Channel 51 TV operations in some of the A Block licensees’ markets and high powered E Block transmissions. As the interim coverage and service deadline approaches, it is imperative that A Block licensees, including greenfield operators like Vulcan, have reasonable access to affordable devices and equipment that meet actual consumer demand and have reasonable options to deploy against various business models. In the absence of an interoperability mandate, small and mid sized carriers seeking to build out the 700 MHz A Block using Band Class 12 devices will face device costs that are considerably higher than the costs of devices available to larger competitors operating on Band Class 17 or other unified bands. AT&T itself acknowledges that devices that cover both Band Class 12 and Band Class 17 require multiple RF components, which in turn increases the complexity of the design of the device.”

Cricket Wireless

“Further, the impacts of handset cost disparities associated with differences in production scale efficiencies are even more burdensome for carriers like Cricket that offer no-contract, prepaid

services and cannot presume to amortize higher handset expenses over a two year contract. In contrast, carriers that require customers to enter into service contracts can more easily recover higher handset subsidy expenses by amortizing these increased costs over longer periods of time. Significantly, these higher costs will disproportionately impact lower income consumers who rely more heavily on prepaid services.

Cavalier Wireless

“The simple fact is that the longer it takes to implement interoperability, the better the competitive position of the largest two carriers. This is because a combination of some or all of the disadvantages noted in Section IIB, supra, will significantly weaken the operational capabilities of their competitors. And this certainly appears to be why they have rejected interoperability to date, and why they can be expected to either continue to do so or to set unrealistic conditions or timeframes for implementation of interoperability. It is also why it would serve no purpose for the Commission to wait further prior to mandating interoperability, and why the Commenting Parties agree with the following position of Commissioner Clyburn and the Alliance: ensure that these opportunities are not squandered in the 700 MHz Band.”

Cellular South

A small company Cellular South recently filed an antitrust lawsuit in the U.S. District Court of Mississippi, alleging that AT&T, Verizon and their primary chipmakers, Qualcomm and Motorola have conspired together. AT&T and Verizon have caused the leading chipmakers in the world to design specific equipment that will only work in their vast 700 MHz spectrum holdings. Their denial of “Interoperability” makes it cost prohibitive for smaller companies to compete on a level playing field. Even if medium sized companies could afford to make competing band specific equipment they would be unable to offer national roaming. A majority

of U.S. markets are already dominated by these two behemoths, AT&T and Verizon. The A block licenses belonging to Cellular South and many other small telecommunication companies, including McBride Spectrum Partners, will soon be reduced to working only in our local markets. AT&T, the monopolistic giant who once charged \$3.00 per minute for coast-to-coast long distance calls, is now trying to put “Humpty Dumpty” back together again. By disallowing the interoperability of any other company’s equipment working in their dominant 700 MHz spectrum holdings, AT&T is trying to crush their wireless competition. Their nefarious plan is extremely “Anti-Consumer” oriented. Verizon and others are also culpable in this conspiracy scheme. Verizon, previously purchased and controlled A Block licenses in the largest metropolitan markets in America. Verizon is now dumping these licenses in preparation to torpedo the same A Block ship on which they were previously the captain. Verizon is abandoning the rest of us on this sinking ship, causing us to drown with A Block licenses that have minimal remaining value without the ability of national roaming. AT&T, Verizon and their co-conspirators have blatantly targeted all of the holders of A block licenses for extinction. We sincerely believe that any sensible jury will understand that this anti-competition conspiracy being perpetrated is a clear violation of federal antitrust law. Fortunately, President Obama has recently awakened his justice department from a deep sleep in order to stop this kind of anti-consumer behavior. Punitive antitrust damages in the multi-billions of dollars would be justified.²

RCA – The Competitive Carriers Association

LACK OF INTEROPERABILITY IN THE LOWER 700 MHZ BAND HAS HINDERED FACILITIES DEPLOYMENT, COMPETITION, AND INNOVATION

² Cellular South filed an Antitrust lawsuit in the U.S. District Court.) http://news.cnet.com/8301-1035_3-57444856-94/c-spire-how-at-t-conspired-to-squash-ourregional-wireless-firm

HORRY TELEPHONE COOPERATIVE, INC.

The Commission Should Adopt an Interoperability Mandate for the Lower 700 MHz Band. Simply stated, interoperability in the Lower 700 MHz band is critical to Horry's deployment of advanced services throughout rural South Carolina and North Carolina. Without mandated interoperability, Horry does not see a roadmap for the deployment of advanced services utilizing its 700 MHz A Block license throughout rural portions of the Carolinas or for the seamless integration of the License into its existing CMRS network. While Horry initially saw the 700 MHz A Block as a key piece of its 4G strategy, the lack of interoperability has forced Horry to reevaluate how and when it may deploy LTE services utilizing the License, and such LTE services are desperately needed throughout rural portions of Horry's license area.

Horry's search for affordable 700 MHz A Block equipment is not dissimilar from other A Block licensees who simply do not have the economies-of-scale or market power to influence equipment manufacturers. Specifically, Horry has been unable to find reasonably priced equipment capable of operating in its A Block spectrum, and which would allow affordable integration into Horry's existing CMRS network. Unfortunately, the lack of equipment and devices capable of operating in Band Class 12 has undermined the business case for utilizing the License to deploy LTE, because it will not be possible to generate sufficient revenues to offset costs or to obtain handsets or equipment on reasonable terms. While Horry agrees that industry self-governance is generally preferable to government intervention, in this situation, absent Commission action, the status quo will not change and the deployment of advanced wireless services will continue to be delayed.

CTIA

THE LOWER 700 MHZ INTERFERENCE ENVIRONMENT REQUIRES COMMISSION ACTION.

RURAL TELECOMMUNICATIONS GROUP, INC.

The Commission has a history of “promoting interoperability” beginning with its decision in 1981 to mandate that “[w]ith respect to mobile stations, all units must initially be capable of operating” on the channels comprising the two 850 MHz cellular license blocks “in order to insure full coverage in all markets and capability on a nationwide basis.” While the Commission declined to include any mandate for interoperability in the proceedings that developed the licensing of the PCS and AWS bands for auction, it did recognize the importance of this concept for the benefit of consumers. Moreover, the PCS and AWS spectrum auctions resulted in a large number of licensees which, in turn, resulted in numerous facilities-based competitors across the country, thus obviating the need for interoperability. In the nineties and at the turn of the century, prior to industry consolidation, AT&T and Verizon enjoyed immense benefits by being able to access competitors’ networks for roaming.

THE BLOOSTON RURAL CARRIERS

Many small and regional carriers participated in Auction No. 73 and some (including DEs) were fortunate enough to obtain Lower 700 MHz A-Block licenses. Other small businesses and rural telephone companies have sought to provide 700 MHz wireless services by entering into affiliation agreements with or acquiring partitioned

and/or disaggregated spectrum from A-Block regional licensees. Significant opportunities for these companies – companies that would otherwise have been in a position to provide robust competition to AT&T and Verizon Wireless in the 700 MHz band – have been lost due to artificial barriers resulting from carrier-specified equipment banding specifications. Small and regional carriers should be able to obtain the same variety and types of wireless devices, and to benefit from the same economies of scale that make equipment costs comparatively lower for the nationwide carriers. Moreover, with the lack of mobile LTE network equipment and consumer devices that are capable of operating on all paired 700 MHz frequency blocks, small and regional carriers have been left with little choice but to deploy fixed 700 MHz networks in order to meet their enhanced geographic construction requirement by the June 2013 interim buildout deadline. If equipment costs come down with Lower 700 MHz band interoperability, many of these carriers anticipate that they will be able to use the same core network with upgrades to provide full mobility 4G services in the future. Such a result would encourage small and independent service providers to participate in Phase II of the Commission’s Mobility Fund.

**CONSUMERS UNION, PUBLIC KNOWLEDGE, NEW AMERICA FOUNDATION AND
FREE PRESS
INTEROPERABILITY WILL PROMOTE COMPETITION AND BENEFIT
CONSUMER**

More and more, consumers rely on mobile communication and mobile broadband. Thus it is critical that consumers have a truly competitive marketplace, which leads to lower prices and more choices. However, in its Fourteenth Wireless Competition Report, the Commission could not find that the wireless market was subject to “effective competition.” In its most recent

Fifteenth Wireless Competition Report, the Commission again failed to find that the market was effectively competitive. There are a number of factors that can determine whether a competitive market exists. Some of those factors which the Commission analyzed in both reports include switching costs, “non-price rivalry” indicators such as roaming, and barriers to entry. As the wireless market moves towards adopting LTE technology, interoperability is critical to minimizing switching costs, ensuring that consumers can roam onto other carriers’ networks, and creating a market that promotes competition among carriers by eliminating unreasonable barriers. And as discussed in Part II below, in addition to consumer benefits that would result from increased competition, interoperability in the entire 700 MHz band would also benefit public safety.

- **Interoperability Will Promote Consumer Choice.**
- **Interoperability Will Promote Roaming.**
- **Interoperability Will Promote Market Entry.**
- **Interoperability In The 700 MHz Band Will Advance The Openness Goals of the 700 MHz C Block.**
- **INTEROPERABILITY IN THE ENTIRE 700 MHZ BAND WILL PROMOTE PUBLIC SAFETY**
- **THE COMMISSION MUST INTERVENE SWIFTLY TO PROMOTE INTEROPERABILITY**
- **The Commission Has the Legal Authority to Require the Use of Interoperable Devices.**

Conclusion

The Commission has an obligation as regulators of the industry to enforce policies that protect small business from the harmful side effects of such unfairness like non- interoperability in the 700MHz. band which undermines the very principles and objectives of the Commission to promote competitiveness in the mobile industry. The Commission must not underestimate the impact of not having interoperability in the 700MHz. band highlighted by the hundreds of comments that have been submitted in this proceeding. This is an opportunity for the commission to address the underlying competitive issues in the wireless market and to make sure that interoperability in the 700MHz. band becomes a reality. We urge the Commission to address interoperability expeditiously given the long time needed to construct a greenfield mobile network. For the benefit of consumers the Commission should take steps to ensure that smaller players have the ability to compete by adopting interoperability in the 700MHz. band. Ladies and Gentlemen of the Commission, its closing time and the night watchman is jingling his keys.

Respectfully submitted,

By: Vincent D. McBRIDE

