

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

In the Matter of)	
)	
Wireless Telecommunications Bureau Seeks)	WT Docket No. 13-135
Comment On The State Of Mobile Wireless)	
Competition)	

COMMENTS OF MVNO ASSOCIATION

MVNO Association, a non-profit organization representing mobile virtual network operators (“MVNOs”) reselling wireless service in the United States, hereby submits these comments on the role of minority and women-owned business enterprises in mobile wireless competition, in response to the Commission’s Public Notices in the above-referenced docket.¹

MVNO Association supports the request of the Minority Media and Telecommunications Council that the Commission collect data about minority and women-owned business enterprises in assessing the extent and vitality of competition in the mobile wireless industry.² MVNO Association also urges that the Commission report to Congress the continuing benefit to the public interest that is made possible by MVNOs that serve underserved communities and often are minority-owned.

Recently, in the Sixteenth Wireless Competition Report, the Commission recognized the

¹ Public Notice, *Wireless Telecommunications Bureau Seeks Comment On The State Of Mobile Wireless Competition*, WT Docket No. 13-135, DA 13-1139 (rel. May 17, 2013); Public Notice, *Wireless Telecommunications Bureau Seeks Further Comment On The State Of Mobile Wireless Competition And The Role Of Minority And Women-Owned Business Enterprises And Extends Period For Reply Comments*, WT Docket No. 13-135, DA 13-1457 (rel. July 1, 2013).

² See Letter to Chairwoman Mignon Clyburn, Federal Communications Commission, from David Honig, President, Minority Media and Telecommunications Council, *MWBE Participation Data*, WT Docket No. 13-135 (filed May 20, 2013).

unique public interest benefits provided by mobile virtual network operators.³ Specifically, MVNOs target their services to segments of the population that other carriers do not serve.⁴ Many MVNOs provide vital mobile wireless services to underserved communities, such as minority, immigrant, rural, and low-income populations throughout the nation. In many instances, the MVNOs that offer wireless connectivity in underserved communities are themselves owned by minorities.

MVNOs also play an important competitive role in the mobile wireless market. As the Commission has acknowledged, MVNOs compete vigorously against each other,⁵ as well as against facilities-based mobile wireless service providers that also offer prepaid plans.⁶

MVNOs can only provide competitive choices to underserved communities if they have continued access to spectrum controlled by facilities-based wireless carriers, through resale agreements that are offered on commercially reasonable terms and conditions.⁷ MVNO

³ See *Implementation of Section 6002(b) of the Omnibus Budget Reconciliation Act of 1993; Annual Report and Analysis of Competitive Market Conditions With Respect to Mobile Wireless, Including Commercial Mobile Services*, Sixteenth Report, 28 FCC Rcd 3700 (2013) (“Sixteenth Wireless Competition Report”).

⁴ “MVNOs may target their service and product offerings at specific demographic, lifestyle, and market niches, including consumers who are low income, are relatively price sensitive, do not want to commit to multi-year subscription contracts, have low usage needs, or do not want to buy a bundle that contains unwanted data services.” Sixteenth Wireless Competition Report, ¶ 29. The success of MVNOs depends on their access to these market segments based on factors such as brand reputation and marketing strategies, but these markets are also less appealing to other prepaid service providers because the ARPU generated by MVNOs’ customer base is so low. See Sixteenth Wireless Competition Report, ¶¶ 31 and 174.

⁵ “MVNOs engage in some price rivalry and some forms of non-price rivalry.” Sixteenth Wireless Competition Report, ¶ 35.

⁶ “Some facilities-based providers, especially those that specialize in pre-paid plans, state that they compete with MVNOs.” Sixteenth Wireless Competition Report, ¶ 35.

⁷ See generally Letter to Marlene H. Dortch, Secretary, Federal Communications Commission from Karen Brinkmann, Counsel for MVNO Association, *Applications of Sprint Nextel Corporation, Transferor, and SoftBank Corp., and Starburst II, Inc., Transferees, for*

Association therefore urges the Commission to cite in its report to Congress that access to spectrum on commercially reasonable terms is a critical input for ensuring that MVNOs remain a competitive force serving underserved communities in the mobile wireless market.

Respectfully submitted,

/s/

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