

**Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, DC 20554**

Seventeenth Annual Report on the State of                    )     WT Docket No. 13-135  
Competition in Mobile Wireless                                    )

**REPLY COMMENTS OF T-MOBILE USA, INC.**

Howard J. Symons  
Russell H. Fox  
Jennifer A. Cukier  
Angela Y. Kung

Kathleen O'Brien Ham  
Steve B. Sharkey  
Luisa L. Lancetti  
Indra Sehdev Chalk  
Joshua L. Roland

MINTZ, LEVIN, COHN, FERRIS,  
GLOVSKY AND POPEO, P.C.  
701 Pennsylvania Avenue, N.W.  
Suite 900  
Washington, DC 20004  
(202) 434-7300

T-MOBILE USA, INC.  
601 Pennsylvania Avenue, N.W.  
North Building, Suite 800  
Washington, DC 20004  
(202) 654-5900

*Counsel for T-Mobile USA, Inc.*

July 25, 2013

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T-Mobile USA, Inc.<sup>1/</sup> (“T-Mobile” or the “Company”) submits these reply comments in response to the May 17, 2013, Public Notice issued by the Wireless Telecommunications Bureau and the comments of other parties in the above-referenced proceeding.<sup>2/</sup>

**I. INTRODUCTION AND SUMMARY**

The record in this proceeding demonstrates broad agreement that the FCC should implement a pro-competitive regulatory agenda to foster competition and to ensure that all carriers have adequate access to mobile spectrum.<sup>3/</sup> The only parties that disagree are AT&T and

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<sup>1/</sup> T-Mobile USA, Inc. is a wholly-owned subsidiary of T-Mobile US, Inc., a publicly traded company.

<sup>2/</sup> See *Wireless Telecommunications Bureau Seeks Comment on the State of Mobile Wireless Competition*, Public Notice, WT Docket No. 13-135, DA 13-1139 (rel. May 17, 2013). The Wireless Telecommunications Bureau extended the reply comment deadline to July 25, 2013. See *Wireless Telecommunications Bureau Further Extends Period for Reply Comments on the State of Mobile Wireless Competition and the Role of Minority and Women-Owned Business Enterprises*, Public Notice, WT Docket No. 13-135, DA 13-1562 (rel. July 11, 2013); see also *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*, Public Notice, WT Docket No. 13-135, DA 13-1457 (rel. July 1, 2013).

<sup>3/</sup> T-Mobile is grateful that FCC Chairman – Nominee, Thomas Wheeler, shares the view of the majority of commenters in this proceeding, expressing support for “promoting and protecting competition.” See *Nominations Hearing Before the Senate Committee on Commerce, Science, and Transportation*, 113th Cong. 2 (June 18, 2013) (written testimony of Thomas E. Wheeler, to be Chairman, FCC), available at [http://www.commerce.senate.gov/public/index.cfm?p=Hearings&ContentRecord\\_id=8c403dca-5d8e-4b47-9195-05fddaab3bfd&ContentType\\_id=14f995b9-dfa5-407a-9d35-56cc7152a7ed&Group\\_id=b06c39af-e033-4cba-9221-de668ca1978a](http://www.commerce.senate.gov/public/index.cfm?p=Hearings&ContentRecord_id=8c403dca-5d8e-4b47-9195-05fddaab3bfd&ContentType_id=14f995b9-dfa5-407a-9d35-56cc7152a7ed&Group_id=b06c39af-e033-4cba-9221-de668ca1978a) (“I am an unabashed supporter of competition. I believe the role of the FCC has evolved from acting in the absence of competition to dictate the market, to promoting and protecting competition with appropriate oversight to see that it flourishes.”).

Verizon Wireless (“Verizon”), who seek to preserve their dominant position in the wireless marketplace by foreclosing access to valuable spectrum resources. The Seventeenth Annual Report on the State of Competition in Mobile Wireless should, therefore, reflect the fact that additional work is necessary to preserve competition, and that the Commission will take the steps outlined in this proceeding by T-Mobile and others to do so.

In its comments, T-Mobile urged the Commission to make additional spectrum available for mobile broadband and to ensure that carriers have reasonable access to that spectrum, especially competitively valuable lower-band spectrum.<sup>4/</sup> T-Mobile also urged the Commission to revise its current spectrum aggregation rules to limit spectrum obtained at auction and to reflect the difference in spectrum utility above and below 1 GHz.<sup>5/</sup> T-Mobile further suggested that the Commission take other regulatory action to facilitate competition, including strictly enforcing its data roaming rules, promoting equipment interoperability, fostering competitive IP interconnection arrangements, streamlining tower siting and other infrastructure deployments, and reforming its universal service regime in a manner that provides an equitable contribution methodology and provides all carriers with fair access to the funding necessary to support the deployment of broadband services.

All parties agree with T-Mobile that the Commission should work to increase the amount of spectrum for mobile broadband services. Most parties agree that access to new spectrum cannot be unfettered and that the relative scarcity of spectrum compared to demand requires ongoing FCC oversight of spectrum holdings to prevent undue concentration. Most also agree that the Commission’s review of spectrum holdings should account for the unique value of

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<sup>4/</sup> See Comments of T-Mobile US, Inc., WT Docket No. 13-135 (filed June 17, 2013) (“T-Mobile Comments”).

<sup>5/</sup> See *id.* at 16, 18-20.

spectrum below 1 GHz. AT&T's assertions that the Commission need not impose reasonable limitations on spectrum aggregation are flawed and self-serving. It, along with Verizon, continues to incorrectly assert that all spectrum is equal, but commenters in this and other proceedings have made it abundantly clear that carriers need a mix of high- and low-band spectrum to compete.

In addition, like T-Mobile, many commenters demonstrate that there are other actions the FCC can take to promote competition, such as improving and increasing carriers' access to towers, commercially reasonable roaming arrangements, interoperable handsets, IP interconnection, and implementing universal service changes to help foster a robust wireless marketplace.

## **II. REPLY COMMENTS**

### **A. Commenters Agree That Spectrum Is a Key Component to Preserve Competition.**

#### **1. There Is Broad Agreement on the Need for Additional Spectrum.**

T-Mobile's comments pointed out that the Commission must make additional spectrum available to meet growing consumer demands.<sup>6/</sup> Other commenters unanimously agree. CTIA, for instance, states that “[m]aking additional, exclusive-use spectrum available for mobile services represents the most efficient and effective means of alleviating the spectrum crunch”,<sup>7/</sup> adding that “the ideal spectrum would be located below 3GHz, available in a contiguous block, adjacent to existing bands, and readily available for pairing with other spectrum.”<sup>8/</sup> AT&T similarly asserts that the Commission must focus its energies on addressing the looming

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<sup>6/</sup> See *id* at 4-5.

<sup>7/</sup> Comments of CTIA–The Wireless Association, WT Docket No. 13-135, at 62 (filed June 17, 2013) (“CTIA Comments”).

<sup>8/</sup> *Id.* at 65.

spectrum crisis and move forward with the upcoming incentive auction of the 600 MHz band.<sup>9/</sup> Verizon suggests that more spectrum will be needed even as carriers continue to deploy more advanced radio technologies that optimize network design for more efficient spectrum use.<sup>10/</sup> Mobile Future also notes that reassigning spectrum for exclusive licensed mobile broadband use will bring enormous economic benefits and urges the Commission to “double-down” its efforts to make such spectrum available.<sup>11/</sup>

As T-Mobile and others discussed, the Commission already has several opportunities to increase the amount of spectrum available for commercial broadband services.<sup>12/</sup> First, CTIA, Mobile Future, and Verizon all suggest that the FCC proceed expeditiously with its upcoming 600 MHz incentive auction.<sup>13/</sup> Mobile Future also urges the Commission to focus on implementing AWS auctions and other initiatives that are designed to add more spectrum below

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<sup>9/</sup> See Comments of AT&T, Inc., WT Docket No. 13-135, at 20 (filed June 17, 2013) (“AT&T Comments”).

<sup>10/</sup> See Comments of Verizon Wireless, WT Docket No. 13-135, at 56-57 (filed June 17, 2013) (“Verizon Comments”); see also CTIA Comments at v, 61 (noting that while “[n]ew advanced technologies have been deployed to get the most out of existing spectrum allocations . . . [t]he need for additional spectrum will remain urgent”).

<sup>11/</sup> See Comments of Mobile Future, WT Docket No. 13-135, at 8-9 (filed June 17, 2013) (“Mobile Future Comments”).

<sup>12/</sup> See, e.g., T-Mobile Comments at 4-14; CTIA Comments at 64-66 (suggesting that the Commission continue its efforts to bring spectrum assets to market including the 600 MHz band, the H Block, AWS-3 spectrum and the J Block, and the 2095-2110 MHz Broadcast Auxiliary Service band); Mobile Future Comments at 9 (“[T]he FCC must continue its focus on implementing 600 MHz band incentive auctions, AWS auctions, and other initiatives that are designed to add more spectrum below 3 GHz for mobile broadband services, including, in particular, coordinating with NTIA to clear Federal operations from the 1755-1850 MHz band.”); Verizon Comments at 57-58 (“Maximizing the amount of licensed spectrum made available in the upcoming 600 MHz incentive auction, proceeding with the auctions required under the Spectrum Act, and continuing to identify spectrum that can be reallocated from federal to commercial use, will help . . . address the growing needs of wireless consumers.”).

<sup>13/</sup> See CTIA Comments at 64 (“The 600 MHz band has excellent propagation properties and consequently is particularly well-suited for mobile broadband services. The Commission should continue to move forward without delay in this proceeding.”); Mobile Future Comments at 9 (“[T]he FCC must continue its focus on implementing 600 MHz band incentive auctions. . . .”); Verizon Comments at 58 (“Maximizing the amount of licensed spectrum made available in the upcoming 600 MHz incentive auction . . . will help . . . address the growing needs of wireless consumers.”).

3 GHz for mobile broadband services, including, in particular, coordinating with the National Telecommunications and Information Administration (“NTIA”) to clear federal operations from the 1755-1850 MHz band.<sup>14/</sup> Verizon similarly notes that proceeding with the auctions required under the Spectrum Act and continuing to identify spectrum that can be reallocated from federal to commercial use will help ease the spectrum crunch.<sup>15/</sup> CTIA adds that the Commission should continue its efforts to bring other spectrum assets to market including the H Block, AWS-3 spectrum and the J Block, and the 2095-2110 MHz Broadcast Auxiliary Service band.<sup>16/</sup> Based on this clear industry consensus, the Commission should, therefore, act expeditiously to make all of this spectrum available.<sup>17/</sup>

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<sup>14/</sup> See Mobile Future Comments at 9.

<sup>15/</sup> See Verizon Comments at 57-58.

<sup>16/</sup> See CTIA Comments at 64-66.

<sup>17/</sup> Since the submission of comments in this proceeding, the Commission has adopted rules governing the licensing of the H Block and proposed rules for commercial use of the 1695-1710 MHz, 1755-1780 MHz, 2020-2025 MHz, and 2155-2180 MHz bands (together “AWS-3 Bands”). See *Service Rules for the Advanced Wireless Services H Block—Implementing Section 6401 of the Middle Class Tax Relief and Job Creation Act of 2012 Related to the 1915-1920 MHz and 1995-2000 MHz Bands*, Report and Order, WT Docket No. 12-357, FCC 13-88 (rel. June 27, 2013); *Amendment of the Commission’s Rules with Regard to Commercial Operations in the 1695-1710 MHz, 1755-1780 MHz, and 2155-2180 MHz Bands, et al.*, Notice of Proposed Rulemaking and Order on Reconsideration, GN Docket No. 13-185, et al., FCC 13-102 (rel. July 23, 2013). Commission action proposing rules for the AWS-3 Bands was prompted, in part, by a proposal from the Department of Defense (“DoD”) under which it would, among other things, compress its operations in the 1780-1850 MHz band and share the 1755-1780 MHz band and 2025-2110 MHz band with commercial users. See Letter from Teresa M. Takai, Chief Information Officer, Dep’t of Defense, to Lawrence E. Strickling, Assistant Secretary for Communications and Information, NTIA, U.S. Dept. of Commerce, at 1 (July 17, 2013) (noting that “this alternative proposal constitutes a workable balance to provide access to the 1755-1780 MHz band most desired by the commercial wireless industry while ensuring no loss of critical DoD capabilities”), attached to Letter from Karl B. Nebbia, Associate Administrator, Office of Spectrum Management, NTIA, to Julius P. Knapp, Chief, Office of Engineering and Technology, FCC, GN Docket No. 09-51, ET Docket No. 10-123 (filed July 22, 2013). T-Mobile commends DoD for taking action that has permitted the Commission to begin to make the AWS-3 Bands available and appreciates the Commission’s prompt action in both of these proceedings. It looks forward to participating in the AWS-3 Bands proceeding to ensure that the spectrum can be auctioned for commercial mobile broadband services as quickly as possible.

## 2. No Parties Oppose Reasonable Limits on Spectrum Aggregation.

Most parties, like T-Mobile, favor the use of reasonable limits on mobile spectrum holdings, including limits on spectrum that may be acquired in auctions, in order to ensure that the additional spectrum made available by the Commission will foster competition.<sup>18/</sup> For example, Sprint Nextel Corporation (“Sprint”) suggests that the Commission adopt a bright-line cap for holdings below 1 GHz and apply this cap to both secondary-market transactions and spectrum auctions.<sup>19/</sup> The Writers Guild of America, West, Inc. (“WGA”) asserts that the Commission should employ a weighting mechanism that recognizes the value of low-frequency spectrum, particularly at its upcoming auctions, as such an approach would ensure that smaller carriers have an opportunity to bid on low-frequency spectrum.<sup>20/</sup> The Rural Telecommunications Group, Inc., (“RTG”) more broadly asks the Commission to prohibit any

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<sup>18/</sup> See, e.g., Comments of the Competitive Carriers Association, WT Docket No. 13-135, at 11 (filed June 17, 2013) (“CCA Comments”) (urging the Commission to take concrete steps to ensure competitive carriers’ access to needed spectrum by promptly concluding its review of its spectrum aggregation policies and developing an improved spectrum screen); Letter from Gigi Sohn, President and Co-Founder, Public Knowledge, *et al.*, to The Honorable Fred Upton, Chairman, House Committee on Energy and Commerce, *et al.*, at 1 (dated July 22, 2013) (“Public Interest Groups Letter”) (urging Congress “to support policies in the upcoming incentive auction of the 600 MHz band by the Federal Communications Commission (‘FCC’) that will encourage the greatest possible participation by the largest number of participants”). Even AT&T’s Chairman and Chief Executive Officer, Randall Stephenson, recently acknowledged that reasonable limits on the amount of spectrum a single carrier can hold are important for a successful auction. See Josh Evans, *AT&T CEO Urges Few Rules on Wireless Carriers’ Ability to Bid in Spectrum Auctions; Arkansas Sen. Mark Pryor Agrees*, BROADBAND CENSUS NEWS (June 12, 2013), available at <http://broadbandbreakfast.com/2013/06/at-arkansas-sen-mark-pryor-agrees/> (“Stephenson praised the approach that the Federal Communications Commission has taken with the incentive auctions for spectrum so far. The policies have been successful, he said, because the FCC has set reasonable caps on how much spectrum a carrier can hold.”).

<sup>19/</sup> See Comments of Sprint Nextel Corporation, WT Docket No. 13-135, at 26 (filed June 17, 2013) (“Sprint Comments”).

<sup>20/</sup> See Comments of the Writers Guild of America, West, Inc., WT Docket No. 13-135, at 5-6 (filed June 17, 2013) (“WGA Comments”).

carrier from holding more than 25 percent of suitable and available spectrum or more than 40 percent of the suitable and available spectrum below 1 GHz.<sup>21/</sup>

The use of a spectrum aggregation limit in the upcoming 600 MHz proceeding is especially important for competition, as valuable low-frequency spectrum has become increasingly concentrated in the hands of the nation's largest wireless carriers.<sup>22/</sup> As CCA observes, “[b]ecause the [600 MHz] auction represents potentially the only near-term opportunity for carriers to access low-frequency spectrum, and because a missed opportunity could further entrench the dominance of AT&T and Verizon, the Commission should take special care to ensure that the auction rules promote participation by a broad range of carriers.”<sup>23/</sup> RTG similarly cautions: “The 600 MHz Band forward auction . . . represents the last great swath of sub 1 GHz spectrum that can be harnessed by the country for commercial mobile wireless use.”<sup>24/</sup> While commenters propose slightly different approaches to limiting spectrum aggregation, they all express a common understanding that the Commission must impose workable mechanisms to prevent excessive concentration of carriers’ most valuable competitive input – spectrum.<sup>25/</sup>

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<sup>21/</sup> See Comments of the Rural Telecommunications Group, Inc., WT Docket No. 13-135, at 4-5 (filed June 17, 2013) (“RTG Comments”) (adding that “licensees exceeding the 25% or 40% cap will have 18 months to divest themselves of excess spectrum, or alternatively, keep the excess spectrum on a ‘grandfathered’ basis provided certain conditions are adhered to”).

<sup>22/</sup> See J.P. Morgan, *Telecom Services & Towers: Spectrum Overview & Valuation Matrix - Carrier by Carrier Spectrum Value Across the Wireless Industry*, at 1, 4-5 (Dec. 5, 2012) (reporting that “AT&T and Verizon have the largest and most valuable spectrum holdings”, worth about \$31 billion and \$36 billion, respectively); Public Interest Groups Letter at 1 (“[The] two dominant carriers – AT&T and Verizon – currently hold 78 percent of available low-frequency spectrum, and take in over 80 percent of wireless industry earnings.”).

<sup>23/</sup> CCA Comments at 12-13.

<sup>24/</sup> RTG Comments at 6.

<sup>25/</sup> See Letter from Kathleen Ham, Vice President, Federal Regulatory, T-Mobile, *et al.*, to The Honorable Fred Upton, Chairman, House Committee on Energy and Commerce, *et al.*, at 2 (dated July 19, 2013) (“Competitive Carriers Letter”) (“Without some constraint on the ability of the two dominant

AT&T is the only party to oppose spectrum limits as a way to guard against excessive spectrum concentration, but it fails to provide any valid reasons against using this tool. AT&T argues that the only rationale for restrictions on spectrum holdings is to guard against the possibility of a market foreclosure strategy and that current marketplace realities make any foreclosure strategy implausible, especially against Sprint or T-Mobile, both of which already hold large amounts of spectrum.<sup>26/</sup> It therefore opposes using spectrum limits to restrict excessive spectrum holdings.<sup>27/</sup>

Contrary to AT&T's assertions, there is now a substantial record before the Commission demonstrating that the risk of market foreclosure is real, particularly in the highly concentrated wireless ecosystem.<sup>28/</sup> As T-Mobile and others have explained, large incumbent wireless service providers place a "foreclosure value" on spectrum if they can obtain or enhance their market power by keeping the spectrum away from their rivals.<sup>29/</sup> In the 600 MHz auction context,

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carriers to acquire all of the high-quality spectrum available in the 600 MHz auction, smaller rivals and upstarts will be significantly disadvantaged from acquiring the spectrum resources in the auction they need to compete against those carriers.").

<sup>26/</sup> See AT&T Comments at 22.

<sup>27/</sup> See *id.*

<sup>28/</sup> As Representative Henry A. Waxman recently noted during a House Subcommittee hearing on the upcoming incentive auction, a Wall Street Journal article has suggested that AT&T's attempt to acquire Leap Wireless's assets by offering over eight times Leap's earnings demonstrates that AT&T has an incentive to engage in activities to foreclose competition. See *Oversight of Incentive Auction Implementation: Hearing Before the House Subcommittee on Communications and Technology*, 113th Cong. (July 23, 2013) (oral statement of Rep. Henry A. Waxman), available at <http://energycommerce.house.gov/hearing/oversight-incentive-auction-implementation>; Miriam Gottfried, *AT&T Leaps in T-Mobile's Way*, WALL STREET JOURNAL (July 15, 2013) ("[A] closer look at Leap's spectrum suggests the deal may be more of a jab at T-Mobile than a boost to AT&T. . . . Buying Leap [] keeps its highly complementary spectrum out of T-Mobile's hands . . . [and a] desire to lock up Leap could explain why AT&T is paying more than eight times 2013 earnings before interest, tax, depreciation and amortization."), available at <http://online.wsj.com/article/SB10001424127887323664204578608141434541134.html>.

<sup>29/</sup> See T-Mobile Comments at 14-15 (citing *Ex Parte* Submission of the United States Department of Justice, WT Docket No. 12-269, at 11 (filed Apr. 11, 2013)); see also Letter from Thomas J. Sugrue, Senior Vice President, Government Affairs, T-Mobile, to Julius Genachowski, Chairman, FCC, *et al.*, WT Docket No. 12-269 (filed May 7, 2013) ("T-Mobile May 2013 Response to AT&T"); Jonathan B.

incumbents that place a high foreclosure value on the spectrum will have strong incentives to outbid their rivals, limiting these rivals' access to such spectrum and resulting ability to compete while simultaneously allowing the dominant firms to charge more for existing services.<sup>30/</sup>

AT&T's suggestion that T-Mobile's current spectrum holdings weaken this foreclosure analysis is wrongheaded. While T-Mobile recently obtained additional spectrum from its transactions with Verizon and MetroPCS Communications, Inc., and has been working with other carriers to rationalize its spectrum holdings through spectrum "swaps", T-Mobile still has less spectrum than the other three national carriers, and only a single license for low-band spectrum which, as discussed in further detail below, has important characteristics that T-Mobile and other carriers need to effectively compete. It is simply not true that T-Mobile's current spectrum holdings negate the possibility of a market foreclosure strategy.

AT&T claims that limiting its and Verizon's ability to bid for spectrum will reduce the overall amount of revenue that can be realized in the 600 MHz forward auction, which, in turn, will reduce the amount of spectrum ultimately made available for wireless broadband services, potentially resulting in "a total failure of the auction."<sup>31/</sup> This is simply not the case. Rather, placing reasonable limits on auction participation, as T-Mobile has demonstrated, can in fact increase auction revenues as well as the amount of spectrum made available for mobile

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Baker, "FCC Spectrum Allocation Rules That Promote Competition Are In the Public Interest," (July 8, 2013), *attached to* Letter from Howard J. Symons, Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C., to Marlene H. Dortch, Secretary, FCC, GN Docket No. 12-268, WT Docket No. 12-269 (filed July 8, 2013) (demonstrating the flaws in AT&T's argument that the Commission need not be concerned with the foreclosure value that AT&T would receive from spectrum acquisitions); Public Interest Groups Letter at 1-2.

<sup>30/</sup> See T-Mobile Comments at 15 (*citing* Jonathan B. Baker, "Spectrum Auction Rules That Foster Mobile Wireless Competition," at 4 (March 12, 2013) ("Baker Report"), *attached to* Letter from Howard J. Symons, Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C., to Marlene H. Dortch, Secretary, FCC, WT Docket No. 12-269 (filed March 12, 2013)).

<sup>31/</sup> See AT&T Comments at 20-21.

broadband.<sup>32/</sup> In any event, to address these concerns, T-Mobile has proposed a “Dynamic Market Rule” intended to ensure that the revenue target in the upcoming auction for clearing broadcasters and funding FirstNet, the nationwide public safety broadband network, will be met.<sup>33/</sup> Under this rule, the auction would first proceed with a spectrum aggregation limit, which T-Mobile suggests should be a one-third limit on spectrum holdings below 1 GHz. If the FCC’s revenue target is met while the limit is in place, the auction would close once there is no longer any active bidding. If the revenue target is not met, the limit would be gradually relaxed. Should the bidding fail to clear the revenue target once the limit is completely removed, the Commission would resume the process by starting at the next lower spectrum target with the aggregation limit in place.

AT&T also argues that a flexible spectrum screen, coupled with case-by-case post-auction review of requests to exceed the screen, are adequate measures to protect and promote

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<sup>32/</sup> See T-Mobile Comments at 16 (explaining that firms “would be encouraged to participate and the resulting increase in revenues could offset (or more than offset) the revenue effect of reduced demand by large incumbents subject to the cap”); see also Letter from Kathleen O’Brien Ham, Vice President, Federal Regulatory Affairs, T-Mobile, to Mignon Clyburn, Chairwoman, FCC, *et al.*, WT Docket No. 12-269, at 2-3 (filed June 10, 2013) (“T-Mobile June 10 Ex Parte Letter”); Competitive Carriers Letter at 2 (“If defeat seems inevitable, smaller carriers will not incur the significant costs involved in planning for and participating in the 600 MHz auctions.”); *Oversight of Incentive Auction Implementation: Hearing Before the House Subcommittee on Communications and Technology*, 113th Cong. 18 (July 23, 2013) (written testimony of Harold Feld, Public Knowledge) (“Unless a firm believes it has some chance of success in the auction that will justify the cost and the potential risk of market backlash for a failed auction attempt, it will do better to sit on the sidelines.”), available at <http://energycommerce.house.gov/hearing/oversight-incentive-auction-implementation>. And, as one analyst recently noted, the number of bidders participating in the auction is the critical factor for valuation. See Wells Fargo Securities Equity Research Flash Comment, *Wireless: Highlights from Spectrum Meetings* (July 10, 2013) (reporting that Alpina Capital Managing Partner Ed Moise has noted “that one of the less understood features of spectrum transactions is the importance of the number of bidders”).

<sup>33/</sup> See Letter from Trey Hanbury, Hogan Lovells US LLP, Counsel to T-Mobile, to Marlene H. Dortch, Secretary, FCC, GN Docket No. 12-268 and WT Docket No. 12-269 (filed June 21, 2013) (“T-Mobile June 21 Ex Parte Letter”).

competition.<sup>34/</sup> As T-Mobile and others have shown, however, spectrum limits imposed at the start of the auction are a far more effective and efficient means by which to limit spectrum aggregation than the post-auction case-by-case review process. Pre-established spectrum limits would increase certainty in the auction process as firms would not need to account for the risk that they may later bear the costs of divesting the spectrum they have won, would avoid the costs and delays associated with post-auction regulatory reviews, and would avoid prolonging uncertainty about how spectrum would be allocated.<sup>35/</sup> A spectrum limit, applied using T-Mobile's proposed Dynamic Market Rule, would be particularly efficient as it would rely on actual bids, rather than predictions of bidder behavior, therefore removing the risk that revenue targets for clearing broadcasters and funding FirstNet public safety efforts will not be met.<sup>36/</sup>

Finally, contrary to AT&T's suggestion, reasonable spectrum aggregation limits are not attempts to "rig" the auction or to "deny certain mobile providers the spectrum they need to continue to compete effectively."<sup>37/</sup> As T-Mobile and other supporters of spectrum limits have made clear, it would be contrary to the interest of competitive carriers to prohibit AT&T and Verizon from participating in the 600 MHz band auction, and in fact no party has suggested that AT&T and Verizon should be excluded.<sup>38/</sup> Spectrum aggregation limits are merely intended to

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<sup>34/</sup> See AT&T Comments at 22; see also Comments of the Telecommunications Industry Association, WT Docket No. 13-135, at 1 (filed June 17, 2013) (urging the Commission to consider and endorse the pro-competitive nature of, among other things, its existing spectrum screen policies).

<sup>35/</sup> See T-Mobile Comments at 16-17.

<sup>36/</sup> See T-Mobile June 21 Ex Parte Letter at 2.

<sup>37/</sup> AT&T Comments at 20-21.

<sup>38/</sup> See T-Mobile Comments at 18; T-Mobile June 10 Ex Parte Letter at 2; Reply Comments of NTCA—The Rural Broadband Association, WT Docket No. 13-135, at 5 (filed July 1, 2013) ("NTCA Reply Comments") ("NTCA submits that proposals to limit spectrum holdings below 1 GHz are designed to encourage auction participation among a wide variety of applicants and do not forbid any one provider, including AT&T, from obtaining spectrum"); Letter from Eric B. Graham, Senior Vice President - Strategic Relations, C Spire Wireless, *et al.*, to Mignon Clyburn, Acting Chairwoman, FCC, *et al.*, GN Docket No. 12-268 and WT Docket No. 12-269, at 2 (filed May 20, 2013) ("AT&T also incorrectly

prevent AT&T and Verizon from increasing their dominance in the wireless market and to preserve competition to the benefit of consumers. As CCA notes, a revised spectrum screen applied to the auction proceeding “will allow the two largest carriers to bid on spectrum where needed, but prohibit aggregation of a majority of the repurposed spectrum made available – to the detriment of competitors and competition.”<sup>39/</sup> In any case, to alleviate such concerns, T-Mobile has also proposed that the Commission adopt a “minimum access exception” so that no carrier is foreclosed from obtaining spectrum in a newly available band.<sup>40/</sup>

### **3. Commenters Agree That a There is a Difference Between High- and Low-Band Spectrum.**

As T-Mobile pointed out, spectrum below 1 GHz is uniquely valuable for mobile broadband networks because it has favorable propagation characteristics that allow a carrier to cover a greater area and offer better in-building coverage with fewer cell sites at a lower cost than if it were using higher-band spectrum.<sup>41/</sup> Other commenters also recognize that in determining the limits necessary for mobile spectrum holdings, the Commission must account for the difference between high- and low-band spectrum. Sprint explains that “possession of

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claims that its competitors want to exclude AT&T and Verizon Wireless from the 600 MHz auction. Not one of AT&T’s competitors has ever taken this position before the FCC or Congress.”); Competitive Carriers Letter at 2 (“None of the undersigned parties have advocated for any qualified entity to be excluded from the auction. On the contrary, having the two dominant incumbents participate – and win – their fair share of the 600 MHz licenses helps ensure sufficient economies of scale to make wireless deployment profitable.”).

<sup>39/</sup> CCA Comments at 13; *see also* RTG Comments at 6-7 (“The debate over whether to institute some type of spectrum cap or bidding rules in the forward auction of 600 MHz Band spectrum is not about the Twin Bells versus the other two national carriers (Sprint and T-Mobile), but rather, it is about whether any individual carrier should be restricted from amassing excessive amounts of new spectrum that is universally recognized as being highly conducive for mobile broadband operations.”); Sprint Comments at 26 (contending that spectrum aggregation limits “would not prevent AT&T and Verizon from participating” but “would prevent AT&T and Verizon from extending their dominance in low-band spectrum further, thereby providing meaningful opportunities for competitors to acquire the last remaining low-band spectrum made available for the foreseeable future”).

<sup>40/</sup> *See* T-Mobile Comments at 17-18.

<sup>41/</sup> *See id.* at 18-19.

spectrum below 1 GHz offers operators tremendous competitive advantages – with significantly greater coverage (requiring less infrastructure investment and lower operating costs to achieve wide-area coverage) and better in-building penetration – over bands above 1 GHz.”<sup>42/</sup> WGA notes that “[t]he propagation characteristics of low-frequency spectrum can reduce infrastructure costs in network deployment, making control of such spectrum a competitive advantage.”<sup>43/</sup> These parties and others agree with T-Mobile that the Commission should therefore adopt separate aggregation analyses for spectrum above and below 1 GHz.<sup>44/</sup>

Verizon and AT&T are the only parties that oppose separate treatment of low- and high-band spectrum. Verizon argues that “every spectrum band that is suitable for mobile networks has both advantages and disadvantages, depending on the type of network the provider wants to deploy, the geographic areas it wants to cover, the network speeds it seeks to achieve, its other spectrum holdings, and the devices it offers to customers.”<sup>45/</sup> While it is true that high- and low-band spectrum each offer various benefits – low-frequency spectrum is better for expanding a wireless network’s “coverage” and high-frequency spectrum is better suited for expanding a network’s “capacity” – there are “inherent differences” between the two that affect carriers’

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<sup>42/</sup> Sprint Comments at 18-19, 22 (adding that “[t]he increasing importance of spectrum below 1 GHz has been acknowledged by policymakers and regulators worldwide”).

<sup>43/</sup> WGA Comments at 5.

<sup>44/</sup> See, e.g., Sprint Comments at 25-26 (urging the Commission to revise its spectrum screen to account for the varying utility of different bands); WGA Comments at 5 (“Because the Commission’s existing spectrum screen does not account for differences in spectrum frequencies, AT&T and Verizon hold the majority of low-frequency spectrum. . . . [T]he development of a weighting mechanism would represent a significant improvement to the FCC’s current screen of 1/3 of available spectrum because it would limit further aggregation of such valuable spectrum, making room for more competition.”); CCA Comments at 11 (stating that “the Commission should act promptly to conclude its review of its spectrum aggregation policies and develop an improved spectrum screen” because “the current screen fails to account for important differences between high and low frequency spectrum bands”).

<sup>45/</sup> Verizon Comments at 71. *But see* YouTube, *Verizon 4G LTE – “Hiking” Commercial*, <http://www.youtube.com/watch?v=qWADLGvli6w> (last visited July 15, 2013) (in which Verizon advertises the benefits of its 700 MHz frequencies).

ability to compete. As T-Mobile explained and others agree, superior propagation characteristics of low-band spectrum simply cannot be replicated at higher bands, even if carriers are willing to make the additional investments required to deploy and operate systems in those bands.<sup>46/</sup>

AT&T claims that it does not cost more to deploy high-frequency spectrum than low-frequency spectrum because deployment costs are only part of the equation and “[b]asic economic principles teach that the marketplace value of low-frequency and high-frequency spectrum rights will tend to adjust to ensure that the ‘full cost of entry or expansion’ is equalized.”<sup>47/</sup> This analysis, however, ignores the fact that the need for more transmitters at higher bands also imposes substantial delays and other tangible and intangible costs associated with obtaining additional siting approvals from multiple jurisdictions that licensees in lower bands can avoid.<sup>48/</sup> Indeed, AT&T itself has recognized that the need to build many new cell sites would result in “delays, costs, and obstacles beyond its control.”<sup>49/</sup>

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<sup>46/</sup> See T-Mobile Comments at 18; Sprint Comments at 19 (*citing* Baker Report at 15) (noting that the advantages of high-frequency spectrum (*e.g.*, cell splitting ability in dense urban areas, greater capacity, etc.) can be accomplished with low-frequency spectrum, but it is impractical for wireless providers to use high-frequency spectrum to serve the coverage function more typically associated with low-frequency spectrum).

<sup>47/</sup> AT&T Comments at 21.

<sup>48/</sup> See T-Mobile May 2013 Response to AT&T at 4; *see also* Sprint Comments at 19 (“[T]he lower cost to acquire higher-frequency spectrum does not make up for the enormous investments necessary to replicate the coverage of low-band spectrum.”).

<sup>49/</sup> See, *e.g.*, Joint Opposition of AT&T Inc., Deutsche Telekom AG, and T-Mobile USA, Inc. to Petitions to Deny and Reply to Comments, WT Docket No. 11-65, at 64-66 (filed June 10, 2011) (“Merger opponents insist that AT&T could resolve its spectrum and capacity constraints by adding new cell sites on its own if only it would devote more resources to finding existing towers and other structures owned by tower companies and other parties. That is simply not true. . . . Even when AT&T is able to find suitable locations, it faces delays, costs, and obstacles beyond its control that are inherent in any such ad hoc process.”).

Further, the differences in high- and low-band spectrum are important in urban areas – not just in rural areas as AT&T suggests.<sup>50/</sup> While lower-frequency spectrum is particularly useful in rural areas because of its coverage characteristics and lower build-out costs, carriers also need lower-frequency spectrum in urban areas because it penetrates buildings better than higher-frequency spectrum.<sup>51/</sup> AT&T’s consultants have suggested that poor building penetration can be offset with other technologies such as in-building distributed antenna systems (“DAS”), femtocells, and Wi-Fi offload and that just as the cost of building more towers to provide broader coverage in rural areas is reflected in spectrum pricing, so is the cost of such technologies in urban areas to achieve better building penetration.<sup>52/</sup> This argument, however, likewise fails to take into account the fact that Wi-Fi and DAS are not always available, and in any case, are subject to various implementation costs and regulatory processes that could impose substantial deployment delays, all of which give carriers with lower-band spectrum an advantage. Carriers need access to a mix of both types of spectrum in order to provide competitive services. Indeed, as Sprint notes, without such access, carriers with high-frequency spectrum will be disproportionately affected as they would likely adopt a targeted build-out

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<sup>50/</sup> See AT&T Comments at 21 (claiming that “all parties agree that the propagation differences between high-and low-frequency spectrum manifest themselves mostly in rural areas”). Nevertheless, as NTCA–The Rural Broadband Association points out, the concentration of low-band spectrum by the two largest carriers is particularly problematic for its members because it “is the very spectrum that is crucial for [its] member companies to be able to serve their rural customer bases.” NTCA Reply Comments at 6.

<sup>51/</sup> See T-Mobile Comments at 19; Sprint Comments at 23 (“In contrast to higher-frequency spectrum, spectrum below 1 GHz can be cost-effectively and efficiently deployed in rural, suburban and urban areas, alike.”).

<sup>52/</sup> See Prof. Michael L. Katz, *et al.*, “Comments on the Submission of the U.S. Department of Justice Regarding Auction Participation Restrictions,” WT Docket No. 12-269, ¶ 7, n.13 (June 13, 2013) and Prof. Michael L. Katz, *et al.*, “Comments on Appropriate Spectrum Aggregation Policy with Application to the Upcoming 600 MHz Auction,” WT Docket No. 12-269, ¶ 44, n.75 (June 13, 2013), *attached to* Letter from David L. Lawson, Sidley Austin LLP, Counsel to AT&T, to Marlene H. Dortch, Secretary, FCC, GN Docket No. 12-268, WT Docket No. 12-269 (filed June 13, 2013).

approach, rather than incur substantial build-out costs to replicate low-band coverage, resulting in lower quality service.<sup>53/</sup>

**B. Commenters Agree That There Are Other Actions That The FCC Can Take To Promote Competition.**

**1. The Commission Should Take Action to Improve Siting Access.**

As T-Mobile's comments pointed out, in addition to spectrum access, wireless competition would benefit from increased access to inputs such as cell sites, towers and other network infrastructure.<sup>54/</sup> T-Mobile therefore suggested that the Commission continue to streamline and improve the tower siting and antenna collocation processes as well as facilitate the deployment of DAS and small cells.<sup>55/</sup> Others agree. PCIA–The Wireless Infrastructure Association and The HetNet Forum (“PCIA”), for instance, reports that the increasing consumer demand for wireless services is driving carriers' need to expand their capacity, resulting in increased reliance on HetNets comprised of macro sites and small cells, including DAS.<sup>56/</sup> Accordingly, PCIA urges the Commission to continue to identify and mitigate regulatory barriers that diminish infrastructure investment and deployment, particularly with respect to the siting of

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<sup>53/</sup> See Sprint Comments at 19 (noting that the cost penalty for providing service without using a mix of spectrum frequencies is not symmetric) (*citing* Baker Report at 15); *see also* T-Mobile Comments at 19-20. As T-Mobile noted in its initial comments in this proceeding, CTIA's President and CEO, Steve Largent, also has recognized that “the ideal situation for a carrier is to have both high band and low band spectrum. One is better when you're dealing with concentrated users and another type of spectrum is better to cover broad areas in rural communities.” *See* T-Mobile Comments at 19 (*citing State of Wireless Communications: Hearing Before the Senate Subcomm. on Communications, Technology, and the Internet*, 113th Cong. (June 4, 2013) (oral testimony of the Honorable Steve Largent, President and CEO, CTIA), *available at* [http://www.commerce.senate.gov/public/index.cfm?p=Hearings&ContentRecord\\_id=1c02913b-8fa6-4e0f-a66c-5eb477f95d7b&ContentType\\_id=14f995b9-dfa5-407a-9d35-56cc7152a7ed&Group\\_id=b06c39af-e033-4cba-9221-de668ca1978a&MonthDisplay=6&YearDisplay=2013](http://www.commerce.senate.gov/public/index.cfm?p=Hearings&ContentRecord_id=1c02913b-8fa6-4e0f-a66c-5eb477f95d7b&ContentType_id=14f995b9-dfa5-407a-9d35-56cc7152a7ed&Group_id=b06c39af-e033-4cba-9221-de668ca1978a&MonthDisplay=6&YearDisplay=2013)).

<sup>54/</sup> See T-Mobile Comments at 24.

<sup>55/</sup> See *id.* at 24-27.

<sup>56/</sup> See Comments of PCIA – The Wireless Infrastructure Association and The HetNet Forum, WT Docket No. 13-135, at 2, 8-9 (filed June 17, 2013).

wireless infrastructure and small cells.<sup>57/</sup> Verizon also encourages the Commission to continue to facilitate infrastructure deployment by, for instance, proceeding with its plans to reexamine its tower siting “shot clock” policy, initiate proceedings to facilitate DAS and small cell deployment, work on model siting ordinances, and streamline siting on federal lands.<sup>58/</sup>

**2. The Commission Must Continue to Ensure that Its Data Roaming Obligations Are Effectively Enforced and Should Act Expeditiously to Resolve Roaming Disputes.**

In its comments, T-Mobile noted that all carriers need access to roaming in order to compete, but that despite the Commission’s imposition of roaming obligations, carriers are still encountering difficulty obtaining commercially reasonable roaming arrangements.<sup>59/</sup> As a result, T-Mobile urged the Commission to remain vigilant in enforcing its roaming rules, including by acting expeditiously on legitimate roaming complaints and imposing penalties on carriers that violate the Commission’s roaming requirements.<sup>60/</sup> Virtually all commenters addressing roaming in this proceeding share T-Mobile’s views.

Like T-Mobile, other commenters “were heartened by the Commission’s adoption of rules requiring wireless carriers to offer data roaming on commercially reasonable terms and conditions,” and were pleased that these rules were upheld by the D.C. Circuit.<sup>61/</sup> Commenters

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<sup>57/</sup> See *id.* at 2, 10-12 (suggesting that the FCC should (1) carefully monitor the progress of application of Section 6409 of the Communications Act (which prevents municipal authorities from objecting to collocation and insubstantial modifications to wireless facilities) and act immediately to address inconsistencies in its interpretation by municipalities; (2) be especially sensitive to the regulatory environment governing small cells; and (3) issue a rulemaking to add DAS and small cell solutions to the list of facilities that are categorically excluded from non-RF-related environmental processing (which would alleviate a burden on the deployment of a technology on which the wireless industry increasingly relies)).

<sup>58/</sup> See Verizon Comments at 62-63.

<sup>59/</sup> T-Mobile Comments at 21-22.

<sup>60/</sup> *Id.* at 22.

<sup>61/</sup> See, e.g., CCA Comments at 17; RTG Comments at 12-13; T-Mobile Comments at 21-22.

also agreed with T-Mobile, however, that work remains to be done to ensure that these rules achieve their intended purpose.

As RTG makes clear, roaming is particularly important in light of AT&T and Verizon's market power relative to smaller carriers and customers' expectation that their cell phones will work "just like home from coast-to-coast and everywhere in between."<sup>62/</sup> CCA likewise agrees that wireless carriers "continue to face challenges in achieving roaming arrangements with AT&T and Verizon on commercially reasonable terms and conditions" and continue to "find it challenging to negotiate roaming agreements without information regarding the terms and conditions that the Twin Bells are offering to other carriers, or to their own affiliates."<sup>63/</sup>

While AT&T is correct that the wireless industry is constantly working to develop innovative ways to facilitate roaming,<sup>64/</sup> industry innovation alone is not enough. Consequently, T-Mobile agrees with CCA that "[t]he Commission should continue to keep a watchful eye on the market for data roaming agreements, and should take action if necessary to prevent AT&T and Verizon from wielding their market power to extract rates or conditions that impede competition."<sup>65/</sup>

### **3. The Commission Should Promote Interoperability Generally and Across All Paired 600 MHz Band Channels.**

T-Mobile's comments urged the Commission to ensure device interoperability in order to promote a global market for handsets.<sup>66/</sup> In addition to facilitating interoperability in general, T-Mobile asserted that the Commission should promote interoperability across all paired 600 MHz

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<sup>62/</sup> RTG Comments at 12.

<sup>63/</sup> CCA Comments at 17.

<sup>64/</sup> See AT&T Comments at 12 (discussing the industry's new approaches to facilitate LTE roaming arrangements, including the development of the TNS Data Services Hub and LTE roaming trials).

<sup>65/</sup> CCA Comments at 17.

<sup>66/</sup> T-Mobile Comments at 22-23.

band channels either by adopting an express interoperability requirement or by using a quasi-random assignment process to assign generic 600 MHz blocks to winning bidders.<sup>67/</sup> Taking such action will prevent the development of “boutique” band classes that negatively impact competition.<sup>68/</sup> Comments addressing interoperability echo T-Mobile’s concerns. RTG recognizes that a lack of interoperability harms competition by hindering the ability of carriers to acquire mobile devices, particularly smaller carriers who, acting alone, may not be able to generate enough demand to provide adequate incentives for manufacturers to produce competitively-priced devices meeting their needs.<sup>69/</sup> CCA states that “[d]evice interoperability is a prerequisite to a well-functioning wireless marketplace; it encourages innovation, provides clear expectations and market stability, gives consumers more choices, and reduces costs to carriers and therefore end users . . . [it] also makes roaming technologically possible.”<sup>70/</sup> Promoting a global market for handsets would eliminate a barrier to entry for carriers and would also erase a barrier to migration for consumers.<sup>71/</sup> Consequently, the Commission should promote interoperability generally and in the 600 MHz band specifically.<sup>72/</sup>

#### **4. The Commission Should Facilitate Competitive Interconnection Arrangements Among Carriers as the IP Transition Occurs.**

T-Mobile believes that the Commission should improve competition by facilitating competitive interconnection arrangements among carriers during and after the IP transition.<sup>73/</sup> In

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<sup>67/</sup> *Id.* at 23.

<sup>68/</sup> *Id.*

<sup>69/</sup> *See, e.g.*, RTG Comments at 7-8; T-Mobile Comments at 23.

<sup>70/</sup> CCA Comments at 14.

<sup>71/</sup> *See* RTG Comments at 9.

<sup>72/</sup> *See, e.g., id.* at 8-9 (advocating that the Commission should “mandate that all devices that will be operational in *any* new commercial mobile wireless spectrum auctioned in the future, including the 600 MHz Band, be fully interoperable across the entire licensed band”); CCA Comments at 15 (stating that the Commission should ensure that interoperability issues do not arise in the 600 MHz band “by implementing *ex ante* rules requiring interoperability across the band as part of its auction rules”).

particular, the Commission should adopt a regime under which all carriers are required to exchange traffic at regional IP interconnection points and should develop appropriate trials of this system.<sup>74/</sup> The Commission also should actively enforce the existing requirement that ILECS must negotiate IP-to-IP interconnections in good faith and should maintain the regulatory backstop under Sections 251 and 252.<sup>75/</sup>

Commenters agree with T-Mobile that interconnection is essential to a healthy competitive marketplace<sup>76/</sup> and that the Commission needs to take action to facilitate interconnection in an IP world.<sup>77/</sup> For instance, CCA states that the “Commission should reaffirm that the fundamental interconnection and arbitration obligations under Section 251 and 252 of the Act apply, regardless of technology, to enable competitive carriers to interconnect with next-generation telecommunications networks.”<sup>78/</sup> Sprint likewise asserts, among other things, that the Commission should “affirm that its IP good faith negotiations and interconnection requirement applies to incumbent LECs” and “expand the bill-and-keep intercarrier compensation mechanism to include the remaining transport, tandem switching and

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<sup>73/</sup> T-Mobile Comments at 23.

<sup>74/</sup> *Id.* at 23-24.

<sup>75/</sup> *Id.* at 24.

<sup>76/</sup> See, e.g., CCA Comments at 18 (reiterating the *National Broadband Plan*'s assertion that “[f]or competition to thrive, the principle of interconnection . . . needs to be maintained”) (*quoting Connecting America: The National Broadband Plan*, at 49 (2010), available at <http://www.broadband.gov/plan/>); T-Mobile Comments at 23.

<sup>77/</sup> See CCA Comments at 18 (noting that “ILECs such as AT&T and Verizon, by virtue of their ubiquitous and entrenched networks, have substantial market power and the ability to exclude competitive carriers from the telecommunications marketplace by denying them interconnection, regardless of technology”); Sprint Comments at 11 (“Of even greater concern is the refusal of certain incumbent LECs – in particular, AT&T and Verizon – to enter into interconnection arrangements that utilize IP technology either at all, or at the just, reasonable and nondiscriminatory rates, terms and conditions required by statute.”).

<sup>78/</sup> CCA Comments at 18.

originating access charges.”<sup>79/</sup> Adopting these measures to facilitate competitive interconnection arrangements among carriers as the IP transition occurs will help ensure robust competition in the wireless industry.

#### **5. The Commission Should Reform the USF Contribution Mechanism.**

As T-Mobile noted, despite consumers’ increasing preference for wireless over wireline services, wireless carriers receive far less from and contribute comparatively more to the Universal Service Fund (“USF”) than their wireline counterparts.<sup>80/</sup> T-Mobile urged the Commission to correct this disparity by reforming the USF contribution mechanism, for example, by broadening the contribution base to cover all communications and information services that include a transmission component and adopting a value-added calculation.<sup>81/</sup>

Commenters agree with T-Mobile that wireless carriers are being required to bear an increasingly disproportionate share of the USF contribution burden.<sup>82/</sup> As Sprint explains, the Commission’s “ILEC-centric USF policies create a drag on competition,” because of the disparity in support allocated to ILECs as compared to mobile and other providers, the fact that “the two largest wireless carriers are directly affiliated with ILECs who receive hundreds of millions of dollars in USF,” and the fact that the “high-cost subsidies funneled to ILECs are financed in large part from contributions from wireless carriers” and their subscribers.<sup>83/</sup> CCA likewise states that the Commission, in establishing the new USF regime, harmed competition by slashing universal service funding for wireless providers while significantly increasing the

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<sup>79/</sup> Sprint Comments at 12-13.

<sup>80/</sup> T-Mobile Comments at 28.

<sup>81/</sup> *Id.*

<sup>82/</sup> *See id.* (“Currently, wireless carriers contribute approximately three billion dollars annually to the USF, but receive less than half that amount in high-cost funding.”) (internal citations omitted).

<sup>83/</sup> Sprint Comments at 14-15.

funding for ILECs and the contributions required from wireless providers.<sup>84/</sup> T-Mobile agrees with CCA that the Commission should rectify this imbalance by adopting “funding rules that treat all carriers in a fair and technology-neutral manner, and that enable all carriers to compete on a level playing field for universal service funds.”<sup>85/</sup>

### **III. CONCLUSION**

The comments in this proceeding demonstrate overwhelming agreement that the Commission can and should take a number of decisive actions, including proceeding promptly to make more spectrum available and revising its mobile spectrum aggregation policies to recognize the difference between low-band and high-band spectrum, to ensure the continued growth of competition and innovation in the wireless marketplace. The Seventeenth Annual Report on the State of Competition in Mobile Wireless should reflect the critical measures necessary to ensure a competitive marketplace, and the Commission should adopt these and other policies advocated by T-Mobile and other commenters to promote competition in the wireless marketplace.

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<sup>84/</sup> See CCA Comments at 20.

<sup>85/</sup> *Id.* at 21.

Respectfully submitted,

Howard J. Symons  
Russell H. Fox  
Jennifer A. Cukier  
Angela Y. Kung

MINTZ, LEVIN, COHN, FERRIS,  
GLOVSKY AND POPEO, P.C.  
701 Pennsylvania Avenue, N.W.  
Suite 900  
Washington, DC 20004  
(202) 434-7300

*Counsel for T-Mobile USA, Inc.*

July 25, 2013

/s/ Kathleen O'Brien Ham

Kathleen O'Brien Ham  
Steve B. Sharkey  
Luisa L. Lancetti  
Indra Sehdev Chalk  
Joshua L. Roland

T-MOBILE USA, INC.  
601 Pennsylvania Avenue, N.W.  
North Building, Suite 800  
Washington, DC 20004  
(202) 654-5900