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

In the Matter of)
)
Implementation of Section 6002(b) of the) WT Docket No. 13-135
Omnibus Budget Reconciliation Act of 1993)
)
Annual Report and Analysis of Competitive)
Market Conditions With Respect to Mobile)
Wireless, including Commercial Mobile)
Services)

In the Matter of Policies Regarding Mobile) WT Docket No. 12-269
Spectrum Holdings)

Expanding the Economic and Innovation)
Opportunities of Spectrum Through Incentive) GN Docket No. 12-268
Auctions)

Comment of Information Age Economics

**Information Age Economics
4530 Dexter Street, N.W.
Washington, DC 20007**

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We have noted the report¹ of Professor Baker prepared at the request of T-Mobile USA. In this report he demonstrates several errors and flaws in the reports filed by AT&T from Professors Michael Katz and Philip Haile and Drs. Mark Israel and Andreas Lerner², which he refers to collectively as “KHIL”.

¹ “Further Comments on Spectrum Auction Rules That Foster Mobile Wireless Competition,” <http://apps.fcc.gov/ecfs/document/view?id=7520935907>

² Michael L. Katz, Philip A. Haile, Mark A. Israel, and Andreas V. Lerner, “Comment on the Submission of the U.S. Department of Justice Regarding Auction Participation Restrictions” (June 13, 2013) and Michael L. Katz, Philip A. Haile, Mark A. Israel, and Andreas V. Lerner, “Comments on Appropriate Spectrum Aggregation Policy with Application to the Upcoming 600 MHz Auction” (June 13, 2013),

Professor Baker's analysis confirms from a different perspective and independent source and adds to the findings and evidence we presented in our analysis of these reports in IAE's filing of July 1st. 2013 in FCC Docket 13-135³. In this filing we originally revealed that the findings and assertions of these economists reflected their lack of understanding of the underlying structure and engineering economics of mobile networks and ignorance of the actual costs and prices operators have paid for licenses in frequency bands below and above 1 GHz.

The KHIL reports are therefore devoid of any credibility. Contrary to the assertions of these economists spectrum aggregation rules can foster competition in mobile wireless markets. Absent these rules effective competition may otherwise be stifled by the largest operators with the largest financial war chests for participation in auctions because other competitors cannot gain access to enough spectrum – a scarce and essential input - to deploy competitive networks and build a viable business, however superior and more innovative they may be in other aspects of the provision of mobile services.

Martyn Roetter, D. Phil Physics (Oxon); mroetter@gmail.com, (617) 216-1988
Alan Pearce, Ph.D; iaepearce@aol.com, (202) 466-2654

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)

³ <http://apps.fcc.gov/ecfs/document/view?id=7520926985>, see pp. 10-13 and Appendix B