

Submission by the International Telecommunications Users Group (INTUG) to the FCC on the applications of AT&T Inc. and Deutsche Telekom AG for Consent to Assign or Transfer Control of Licences and Authorisations

Efficient and cost-effective business use of communications is an essential enabler to economic recovery, improved productivity, job creation and improved social inclusion. The AT&T/T-Mobile USA merger will have a profound impact on business users of telecommunications services and it therefore it needs very careful assessment to avoid damaging not only the competitiveness of the communications industry but the ability of multinational businesses to leverage communications in new and innovative processes.

90% of today's mobile connections globally involve GSM/HSPA networks. For at least the next several years, the majority of mobile broadband connections, including especially those of multinational businesses will be based on HSPA services, both in their home bases and in the great majority of countries outside the US in which they operate.

For the sake of international commerce and business, both for the USA and for its major business and trading partners, it is essential that business visitors to the US have access to effective and affordable international data roaming services based on HSPA technology as well as emerging LTE technology. The two technologies will coexist for a long time, and HSPA connections will greatly exceed those of LTE for more than five years.

It is therefore of great concern that a merger of T-Mobile USA with AT&T will mean that there is only one national partner in the USA capable of providing HSPA services. The following developments heighten our concern:

- AT&T has announced that it intends to refarm T-Mobile's AWS frequencies from HSPA to LTE thereby removing this possibility for international HSPA roamers
- Deployments of LTE by both AT&T and Verizon in their respective 700 MHz frequencies (the "digital dividend" spectrum) in the USA will not even be interoperable between these two networks for some time to come.

Fragmentation of the 700 MHz spectrum in the USA means that device vendors and chipset suppliers will have fewer and perhaps no incentives to develop multi-frequency LTE devices that incorporate USA and non-USA frequencies. Such devices facilitate convenient international mobile broadband LTE roaming with a single device, just as tri-band and quad-band GSM terminals have been used by many travellers to exploit mobile voice services conveniently on a global basis.

Furthermore, HSPA services in the AWS band have already been deployed in Canada and are being planned and are widely anticipated in several countries in Latin America in the near future, e.g. Mexico and Chile. Business travellers coming to the USA from these countries will hope and expect to be able to enjoy access to HSPA services in the AWS band, without the need for multi-band HSPA devices.

In a recent OECD report comparing its 34 members, the USA is one of the most expensive home countries for international data roaming at around twice the OECD average price. The absence of a competitive home market for national roaming services (which will be the case in the GSM/HSPA market in the USA after an AT&T/T-Mobile merger) also allows, and indeed encourages, high prices domestically, with little scope for customer choice.

The direction that the USA mobile broadband market is taking seems to be following a path in which international data roaming between the USA and the rest of the world is becoming less, and not more, practical at a time when demands and expectations for access to mobile broadband services are growing rapidly on both sides of the Atlantic. This is becoming even more prevalent in many developed Asia Pacific countries also. Even if unintended, this trend is not only harmful to USA residents travelling abroad, but also penalises international visitors to the US. Neither consequence is desirable.

INTUG therefore respectfully urges the Federal Communications Commission to give very serious weight to the impact on business users of telecommunications services, especially when assessing the implications of the AT&T/T-Mobile USA transaction. Attention should be given particularly to the extent to which it will create impediments to the availability of international mobile broadband roaming services to business travellers coming to visit the USA, and to the limitations imposed on USA business representatives travelling abroad by continued high international mobile roaming prices, due to lack of competition at home.

About INTUG (Contact Name: Nick White nick.white@intug.org +44 20 8647 4858)

INTUG is an international association of business users of telecommunications, bringing together national and multinational user associations throughout the world. It actively promotes customer interests at international level and ensures the voice of the business user is clearly heard wherever telecommunications policy and regulation is discussed. This is achieved via formal submissions to consultations, correspondence to decision makers and influencers, and regular appearances at events and conferences.

INTUG has permanent observer status at the ITU, is an expert group at the OECD, has active links with the International Institute of Communications (IIC), and is involved in regional policy debate, through the European Commission (EC) and Parliament (EP), and the Asia-Pacific Economic Cooperation Telecoms Group (APECTel). INTUG has close links with the Commonwealth Telecommunications Organisation (CTO), the European Competitive Telecoms Association (ECTA), the Open Computing Alliance (OCA).

INTUG has lobbied successfully for tariff reductions, for example for international leased lines, mobile termination rates and international roaming charges. INTUG supports the development of international standards in technology and in regulation to facilitate competition, choice and connectivity, and lobbies for continuous improvement in the ubiquitous availability, quality and value of telecommunications services and products.

INTUG believes in non-discriminatory access to all networks, products and services to maximise flexibility and choice for customers, and consider this is best achieved by constructive co-operation between national regulatory authorities (NRAs), fixed and mobile network operators, equipment suppliers, service providers, and crucially with customers.