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June 23, 2011

VIA ELECTRONIC SUBMISSION

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, SW – Lobby Level
Washington, D.C. 20554

Re: **In the Matter of the State of Mobile Wireless Competition, WT Docket No. 10-133;**

In the Matter of Applications of AT&T Inc. and Deutsche Telekom AG for Consent to Assign or Transfer Control of Licenses and Authorizations, WT Docket No. 11-65.

Dear Ms. Dortch:

On June 23, 2011, Robert Quinn, Senior Vice President-Federal Regulatory and Chief Privacy Officer-AT&T Inc., and Jeanine Poltronieri, Assistant Vice President-Federal Regulatory-AT&T Inc. met with Angela Giancarlo, Chief of Staff and Senior Legal Advisor, Commissioner Robert McDowell, to discuss the Commission's upcoming Report on the State of Mobile Wireless Competition. Since some of the topics discussed may have a bearing on the pending applications of AT&T and Deutsche Telekom, this letter is being filed in that docket as well.

During the discussion, the AT&T representatives discussed issues related to the State of Mobile Wireless Competition Report and its analysis, as summarized in the attached document. The AT&T representatives stated their view that the best indicator of competition is consumer welfare, and that by all accounts consumers are benefiting from lower prices and competition among carriers. In fact, information released by the Government Accountability Office in its July 2010 report confirms that the average price for wireless service in 2009 was approximately 50 percent of the price in 1999.

If you have any questions or need additional information, please do not hesitate to contact me. Pursuant to section 1.1206 of the Commission's rules, this letter is being filed electronically with the Commission.

Sincerely,



Jeanine Poltronieri

Attachments

Copy: Angela Giancarlo



The Facts Show that the Mobile Wireless Marketplace is Effectively Competitive: American Consumers are Benefiting from Lower Prices, Carrier Choice and Investment

Consumers are Benefiting from Lower Prices

- GAO July 2010 Report Confirms Consumer Benefits:
 - "The average price for wireless service in 2009 was approximately 50 percent of the price in 1999."
- Across the industry, prices in all categories -- voice, messaging, data -- fell:
 - Voice revenue/consumer: 30% decline 4Q05 to 4Q10;
 - Effective price/text message: 33% decline 1Q05 to 4Q10;
 - Effective price/MB: 89% decline 3Q08 to 4Q10.

Consumer Choice

- US is among the least concentrated of the 21 ranked OECD Countries Measured by HHI.
- Increases of HHI should be of little concern:
 - HHI calculation does not include MVNOs and thus understates consumer choice;
 - More than 66 million existing customers changing carriers each year (25% of existing customer base of 285 million).
- 74% of US consumers have a choice of five or more facilities based providers.
- BBB reports that since 2004 the monthly complaint rate for wireless has fallen 22%.
- Dynamic marketplace:
 - Sprint fastest growing national postpaid wireless brand for 4th consecutive quarter (1Q11)
 - MetroPCS and Leap, which together gained more than a million net customers in the last quarter alone, more than the combined net customers of AT&T and Verizon for the same time period (1Q11).
 - New entrants Lightsquared and Clearwired are building 4G nationwide networks.
 - Regional carriers like U.S. Cellular, Cellular South, Allied Wireless (formerly Alltel), and nTelos compete aggressively.

Investment, Job Creation and Growth

- By the end of 2009, US wireless carriers cumulative investment was \$285B, an increase of more than \$20 B from year end 2008.
- AT&T invested \$17.3 B in capital expenditures in 2009 and \$75B over the past four years.
- Wireless industry contributes 2.4 Million Jobs and \$100 Million annually to US GDP.

Analysis of Spectrum Below 1 GHz Reflects Outdated Assumptions

- Access to spectrum below 1GHz not vital to competition, as evidenced by PCS spectrum at 1900 MHz revolutionizing the industry.
- When additional capacity is needed, as is the case today, spectrum above 1 GHz provides advantages.
- Consumers make no distinction among services offered above 1GHz. 3G and 4G services are being offered by carriers deploying on spectrum above 1 GHz: Clearwire , Sprint, T-Mobile, Metro PCS, Lightsquared.
- In many parts of higher bands, spectrum is licensed in larger contiguous blocks, which can enable operators to deploy wider channels and simplify device design.