T-Mobile, MetroPCS Lobby FCC to Limit Dish to 20 MHz

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T-Mobile USA and MetroPCS are lobbying the FCC to limit Dish Network's use of the spectrum it plans to use for an LTE network.

The two operators asked the FCC to make Dish give up half of its 40 MHz holdings in the 2 GHz AWS-4 band in exchange for a waiver to use the satellite spectrum for a land-based wireless service, according to separate documents filed today by the companies.

Dish has faced persistent rumors that it only bought its 2 GHz licenses so it could later sell them at a massive profit to spectrum-starved operators, namely AT&T.

T-Mobile said Dish should be forced to put up 20 MHz of its holdings for sale at auction to "avoid a windfall."

“Such an approach would align with the commission’s longstanding policy of preventing windfalls from spectrum arbitrage, and avoid the marketplace distortions and perverse incentives for future behavior that typically result when a single market participant receives valuable assets without offering any concessions (or agreeing to any public interest conditions) in return," T-Mobile said. **[1]**

MetroPCS **[2]** argued that the band's "existing licensees" - Dish - should relinquish half of its licenses for terrestrial rights on the remaining spectrum to prevent an "unprecedented" and "undeserved" windfall.

Failing that, MetroPCS said Dish should give up 30 MHz in its top 100 markets.

The comments of T-Mobile and MetroPCS reflect concern from mid-tier providers that AT&T and Verizon Wireless - potential buyers of Dish spectrum - are aiming to shut them out of the market by consolidating ownership of scarce spectrum resources. Both T-Mobile and MetroPCS have opposed Verizon's acquisition of AWS spectrum from four cable operators, a deal still being reviewed by the FCC.

Auctioning off a substantial portion of Dish Network's 2 GHz assets could give T-Mobile and MetroPCS a chance to bolster their spectrum holdings, while making the remaining licenses held by Dish less attractive to potential buyers like AT&T and Verizon.

Dish Network declined to comment on T-Mobile and MetroPCS' filings but has repeatedly rebutted windfall rumors, stating its intentions to build a wireless network are genuine.

The company bought 2 GHz MSS licenses through its acquisition of bankrupt satellite communications companies TerreStar and DBSD. It asked the FCC for a waiver allowing it to use the spectrum for a ground-based LTE-Advanced network, similar to the waiver granted to LightSquared. The FCC approved the spectrum sale but not the waiver request, opting instead to put the request through a formal rulemaking process.

For its part, AT&T proposed limiting Dish Network's AWS-4 satellite operations to the 20 MHz A block, arguing in a FCC filing that "neither historic use of the band, nor projected future use, suggest that 40 MHz is needed for MSS (mobile satellite services)."

CTIA made a similar suggestion in its own filing today.

"Given the urgent need for spectrum by existing mobile broadband providers, CTIA encourages the Commission to carefully consider whether a full forty megahertz allocation is necessary for MSS use, or whether the MSS allocation should be limited to only a portion of the band, potentially freeing up additional spectrum resources," the association said.

Verizon limited its comments to a scant three pages, stating that the FCC's proposal for Dish's spectrum would "promote the deployment of terrestrial mobile broadband services."

The FCC's proposed rules for the spectrum held by Dish would automatically terminate the company's licenses if it does not meet deadlines to build out its network to at least 30 percent of the population covered by its spectrum within three years, and at least 70 percent of the total population in its licensed areas within seven years.

The requirements are more stringent than those for the 700 MHz band, which give licensees four years to reach 40 percent of the people covered by their licenses, and 10 years to reach 75 percent.

Dish called the requirements "unrealistic" in a filing this week, saying it would take about four years to complete development, testing, certification and deployment after the FCC finalizes its rules for the spectrum and the 3GPP completes its band specifications.

Dish said it can cover 60 million people within four years, but "a three-year interim milestone is unrealistic for a new mobile broadband service provider and a new band, especially one that lacks a global ecosystem for LTE-Advanced equipment."

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