



May 31, 2011

FILED/ACCEPTED

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 Twelfth Street, S.W.
Washington, DC 20554

MAY 31 2011
Federal Communications Commission
Office of the Secretary

Re: WT Docket No. 11-65; Lead File No. 0004669383

**Applications of AT&T Inc. and Deutsche Telekom AG for Consent to Assign
or Transfer of Control of Licenses and Authorizations**

Dear Secretary Dortch:

Vodafone Group (“Vodafone”) hereby submits the attached comments for inclusion in the Commission’s public record in the above-referenced proceeding. The attached comments have been redacted in accordance with the procedures established in the *Protective Order* issued in this docket.¹ Vodafone is separately submitting an unredacted copy of the comments which contains Confidential Information, as that term is defined in the *Protective Order*.

Please address any questions to the undersigned.

Respectfully submitted,

Richard Feasey

Richard Feasey
Public Policy Director
Vodafone Group
One Kingdom Street
London W2 6BY
United Kingdom
+447748776618

¹ *Applications of AT&T Inc. and Deutsche Telekom AG for Consent to Assign or Transfer of Control of Licenses and Authorizations*, WT Docket No. 11-65, Protective Order, DA 11-674 (rel. Apr. 14, 2011) (“*Protective Order*”).

No. of Copies rec'd 0+1
List A B C D E

REDACTED – FOR PUBLIC INSPECTION

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

FILED/ACCEPTED

MAY 31 2011

**Federal Communications Commission
Office of the Secretary**

In the Matter of)
)
Applications of AT&T Inc. and Deutsche) WT Docket No. 11-65
Telekom AG)
)
For Consent to Assign or Transfer of) Lead File No. 0004669383
Control of Licenses and Authorizations)

COMMENTS OF VODAFONE GROUP

1. Vodafone Group (“Vodafone”) is a global communications provider with over 370 million customers across 23 countries.¹ As such, Vodafone is a significant purchaser of wholesale international roaming services from both AT&T and T-Mobile, enabling its 2G GSM and 3G WCDMA customers to make and receive calls and to use data services whilst travelling within the United States. Our comments are confined to this matter.

2. The proposed merger between AT&T and T-Mobile would eliminate competition for the provision of wholesale international roaming services for 2G GSM and 3G WCDMA operators throughout the rest of the world.² Over 800 GSM and WCDMA operators serve over 4.8 billion users, representing 92% of the world’s mobile users, outside of the United States.³

¹ http://www.vodafone.com/content/dam/vodafone/investors/financial_results_feeds/preliminary_results_31march2011/dl_prelim2011.pdf

² There are other regional or local GSM/UMTS operators in the United States, but none provides significant network coverage. [REDACTED] of Vodafone’s roaming traffic into the US is sent to AT&T or T-Mobile.

³ Q1 2011, Source: Wireless Intelligence.

REDACTED – FOR PUBLIC INSPECTION

3. Verizon, Sprint and the other mobile operators in the United States do not currently operate networks which are capable of interoperating with, and hence offering wholesale international roaming services to, Vodafone or other operators using the GSM and WCDMA technologies.⁴ In the longer term, collaboration between, in particular, Vodafone and Verizon on the future of LTE and other technologies is likely to ensure greater interoperability and hence greater competition in wholesale international roaming markets. However, widespread deployment of LTE networks and devices will take many years, and in the meantime GSM and WCDMA devices will continue to be used by a significant proportion of Vodafone's (and the world's) mobile users for many years to come.

4. The proposed merger would therefore mean that the United States would become one of a very few markets in the world in which wholesale international roaming services for GSM/WCDMA operators are not subject to competition between at least two network providers. At the same time, policymakers outside of the United States continue to express concerns about the level of competition in both retail and wholesale international roaming markets and the prices paid by consumers for these services.⁵ The likely result of the merger, absent remedies, is that the merged entity would be able to raise wholesale prices to operators such as Vodafone without any competitive constraint. In the extreme, Vodafone could be forced to restrict or otherwise

⁴ Certain interstandard roaming arrangements allow Verizon's CDMA and Sprint Nextel's 'iDEN' customers to roam onto GSM and networks outside of the US, but interoperability is not reciprocal (*i.e.*, GSM operators are not able to provide roaming on CDMA or iDEN networks within the US.)

⁵ <http://www.oecd-ilibrary.org/docserver/download/fulltext/5kmh7b6zs5f5.pdf?expires=1306147914&id=id&accname=guest&checksum=5183BD0D9FA04BDFC682D24B2801E55A;>
[http://ec.europa.eu/information_society/activities/roaming/regulation/consult2011/index_en.htm;](http://ec.europa.eu/information_society/activities/roaming/regulation/consult2011/index_en.htm)
http://www.dbcde.gov.au/mobile_services/mobile_roaming/trans-tasman_mobile_roaming2

REDACTED – FOR PUBLIC INSPECTION

limit roaming activities in the United States. This would make the United States a less attractive market to visit and in which to conduct international business.

5. Competition between AT&T and T-Mobile for international roaming traffic has allowed Vodafone to secure significant reductions in wholesale roaming costs across voice, SMS and data roaming services in recent years. Vodafone Group's average wholesale charges (including volume-related discounts) for voice, SMS and data roaming from each of AT&T and T-Mobile are shown below:

REDACTED – FOR PUBLIC INSPECTION

[Confidential Information Begins]

[REDACTED]

[REDACTED]

[Confidential Information Ends]

6. Vodafone has secured these reductions in the United States without the kind of wholesale roaming regulation which has been adopted in Europe since 2007.⁶ Instead, Vodafone

⁶ <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2007:171:0032:0040:EN:PDF>

REDACTED – FOR PUBLIC INSPECTION

has been able to direct its roaming traffic to either AT&T or T-Mobile as the preferred provider in response to offers of lower prices and/or better network coverage and quality. The chart below shows how traffic direction has operated between the two networks since 2008:

[Confidential Information Begins]

[REDACTED]

[Confidential Information Ends]

7. A minority of traffic has always remained on one network since there will be occasions when the preferred provider does not have network coverage or capacity. Vodafone's customers benefit from this ability to 'dual source', and the resilience which it offers. Although the parties to the merger make impressive claims as to the coverage and capacity of the merged network, it remains to be seen whether the elimination of competition in the wholesale roaming market will ensure that international roamers obtain comparable service and coverage to that available from the parties today.

8. Vodafone recognises that the proposed merger promises many benefits for US consumers and that the consequences for the wholesale international roaming market will be only one aspect of the Commission's assessment. At a minimum, the Commission should ensure that purchasers of wholesale international roaming services from the merged entity can continue

REDACTED – FOR PUBLIC INSPECTION

to secure terms comparable to those which they have been able to obtain in the competitive conditions which prevail today.

Respectfully submitted,

Richard Feasey

Richard Feasey
Public Policy Director
Vodafone Group
One Kingdom Street
London W2 6BY
United Kingdom
+447748776618