

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

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

COMMENTS OF NOKIA INC.

Nokia Inc. (“Nokia”), respectfully submits these comments in response to the Federal Communications Commission’s Public Notice regarding the proposed merger of AT&T Inc. and T-Mobile USA, Inc.¹ Nokia files these comments to share with the Commission its view, as a global manufacturer and distributor of mobile devices, that the proposed merger will not significantly impact Nokia’s business processes, including its decisions about the development and sale of mobile handsets in the United States.

Nokia is a pioneer in mobile telecommunications and the world's leading maker of mobile devices. Today, Nokia is connecting people in new and different ways—fusing advanced mobile technology with personalized services to enable people to stay close to what matters to them. Nokia also provides comprehensive digital map information through NAVTEQ; and equipment, solutions, and services for communications networks through Nokia Siemens Networks. Earlier this year, Nokia and Microsoft announced a broad partnership to create an array of market-leading mobile products and services based upon a mutually beneficial combination of Nokia’s technical expertise and market

¹ See AT&T Inc. and Deutsche Telekom AG Seek FCC Consent to the Transfer of Control of the Licenses and Authorizations Held by T-Mobile USA, Inc. and its Subsidiaries to AT&T Inc., *Public Notice*, 26 FCC Rcd 6424 (2011).

presence with Microsoft's powerful Windows Phone operating system and application development tools.² With this important new partnership and its reputation for excellence in mobile design and marketing, Nokia is poised to continue to be an innovator in the global wireless market, across a variety of platforms and device categories.

In the opening round of this proceeding, some parties asserted in Petitions to Deny or Comments that the proposed merger would have a detrimental effect on the market for mobile devices in the United States. For example, beginning from the mistaken premise that "[a]bsorbing T-Mobile would make the merged entity the *only* GSM-based wireless carrier," Public Knowledge asserted that the merged entity "will determine what features will be present in the United States" mobile device market, and will have incentives to restrict device access, applications, and content.³ In addition, some operators were concerned that the post-transaction entity would take steps to thwart interoperability across the mobile bands. The Rural Cellular Association worried that "[a] combined AT&T/T-Mobile would have even more leverage to ensure that device manufacturers continue to make non-interoperable handsets."⁴

² See Press Release: Nokia and Microsoft Announce Plans for a Broad Strategic Partnership to Build a New Global Mobile Ecosystem, <http://www.microsoft.com/presspass/press/2011/feb11/02-11partnership.msp>, Feb. 11, 2011.

³ See Petition to Deny of Public Knowledge and the Future of Music Coalition, WT Docket No. 11-65 at 39-41 (filed May 31, 2011) ("Public Knowledge Petition").

⁴ Petition to Deny of the Rural Cellular Association, WT Docket No. 11-65 at 20 (filed May 31, 2011) ("RCA Petition"); see also Public Knowledge Petition at 26; Petition of MetroPCS Communications, Inc. and NTEOLS Inc. to Condition Consent, or Deny Application, WT Docket No. 11-65 at 60-61 (filed May 31, 2011) ("MetroPCS Petition"); Petition to Deny of Rural Telecommunications Group, Inc., WT Docket No. 11-65 at 53-55 (filed May 31, 2011).

Some petitioners argued that because of its enhanced buying power in the GSM market, the merged entity would be able to extract exclusivity agreements from major manufacturers for the most attractive devices. The Rural Cellular Association warned that the merger will make it difficult for its members to gain access to the most popular handsets because the post-merger company “would be in a position to exert true monopsony power when purchasing GSM handsets and foreclose smaller GSM carriers from being able to offer these handsets.”⁵ MetroPCS complained that “[o]ther carriers in the industry have no chance to compete effectively for state of the art devices as long as AT&T and Verizon are free to insist on exclusivity.”⁶ Comptel argued that this control over the device market will seriously harm competition because “[t]o the extent that it is able to use its market power to restrict the access of its smaller competitors to the most technologically advanced devices, AT&T can also significantly impair their ability to compete because handsets are playing an increasingly important role for consumers as a basis for choosing a service provider.”⁷

Nokia disagrees with the predictions of commenters that forecast dramatic shifts in the U.S. mobile device market as a result of the proposed merger. Carrier input regarding handset development is only one factor considered by handset manufacturers, who compete against one another on a global stage regarding the features, functions, and quality of mobile devices. Manufacturers do not rely on carrier demands or requests to drive innovation. On the contrary, they have massive, independent, globally-driven

⁵ RCA Petition at 19; *see also* Comments of the American Antitrust Institute, WT Docket No. 11-65 at 20 (filed May 31, 2011).

⁶ MetroPCS Petition at 59.

⁷ Petition to Deny of COMPTTEL, WT Docket No. 11-65 at 31 (filed May 31, 2011); *see also* Public Knowledge Petition at 24.

incentives to offer the most advanced, fastest, feature-rich, and consumer-friendly devices to consumers. Manufacturers have similar incentives to sell these devices in multiple channels and make independent decisions in this regard based upon what best meets their chosen strategies.

Nokia also disagrees that the merger will lead to reduced interoperability between devices. For example, some petitioners assert that the 3GPP 700 MHz band classes were developed specifically to favor certain carriers' spectrum holdings, and argue that the merger could further empower the post-transaction company to exercise undue influence over standards development processes and device interoperability in the future.⁸ The 700 MHz band classes were developed in response to the radio engineering realities of LTE device operations in this band. Mandatory interoperability across all 700 MHz band classes would entail significant technical and financial challenges that would delay development of advanced LTE devices and would render them unwieldy and unaffordable. As explained in the record developed in response to the 700 MHz Good Faith Purchaser's Alliance Petition for Rulemaking, the 700 MHz band classes reflect very real concerns about self-interference, interference from other 700 MHz services, and interference to and from television broadcast stations.⁹ Moreover, 3GPP is a transparent, participatory organization in which each of its members has an equal voice. To the extent carriers disagree with the technical determinations made by 3GPP, there are established processes within that organization to address these concerns. Regardless, it appears that the worries about device interoperability in the 700 MHz band may soon be addressed by

⁸ See RCA Petition at 20-21.

⁹ See, e.g., Comments of Motorola, Inc., RM-11592 at 4 (filed Mar. 31, 2010).

the market, as major chipset manufacturers have announced plans to make available compatible chipsets, further underscoring the lack of need for Commission intervention in this matter.¹⁰

Furthermore, the device market has undergone significant shifts recently, with more manufacturers now being able to introduce advanced devices in much shorter development cycles. The growing ability of software functionality driving handset innovation has greatly enabled this change in the marketplace. Even a cursory review of the device lineups of the various carriers demonstrates that there is perhaps more parity in device offerings today than there has ever been. The proposed transaction is unlikely to have any effect on innovation in the device market or the availability of a wide range of devices with the most attractive features to all carriers, and there is no need for Commission action on these issues.

In conclusion, Nokia does not anticipate changing its existing plans and business strategies based upon the Commission's grant or denial of the proposed transaction. Contrary to the implication of some petitioners, grant of the proposed merger will not influence Nokia's decisions about what devices to develop and to which carriers to sell them. Nokia will continue to make these decisions independently, based upon various technical and market factors and will pursue a strategy intended to maximize the success of the launch of its Windows Phone 7 devices in the coming months. Nokia's partnership with Microsoft was announced well in advance of the proposed merger and its implementation strategy is not dependent upon the outcome of this or any other

¹⁰ See Presentation of Michael Chard, Senior Director, Business Development, Qualcomm CDMA Technologies, presented at the Federal Communications Commission's 700 MHz Interoperability Workshop, April 26, 2011, *available at* <http://www.fcc.gov/events/700-mhz-interoperability-workshop>.

transaction. Whether or not the Commission decides to approve the present transaction, it is Nokia's opinion that the mobile device market will remain vigorously competitive as manufacturers continue to develop increasingly sophisticated devices that are responsive to consumer demands.

Respectfully submitted,

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