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(As Prepared, Not Necessarily as Delivered)

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NARUC and CTIA have an enviable record of collaboration, and we are committed to enhancing that long-standing relationship. We share NARUC's priorities of encouraging competition, protecting consumers, and safeguarding the public. And we value opportunities to work together to achieve those objectives.

CONNECTED LIFE

I'm excited to be here, representing the dynamic wireless industry, with its innovative products and services. As you know, modern wireless is not just voice and text. And it is those other services on the modern 4G platform that I want to discuss: the connected life aspect of our industry. By connected life, I mean how mobility will improve and inform practically every facet of our lives.

Like the mHealth applications that provide more affordable solutions, and more freedom for patients. Two weeks ago, Columbia University announced a new smartphone diagnostic dongle that will replace \$18,000 worth of lab equipment with a \$34 attachment to your phone. Better results, accessible and affordable to all. Or the next-generation connected car with a new suite of 4G services to make our driving experience safer and more enjoyable. Did you notice that the Super Bowl ad for Chevy this year was about a truck's LTE connection, not its hauling power? The world is changing.

Mobility will touch everything from kids' textbooks to fleet management and energy conservation. Already you can pay with your phone from McDonalds to Bloomingdales. Mobile banking is also at the center of the Gates Foundation's most recent annual letter. With the Internet of Things, mobility is improving municipal and enterprise services. From Minneapolis, where the city is using wireless to know when frozen bridges need salt. To Boston, where mobility helps monitor the city's water system for leaks. Mobility is improving everything. Even the movies: one of the hits of the Sundance Film Festival this year was Tangerine – a movie shot entirely using an iPhone 5.

And CTIA is proud of its role in all of this ... as the convener of the entire mobile ecosystem. We represent mobile providers, device manufacturers, as well as equipment vendors and increasingly app providers that bring such energy to our space. And, together, the mobile

industry is disruptive by nature. Always innovating, always challenging the status quo. And wireless consumers are the winners. Wireless killed the phone booth. Replaced your camera, your GPS, your Walkman, and your camcorder. And if we keep a regulatory framework that encourages more innovation and investment, we will continue to disrupt and offer greater consumer choice and value in ever more meaningful ways.

Today, there are over 300 million wireless connections, and we are the global leader in wireless by virtually every metric. And the benefits of wireless flow throughout our economy: Small businesses that incorporate mobility are witnessing revenues grow twice as fast as those without a mobile strategy. And their work forces are growing eight times faster.

That's what happens in a marketplace where competition has never been more vigorous, with more than 97 percent of Americans choosing from 3 or more mobile broadband providers. Investment has never been higher: we have invested over \$120 billion in private capital over the last four years alone. And, consumers can choose from nearly 700 smartphone plans and over 800 handsets to find the right experience for them. Each year, your network gets faster and better, your device has more capabilities and features, and the Internet of Things around you get more and more advanced. Plus, we see new features like Music Freedom and Sponsored Data that provide additional services to end user customers at no additional cost.

Sometimes we lose sight of the remarkable degree of competition and innovation in the wireless industry. When you go back home, stop in the local mall. By the time you get to the food court, you will have more than one wireless company offering to buy out your contract, cut your prices, and upgrade your phone. And the winner is the American consumer with mobile price per megabit dropping 99 percent since 2005. It has never been easier or more enticing to switch carriers. We shouldn't take this level of wireless competition for granted. Because competition, and the resulting innovation, matters.

And so much of our telecom debate right now is centered on getting more competition for home broadband. How do we get the same degree of choice we have for wireless. How to entice the phone company to invest in fiber, the incentives to get companies like Google to come to your state, universal service proceeding after universal service proceeding, and states choosing whether cities take the often risky calculus of becoming their own network provider.

Those debates are about how to get the second ...or third, or in some really remote places, the first wired broadband connection. You have 4 or more facilities-based wireless options right now. You have dozens more companies reselling wireless, including Univision and Walmart's Straight Talk. Cablevision has launched its own mobile offering, DISH is acquiring significant spectrum assets, and Google is in talks to offer its own product.

All of this is working for the mobile consumer today. And I think most of us can agree that the need for government regulation decreases in a competitive market. That's the right, time-tested regulatory approach. It underlies FCC Chairman Wheeler's see-saw theory and provides carriers vigorously competing the flexibility to innovate and differentiate. It is through the lens of wireless competition that I want to discuss two policy issues: spectrum and net neutrality.

SPECTRUM

Any discussion of increased home broadband competition should start with how we can provide wireless carriers with the resources they need to compete with each other and other platforms – spectrum. We can only disrupt if we have the tools. In 2008, the federal government started calling for 500 MHz of new commercial spectrum. Since then, mobile broadband demand has grown 51 times over. We need more spectrum. Hundreds of MHz more. As more devices get connected – and more of our life gets connected – spectrum is the key input. Chances are your phone now is relying on spectrum that was auctioned in 2006 and 2008. We went from 3G to 4G largely because of that new cleared spectrum. And smartphone speeds have increased eight fold.

Last month's auction of 65 MHz of federal spectrum will certainly help, but it represents only 13 percent of the government's own conservative spectrum goal. We need much more. Next up, the broadcast incentive auction. Whenever the FCC holds that auction, make no mistake, the wireless industry will show up with billions.

The historic bidding in the recent AWS-3 auction illustrates the pent-up demand for airwaves to carry mobile broadband traffic, and there is still so much unmet demand. In fact, we are already pushing for the next auction after the broadcast auction. We need to continue to work, particularly with our Federal partners, on a forward-looking spectrum policy for 2020 to ensure wireless carriers can continue to meet all of our mobile demands.

NET NEUTRALITY

Which brings us to Net Neutrality. While the FCC's broadband analysis and universal service policies increasingly exclude mobile altogether, for purposes of Net Neutrality, the FCC is poised to reverse its own prior finding and apply the same set of rules to wired and wireless broadband. Even though only 16 percent of Americans think wired and wireless should be governed by the same rules. Unfortunately, there will be many days for us to discuss the FCC's misguided approach to Title II and Net Neutrality, to address both the legal and the policy shortcomings, the continued national regulatory framework for wireless, Title II or not, and the taxes and fees that result from Title II. For today, I want to focus on the impact on the connected life and offer two productive ideas to improve next week's FCC decision.

First, the FCC should not cast all future mobile innovation in doubt with an undefined standard for future conduct. Specifically, the FCC has suggested that there will be a new Open Internet conduct standard under which to evaluate future practices and offerings. In a market as new as mobile, the FCC must not subject all new services to a vague, innovate-at-your-own-risk structure. Competing providers should not fear government reprisal for every effort to differentiate their service to better serve consumers.

To provide clarity as to how this Internet standard will function and to offer good faith that competitive mobile providers will continue to be able to innovate, the FCC should not reserve judgment on pro-consumer developments that are already in place. The FCC should declare

that data allowances, zero rating, music freedom, and sponsored data are all pro-consumer features that should be encouraged and are explicitly permitted under the new standard. 74 percent of Americans would be more likely to try a new video start-up with zero rating. This is a development we should be fostering. In doing so, the FCC should also clearly indicate that the competitiveness of an industry will be considered in evaluating future complaints.

Second, the FCC should make clear that VoLTE, LTE broadcast, connected car, mHealth, and other connected life and Internet of Things developments are exempt from Title II and net neutrality mandates. The FCC has recognized that some data services do not go over the public Internet and are not broadband services subject to the new requirements. We agree. Whether called specialized services or some new formulation, these new services are not part of the public internet, and the FCC should clearly list and detail the existing types of services that are exempt, while also allowing future offerings to qualify. Similarly, the FCC should also make clear that administrative functions like billing, phone back-ups and over-the-air updates, as well as non-ISP functions like pre-loading apps on devices and maintaining app stores are not covered by the FCC's new regime.

These discrete steps could help reduce the risk of lost innovation and ease compliance confusion, but I still fear that open-ended application of Title II will have a chilling effect on the capital investment needed to support tomorrow's networks and our connected life. No one suggests that mobile providers will stop investing altogether. That is a silly proposition, but we will invest less, and we simply don't yet know the order of magnitude. I fear it will be substantial.

At the same time, we do know that Asian and European regulators are trying to foster greater investment in 5G networks. So, we will be moving in the opposite direction from the rest of the world, risking exporting connected life innovations – and the economic benefits that flow from those innovations – overseas. The European experience is the best case study for the FCC's risky Title II experiment. Europe was the 3G global leader, but Europe lost that lead because of heavy-handed public utility style government regulation that stalled investment.

The U.S. took the lead in 4G networks because of a light-touch regulatory approach for mobile broadband that rejected public utility regulation and fostered billions in private investment. The numbers are pretty stark comparing Europe wireless experience with ours. U.S. mobile carriers invested \$55 billion in 2011-12, while European operators invested only about half that amount. All of this directly impacts consumers: in 2012, nearly 80 percent of U.S. households had LTE access, compared to just 30 percent in Europe. And U.S. mobile networks were serving three times more LTE subscribers at significantly higher speeds. Our fear is that our 4G lead evaporates under Title II just as Europe lost its footing in 3G.

By focusing this debate on what actually happened in Europe, we can move beyond claims that one-time auction revenues somehow correlate to future network investment. They don't. Or that a regulatory structure created by Congress for static mobile voice services in 1993 has any relevance to what the FCC proposes to unilaterally do now to mobile broadband. It doesn't. The FCC cannot create its own modern Title II statute, only Congress can do that.

And, we need Congress to act, because as a nation we can't wait for the courts to settle this over the next few years. This will be the third time the courts review and reject FCC attempts to claim authority over broadband network management. It took over 3 years for the D.C. Circuit to rule on the last set of net neutrality rules. Right now, Congress has a once-in-a-generation opportunity, and they should seize it to resolve the net neutrality debate once and for all. Congress can set ground rules that preserve an open Internet and usher in a new generation of investment in America's world-leading wireless networks without the overhang of 20th century public utility regulation. As a nation, we need to lead in 5G and we still can if bipartisan leaders in Congress provide us common sense rules.

PUBLIC SAFETY

Before I wrap-up, while our industry has never been more competitive, there is one area where we have never been as unified: our commitment to public safety and reliability. This is something I am very proud of. It is remarkable that 70 percent of 9-1-1 calls are now wireless, and we continue to meet those evolving consumer expectations through an expanding set of important voluntary industry commitments, from wireless emergency alerts, to text to 9-1-1 solutions, and most recently 9-1-1 location accuracy enhancements. And during snowy weeks like this, it is important to highlight we are working hard to ensure our networks are resilient and ready for the next storm. We appreciate NARUC's 2013 resolution calling for "information sharing" among communications and utility providers to ensure we are all working towards the same goals during emergencies.

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In closing, know that the wireless industry is committed to working in collaboration with state governments and regulators from Florida to California and all points in between on consumer protection, public safety, and other issues. And it is my belief, stemming from our shared past, that we can achieve more together in partnership. Thank you again for inviting me to speak to you today.