

FCC adopts rules to drive wireless competition

April 7 2011, By JOELLE TESSLER , AP Technology Writer

(AP) -- Federal regulators adopted rules Thursday to drive more competition in wireless broadband as more people access the Internet using iPhones and other popular mobile devices.

The Federal Communications Commission voted 3-2 on Thursday to require big wireless carriers to open their data networks to smaller regional operators in places where they don't have their own systems. The large carriers have to offer network access at reasonable prices, and the FCC would resolve any disputes.

The so-called "data roaming" rules are a response to consolidation in an industry dominated by two nationwide carriers, AT&T Inc. and Verizon Wireless. And they come just weeks after AT&T, the nation's second-largest wireless company, announced plans to buy T-Mobile USA, the fourth-largest, in a \$39 billion cash-and-stock deal.

Existing voice roaming rules already allow regional competitors to use the big carriers' networks to handle phone calls outside their own service territories. That enables Leap Wireless, for instance, to offer nationwide calling service. It pays other carriers for access to their systems when customers make calls outside Leap's service area.

But smaller wireless providers say they need to be able to be able to do that with data, too, as subscribers increasingly use smartphones not just to make phone calls but to send pictures, watch online video and access bandwidth-hungry mobile applications.

"Consumers ... expect to use their mobile phones throughout the nation for voice calls or data - like email or mobile apps," said FCC Chairman Julius Genachowski, a Democrat.

Parul Desai, policy counsel for the consumer watchdog group Consumers Union, said the new rules should help lower prices by giving consumers more choices for nationwide data services.

Steven Berry, president and chief executive of the Rural Cellular Association, added that the rules should make it easier for rural carriers to grow by ensuring that they can get the nationwide data roaming agreements they need to attract customers and funding for their networks.

"In this day and age, consumer expectations are that their devices work anytime, anyplace, anywhere," Berry said. "What consumer would buy a phone that only works in one small regional area?"

The FCC's three Democrats voted to adopt the data-roaming rules over the opposition of the agency's two Republicans. Republican Robert McDowell said he believes the agency lacks the legal authority to impose such requirements on the wireless industry.

AT&T and Verizon warned that they will have less incentive to invest in their high-speed wireless networks if they have to share them with competitors at regulated rates. In a statement, Verizon said the rules represent "a new level of unwarranted government intervention."

But Sprint Nextel Corp., the nation's third largest wireless carrier, and Leap Wireless, parent of the smaller Cricket phone service, welcomed the rules.

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