

The Free State Foundation

A Free Market Think Tank For Maryland...Because Ideas Matter

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MEDIA ADVISORY: Contact Randolph J. May at 301-299-3182

Reaction to AT&T's Statement Regarding the 700 MHz Auction

The following may be attributed to Randolph May, President, The Free State Foundation:

“My concerns about AT&T’s statement principally turn on one word in the sentence below. The sentence says the draft order simply would “allow” an experiment with an open access regime in one block of the 700 MHz spectrum to be auctioned. My impression (perhaps erroneously) had been that Chairman Martin’s proposal would mandate an open access (“open-devices/open applications”) regime in the one block. There is a significant difference between “allowing” and “mandating.” My understanding is that absent a mandate, nothing at all in any existing or proposed FCC rule would prevent the winning bidder from voluntarily adopting an open access business model.

Because I think the wireless industry is indeed “highly competitive,” as AT&T says it is, I think that if there is consumer demand for an open-device/open application (read: Net Neutrality) regime, the experiment that Chairman Martin seems to prefer will take place without a regulatory mandate that conditions and restricts the auction. I am concerned that if a net neutrality mandate is adopted in this instance, even for this one spectrum block, it will be difficult on any principled basis to draw a “stop” line for net neutrality mandates for other broadband services, especially since it is conceded that the wireless industry is highly competitive.”

From the AT&T Statement: “The draft order would simply take one block of the upper 700 band being auctioned to allow an experiment with an alternative open-devices/open applications business model of the type proposed by Google and others, but would do so without mandating changes to existing business models in the highly competitive wireless industry.”

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The Free State Foundation
10701 Stapleford Hall Dr., Potomac, MD 20854
Tel. 301-299-3182 Fax: 301-299-5007 E-Mail:
rmay@freestatefoundation.org
www.freestatefoundation.org