

RE: IB Docket No.00-187

I am writing to recommend that the Commission APPROVE the application of Voicestream and Powertel to transfer certain PCS licenses to Deutsche Telekom AG ("DT"). I believe the transfers would serve the public interest for the reasons set forth below.

Most existing GSM carriers in the U.S., including Voicestream, have provided poor service, inadequate geographic coverage, and have not achieved market penetration or scale comparable to other wireless carriers. In most markets, the AMPS carriers and the other PCS, provide better and cheaper service. Perhaps Voicestream is not adequately capitalized or motivated, or perhaps they lack the scale to compete. There is little reason to believe or hope that Voicestream will, on its own, will provide competitive service.

In contrast, DT has proven itself to be an effective wireless competitor in other countries. DT has adequate financial strength, and a strong post-acquisition financial incentive, to build out the U.S. GSM licenses to their full potential. Because GSM networks are compatible worldwide, and because DT operates many other GSM systems, consumers with wireless needs in more than one country may well benefit by DT's ownership.

DT's ownership of the licenses does not present significant foreign ownership risks because the licenses are not for bottleneck services or facilities. Adequate domestically controlled alternatives exist in most markets.

For these reasons, I recommend that the Commission APPROVE the application.