

**Before the
Federal Communications Commission
Washington, D.C. 20554**

In the Matter of)
)
Promoting Consumer Choice and Wireless) WT Docket No. 24-186
Competition Through Handset Unlocking)
Requirements and Policies)
)
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To The Commission

**COMMENTS OF THE MULTICULTURAL MEDIA,
TELECOM AND INTERNET COUNCIL**

The Multicultural Media, Telecom and Internet Council (“MMTC”) respectfully submits these Comments in response to the Commission’s Notice of Proposed Rulemaking on handset unlocking requirements and policies.¹

MMTC Supports the Handset Unlocking Rule

MMTC supports the Commission's Proposed Handset Unlocking Rules. MMTC applauds the Commission for proposing rules that would require mobile wireless providers to unlock handsets 60 days after activation.² These proposed requirements would benefit consumers and enhance competition in the wireless marketplace, especially for communities of color.

Multicultural communities rely disproportionately on wireless services, with 21% of Black consumers and 20% of Hispanic consumers only having access to the internet via their smartphones, compared to just 12% of white consumers.³ However, these same communities

¹ The Multicultural Media, Telecom and Internet Council (MMTC) is a non-partisan, national nonprofit organization dedicated to promoting and preserving equal opportunity in the tech, media, and telecom (TMT) industries, and closing the digital divide on behalf of its members and constituents, including owners of radio and television broadcast stations, programmers, prospective station owners, and others involved in the TMT industries. MMTC is generally recognized as the nation's leading advocate for multicultural advancement in communications. We strongly believe that the breathtaking changes in communications technology and the new global forms of media partnerships must enhance diversity in the 21st century.

² MMTC supports the 60-day unlocking window. However, we do not object to extending the window beyond 60 days to help mitigate logistic and other concerns that may come with compliance.

³ Pew Research Center, “Internet Broadband Fact Sheet” (Jan. 2024), <https://www.pewresearch.org/internet/fact->

often face greater financial constraints that can limit their ability to purchase new devices if they want to switch carriers.

By untethering devices from the contracts from the respective carriers, mandatory unlocking will help multicultural communities ensure they are with the carriers of their choice, and not simply those they have been locked into a contract with. By allowing consumers to more readily take their devices with them to a new carrier, handset unlocking facilitates greater consumer choice and enables people to seek out the most affordable and high-quality wireless services that best meet their needs. This increased portability and ability to "vote with your feet" will in turn spur more robust competition among wireless providers to attract and retain customers. Low-income consumers and people of color stand to benefit tremendously from this heightened competition in the form of lower prices, innovative service offerings, better coverage, and improved customer service.

Mandatory Unlocking Offers Industry-Wide Benefits

At the same time, mandatory unlocking standards will benefit carriers by streamlining operations and enhancing market competitiveness. The current patchwork of unlocking policies creates unnecessary complexity, breeding consumer confusion and operational inefficiencies. A uniform requirement will level the playing field, fostering fair competition based on service quality and innovation rather than device restrictions.

This standardization will simplify consumer education, reducing customer service costs and improving overall satisfaction. It will particularly empower less tech-savvy individuals and those with limited English proficiency, who often struggle with complex unlocking procedures. Moreover, by removing barriers to switching, carriers will be incentivized to improve their offerings, potentially leading to industry-wide advancements in service quality and customer retention strategies. This shift from device-based to service-based competition aligns with

evolving consumer preferences and technological trends, positioning the entire industry for more sustainable growth and innovation.

Additionally, handset unlocking significantly bolsters the secondary market for pre-owned devices, creating a crucial pathway for affordable access to modern wireless technology. This dynamic ecosystem of used phones serves as a vital bridge across the digital divide, enabling those with limited financial means to participate fully in our increasingly connected society. A thriving secondary market not only extends the lifecycle of devices, reducing electronic waste, but also intensifies competition in the broader mobile market. It encourages manufacturers and carriers to innovate and offers compelling new features to entice upgrades.

Conversely, locked devices stifle this vibrant marketplace, artificially constraining supply and inflating prices. This restriction disproportionately affects low-income consumers, students, and small businesses, potentially exacerbating technological inequalities. By mandating unlocking, the Commission would catalyze a more robust, accessible, and environmentally sustainable mobile ecosystem, ensuring that the benefits of wireless innovation reach all segments of society.

Potential Unintended Consequences on Low-Income Consumers

While MMTC fully supports the proposed unlocking rules, it is important for the Commission to be mindful of the potential unintended consequences that may come with them – especially as it pertains to low-income consumers.

Implementing a mandatory handset unlocking policy may lead some carriers to reconsider their phone subsidy models. The unlocking rules disincentivize carriers from providing subsidies that some low-income consumers rely upon to obtain devices with the current features. This policy may result in carriers increasing the upfront costs for these devices and prohibiting low-income consumers from having access to these devices.

Likewise, low-income consumers may be at risk of facing more aggressive financing options, which could lead to higher total costs for consumers over time. The inability to lock

customers in with devices may also result in carriers tightening credit requirements for device financing. This may include stricter credit checks, higher down payments, or shorter financing terms. Any such measures could result in low-income consumers being denied financing altogether. Consequently, low-income consumers may be limited to older and less capable devices.

While MMTC fully supports the proposed 60-day unlocking rules, the Commission should consider means to mitigate these potential harms to low-income consumers.

Conclusion

MMTC strongly supports the Commission's proposed handset unlocking rules as a significant step towards enhancing consumer choice and fostering a more competitive wireless marketplace. These rules promise to particularly benefit communities of color and low-income consumers, who disproportionately rely on mobile devices for internet access. By facilitating easier carrier switching and bolstering the secondary device market, the proposed rules can help bridge the digital divide and promote digital equity. However, we urge the Commission to remain vigilant about potential unintended consequences, particularly regarding device affordability and accessibility for low-income consumers.

We recommend that the Commission consider safeguards to protect vulnerable populations from potential reductions in device subsidies or more stringent financing requirements. With careful implementation and ongoing monitoring, these unlocking rules can deliver on their promise of a more dynamic, competitive, and inclusive wireless ecosystem that benefits all Americans. We commend the Commission for this initiative and stand ready to support its successful implementation.

Respectfully submitted,

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