

NWIDA Response to FCC Communications Marketplace Report

Executive Summary for Members

Document: FCC Public Notice DA-26-333 (April 6, 2026)

Docket: GN Docket No. 26-78

Comment Deadline: May 21, 2026

NWIDA Position: Supportive with Substantive Concerns

What the FCC is Doing

The Federal Communications Commission (FCC) is gathering information for its 2026 Communications Marketplace Report to Congress. This biennial report assesses competition across all communications sectors including mobile wireless, broadband, video, and audio services.

Most importantly for NWIDA members, the FCC is specifically asking about: - Barriers to competitive entry for small businesses and entrepreneurs in wireless - How marketplace practices affect independent dealers - The impact of carrier consolidation on retail competition - Whether regulations create disproportionate burdens on small businesses

Why This Matters to Independent Wireless Retailers

This is a **critical opportunity** to get NWIDA member concerns formally on the record with federal regulators. The FCC's report will be delivered to Congress and informs future regulatory policy affecting the wireless industry.

NWIDA's Position: Key Points

1. Carrier Consolidation Has Harmed Independent Retailers

- **Sprint/T-Mobile merger (2020):** Eliminated dealer agreements and reduced wholesale/MVNO options that independent retailers depend on
- **Verizon/Tracfone acquisition (2021):** Further concentrated the prepaid market and reduced competitive wholesale pricing

Impact: Fewer carrier partners means less negotiating leverage and fewer competitive options for independent dealers.

2. Device Allocation Practices Create Unfair Disadvantages

Independent dealers face systematic problems accessing inventory: - Corporate stores get priority allocation of high-demand devices (new iPhones, flagship phones) - Independent dealers receive promotional inventory weeks late - Volume requirements favor large multi-location operators over small businesses

Impact: Independent dealers lose sales during critical launch periods and cannot compete effectively with corporate stores.

3. Compensation Structures Disadvantage Independent Dealers

- Commission rates have been reduced for independent dealers
- Harsh claw-back provisions disproportionately hurt small dealers
- Best promotions are often exclusive to corporate channels

Impact: Reduced profitability makes it harder for small businesses to survive and invest in their stores.

4. Right to Repair Restrictions Limit Revenue Opportunities

Independent retailers could diversify revenue through device repair services, but face barriers: - Manufacturers restrict access to parts and repair tools - Software locks prevent third-party repairs - Warranty policies discourage customers from using independent repair

Impact: Independent retailers lose potential revenue while consumers face higher costs and inconvenience.

5. Regulatory Compliance Costs Burden Small Businesses

While consumer protections are important, compliance requirements fall disproportionately on small businesses: - CPNI (customer privacy) requirements require dedicated resources - Varying state licensing creates complex compliance - Accessibility requirements require significant capital investment

Impact: Compliance costs that are manageable for large corporations strain small business resources.

NWIDA's Recommendations to the FCC

Our formal comment urges the FCC to:

1. **Review past merger conditions** to determine if additional protections are needed for independent dealers
2. **Investigate device allocation practices** as potential anticompetitive restraints on authorized dealers
3. **Promote MVNO competition** by ensuring fair wholesale access terms
4. **Support Right to Repair** by coordinating with the FTC and requiring authorized dealer access to repair resources
5. **Create small business compliance assistance** with scaled requirements that maintain consumer protections

6. **Track independent dealer metrics** in future marketplace reports to monitor retail ecosystem health

The Bigger Picture: Why Independent Dealers Matter

Independent wireless retailers provide essential value that extends beyond sales:

- **Rural service:** Many independent dealers are the only wireless retail presence in small towns
- **Community connection:** Local ownership keeps profits in communities and creates local jobs
- **Specialized service:** Independent retailers often provide multilingual support and personalized service
- **Market competition:** Independent dealers provide competitive pressure that benefits consumers

When carrier practices disadvantage independent dealers, underserved communities suffer most.

What Happens Next

- **May 21, 2026:** NWIDA's formal comment will be filed with the FCC
- **June 22, 2026:** Reply comment deadline (opportunity to respond to other parties' comments)
- **Q4 2026:** FCC will publish the Communications Marketplace Report to Congress

The FCC's findings could influence: - Future merger reviews involving wireless carriers - Regulatory policies affecting independent dealers - Congressional oversight of wireless industry practices - Enforcement priorities for anticompetitive conduct

Conclusion

This FCC proceeding gives NWIDA an important platform to document the challenges independent wireless retailers face due to carrier consolidation and anticompetitive marketplace practices. Our formal comment makes a strong case that:

- The wireless retail ecosystem is under stress despite carrier-level competition
- Independent dealers face systematic disadvantages in device access, compensation, and support
- Small business barriers have broader implications for rural communities and consumer choice
- Regulatory action is needed to preserve competitive opportunities for independent retailers

The FCC is asking the right questions. NWIDA is providing the answers based on real-world experience of independent wireless retailers across America.

For questions about this filing or NWIDA's advocacy efforts, please contact:

NWIDA

[Contact Information]

[Website: nwida.org]

This summary is intended for NWIDA members and stakeholders. The complete formal comment filed with the FCC contains detailed legal analysis and specific regulatory recommendations.