NONPROFIT GROUPS SAY SPRINT WILL UNFAIRLY THROTTLE DATA AFTER WIMAX SHUTDOWN, ARSTECHNICA.COM

By Megan Geuss
October 15, 2015

Read More: http://arstechnica.com/business/2015/10/nonprofit-groups-say-sprint-will-unfairly-throttle-data-after-wimax-shutdown/

On Wednesday, Mobile Citizen and Mobile Beacon, companies that supply schools, libraries, and nonprofits with mobile broadband service, sued Sprint (PDF), saying that in a few weeks, the telecom provider will unfairly throttle the companies' clients after they use 6GB of data. Thus far, clients of Mobile Citizen and Mobile Beacon enjoyed unlimited broadband over WiMAX, but Sprint is scheduled to shutter its WiMAX network and use the spectrum for its LTE network.

The trouble is, portions of that spectrum were actually granted to Mobile Citizen and Mobile Beacon, which are considered Educational Broadband Service (EBS) providers. The FCC granted the spectrum to the EBS providers, and nine years ago Mobile Citizen and Mobile Beacon decided to lease their spectrum out to Clearwire for 30 years, collecting rent on the spectrum as well as compensation in the form of use of the telecom company's infrastructure.

Mobile Citizen and Mobile Beacon then sold that service at a reduced rate to their clients, including schools in rural areas that rely on mobile service for connectivity, church groups that set up Internet service for underserved members of the community, libraries, and non profits. But when Sprint acquired Clearwire two years ago, it soon decided to repurpose the struggling WiMAX network's spectrum.

Mobile Citizen and Mobile Beacon are asking a Massachusetts state court to prevent Sprint from throttling their data over the LTE network when their clients go over the assigned amount. "[I]n the case of Mobile Beacon, school modems use an average of 32 gigabytes (GBs) per month, with the top 25 percent using capacity between 50 and 300+ GBs per month," the companies' lawsuit against Sprint claims. "[I]n the case of Mobile Citizen the overall average broadband capacity consumption is 40 GB per month, nonetheless, Clearwire and Sprint are curtailing that current level of capacity to a mere 6 GB monthly, which is a near lethal blow to plaintiffs' non-profit users."

Sprint, for its part, makes no apology for its throttling. A Sprint spokesperson told Ars in an e-mail, "We do not offer unlimited data-only service to any customer. Yes, Sprint engages in reasonable network management practices as it is contractually entitled to do to ensure that their customers did not lose access in the middle of the month... We have repeatedly made attempts to discuss with [Mobile Citizen and Mobile Beacon] how we can best meet their end users' needs and resolve this matter. But instead of working it out like reasonable partners, they chose to file a complaint." (Sprint does offer unlimited talk, text, and voice plans for retail customers, and it recently moved to stop throttling video data for customers buying all three services, as well.)

The spokesperson continued, "Mobile Beacon and Mobile Citizen receive significant fees from Sprint for the use of their spectrum. We provide them with data capacity on our networks for free, which they resell to customers at rates that they determine at their sole discretion."

Sprint will shut down the WiMAX network by November 6. Mobile Citizen and Mobile Beacon say that will make them unable to provide free or low-cost unlimited data to 429 schools, 61 libraries, and 1,820 nonprofit organizations. But Sprint says the two companies have had over a year to figure our how to transition "to the more advanced and higher quality LTE," and it notes that other EBS licensees have largely transitioned without issue.

But Katherine Messier, the managing director of Mobile Beacon, disagrees. In a statement, she said, "We don't believe providing a second-class Internet service or 'slow lane' is an acceptable means to

close the digital divide. We're fighting to prevent diminished service to schools and poor people now—
and over the remaining 21 years of our contract."