

Before the  
**FEDERAL COMMUNICATIONS COMMISSION**  
Washington, DC 20554

In the Matter of )  
 )  
Applications of T-Mobile US, Inc., and Sprint ) WT Docket No. 18-197  
Corporation for Consent to Transfer Control of )  
Licenses and Authorizations )

**COMMENTS OF FRONTIER COMMUNICATIONS  
CORPORATION AND WINDSTREAM SERVICES, LLC**

Frontier Communications Corporation (“Frontier”) and Windstream Services, LLC (“Windstream”) submit these comments in the above captioned proceeding to express concern regarding a combined T-Mobile US, Inc. (“T-Mobile”) and Sprint Corporation (“Sprint”) controlling more than one-third of low- and mid-band spectrum (i.e., non-millimeter wave (“mmW”) spectrum) and more than one-third of mmW spectrum in significant parts of the country. Because this high level of spectrum aggregation could have a substantial impact on broadband competition, the Commission should take a hard look at these spectrum holdings and require the companies to divest where there is a competitive concern – namely, where the joint companies would hold more than one-third of low- and mid- band spectrum and where the companies hold more than one-third of mmW spectrum.

A single entity controlling more than one-third of either tranche of spectrum indicates inefficient spectrum hoarding that would hamper innovation, especially with so much demand in the market. There is no suggestion that there is a valid competitive reason for controlling more than one-third of traditional spectrum, and there are plenty of companies, including Frontier and Windstream, that would be eager to use this spectrum to deploy broadband, particularly in more rural and suburban markets.

***A Combined Sprint/T-Mobile Would Control More Than One-Third of Traditional Mobile Spectrum and More Than One-Third of mmW Spectrum in Significant Portions of the Country.***

Based on the application materials that Sprint and T-Mobile have provided so far,<sup>1</sup> the joint companies would likely far exceed the Commission's well-established spectrum screens for traditional spectrum<sup>2</sup> and for mmW spectrum<sup>3</sup> in significant portions of the country.

For instance, turning first to traditional spectrum, it appears that the combined company would exceed their asserted 238.5 MHz screen in over 2,000 counties or county-equivalents. In those areas, the companies would exceed the screen roughly by an average of 54 MHz. And in many counties or county-equivalents, the combined companies would exceed the screen by over 100 MHz and up to 123 MHz – more than half of the amount of the 238.5 MHz screen and representing more than half of available licensed traditional spectrum in the given areas.

Looking at the potential joint mmW holdings and the mmW spectrum aggregation screen presents the same concerns. Based on the information provided, it appears the combined company would exceed the mmW screen in 71 county or county-equivalents – by amounts of up to 366 MHz and an average of 237 MHz where the screen is exceeded. In both the traditional and the mmW cases, these are substantial aggregations of spectrum that pose real public interest and competitive concerns.

***There Is Significant Interest in Spectrum, Including in Rural and Suburban Areas.***

It is no secret that there is significant interest in all spectrum for purposes of fixed and mobile broadband deployment. The joint holdings of the Applicants would be no exception. For instance, Frontier and Windstream view wireless spectrum – both traditional low- and mid- band spectrum and potentially mmW spectrum – as an important tool in the toolkit for broadband deployment, particularly in rural and less-densely populated areas.

Our companies have an extensive track record of bringing broadband to rural Americans, particularly in areas where other large internet providers will not build,<sup>4</sup> and we believe we may be able to further leverage our investments with access to spectrum. Between the two companies, Frontier and Windstream are in the process of investing more than three billion dollars to bring broadband to more than a million homes and businesses (representing almost two and a half million Americans) through year-end 2020 as part of Phase II of the Connect America Fund (“CAF”) program. We look forward to continuing to expand on these great successes, and as we have explained in other Commission dockets, smart wireless rules can help fuel further rural broadband deployment in the hardest to reach places.<sup>5</sup>

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<sup>1</sup> As others in the record have noted, the Applicants have not provided the information regarding how the screens were exceeded directly, and substantial manipulation of data was required, especially with challenges with machine readability in the format provided. *See* Communications Workers of America et al., *Motion to Stop the Clock, or in the Alternative, Motion for Extension of Time*, Docket No. 18-197 (Aug. 17, 2018). Based on these challenges, these figures in this section represent best estimates. Nonetheless, these estimates directionally show the risk of significant spectrum aggregation posed by the transaction if no divestiture of spectrum is required.

<sup>2</sup> *See, e.g., Policies Regarding Mobile Spectrum Holdings*, Report and Order, 29 FCC Rcd 6133 (2014) (“*Mobile Spectrum Holdings Order*”).

<sup>3</sup> *See, e.g., T-Mobile US, Inc. and Sprint Corporation Description of Transaction, Public Interest Statement, and Related Demonstrations*, WT Docket No. 18-197 at 133 (filed June 18, 2018) (“Public Interest Statement”) (explaining that “[t]he screens currently employed for transaction review include. . . a millimeter wave screen that is triggered if the applicants aggregate more than one-third of the available millimeter wave spectrum.”)

<sup>4</sup> *See, e.g., Connect America Fund*, Report & Order, 26 FCC Rcd 17663 ¶ 177 (2011) (“*2011 USF/ICC Transformation Order*”) (“The fact that incumbent LECs’ have had a long history of providing service” in rural America “puts them in a unique position to deploy broadband networks rapidly and efficiently in [these] areas.”).

<sup>5</sup> *See, e.g., Comments of Frontier, Windstream, and Consolidated*, GN Docket No. 17-183 & RM-11791 (Oct. 2, 2017) (“*Mid-Size ILECs 3.7-4.2 Comments*”); Comments of Frontier,

As part of this rural broadband expansion, Frontier and Windstream are busy testing and deploying wireless broadband. As, for example, Frontier’s Chief Financial Officer has explained, Frontier “deployed two markets in 2017” and “has plans to deploy another 15 to 20 markets in 2018” with a “plan is to cover about 30,000 households by the end of the year.”<sup>6</sup> Similarly, Windstream is currently utilizing wireless spectrum to deliver broadband to around 9,000 households in Oklahoma and around 200 households in Iowa, and has plans to extend its fixed wireless footprint to around 6,500 total households in Iowa by the end of next year.<sup>7</sup> Windstream is also considering “deployments in locations in Missouri, Nebraska and elsewhere.”<sup>8</sup>

Nonetheless, access to sufficient spectrum at reasonable costs remains a significant challenge, and further spectrum concentration would exacerbate that problem.

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Windstream, and Consolidated, GN Docket 17-258 (Dec. 28, 2017) (“*Mid-Size ILECs CBRS Comments*”).

<sup>6</sup> Frontier Communications, *Q1 2018 Results – Earnings Call Transcript* (May 1, 2018), available at <https://bit.ly/2LlZMb>; see also Perley McBride, CFO, Frontier Communications, *Interview at Goldman Sachs Annual Communacopia Conference* (Sept. 12, 2017), available at <https://bit.ly/2K8UkyX> (explaining “[Frontier] see[s] [wireless] as another opportunity to . . . create a better broadband product” in rural America).

<sup>7</sup> Mike Dano, *Windstream Peels Back the Curtain on Its Fixed Wireless Deployments*, FIERCE WIRELESS (May 7, 2018 8:36 AM), <https://bit.ly/2o5mX7B>.

<sup>8</sup> *Id.*

***Enforcing the Commission’s Well-Established Spectrum Screen Would Promote Broadband Competition, Deployment, and Innovation.***

As the Commission has explained, “avoiding undue aggregation of spectrum in particular geographic markets has long been a bedrock principle.”<sup>9</sup> The reasons are simple: “[e]nsuring that sufficient spectrum is available for multiple” providers is “crucial to fostering innovation in the marketplace.”<sup>10</sup> This long-standing and well-established practice of protecting against available and suitable spectrum being concentrated in the hands of just a few operators is in no small part responsible for the vibrant competitive broadband marketplace and all of the innovative uses of spectrum we have today.

Given increasing technological innovation and the increasing uses of and interest in spectrum, including fixed broadband deployment, a screen set at one-third of available spectrum may in fact be artificially high and not optimal for promoting competition and preventing hoarding of spectrum. This is especially true as more spectrum becomes available, which suggests that a single operator may not need one-third of available spectrum, and as spectrum remains concentrated in the hands of a limited number of companies. Whether or not one-third of available spectrum is ultimately too high of a threshold, at a minimum, the Commission should certainly enforce this well-established screen here.

Enforcing the screen is especially important because the secondary market for spectrum has not been an adequate substitute for ensuring adequate availability of spectrum. As Frontier and Windstream have explained in other contexts, in our experience, whether due to transaction costs, business priorities, spectrum warehousing, technical impediments, legal fees, potential

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<sup>9</sup> *Mobile Spectrum Holdings Order* ¶ 8.

<sup>10</sup> *Id.* ¶ 17.

liability, or excessive regulations, among other potential factors, wireless spectrum licensees do not have the incentive or interest to negotiate targeted leases to fixed providers.<sup>11</sup>

***Conclusion***

Based on the Commission's long-standing and well-established spectrum holdings screen, the Commission should, at a minimum, require the joint companies to divest both traditional and mmW spectrum in counties or county equivalents where the companies would hold more than one-third of traditional or mmW spectrum. Doing so would promote competition, foster innovation, and protect the public interest.

Respectfully submitted,

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<sup>11</sup> See, e.g., Comments of Frontier, Windstream, and Consolidated, Docket No. 17-258 (Dec. 28, 2017).