

# clearw<sup>ire</sup>

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Washington, D.C. 20006

October 20, 2006

Via Electronic Filing

Ms. Marlene H. Dortch, Secretary  
Federal Communications Commission  
445 Twelfth Street, S.W.  
Washington, DC 20554

**RE: Notice of Oral Ex Parte Communication**

AT&T Inc. and BellSouth Corporation, Application for Approval of Transfer of Control, WC  
Docket No. 06-74;

Dear Ms. Dortch:

Earlier today, at the request of Commissioner Adelstein's office, Terri Natoli and Gerard Salemme of Clearwire Corporation ("Clearwire"), a licensee, lessee, and operator of 2.5 GHz spectrum, met with the Commissioner's legal advisors, Scott Bergmann and Barry Ohlson, and Intern Chris Reichman to discuss Clearwire's interest in the AT&T/BellSouth merger proceeding. During this meeting, Clearwire explained why the AT&T/BellSouth proposed merger condition (which was advanced on October 13, 2006) regarding the initiation of ten new 2.3 or 2.5 GHz spectrum trials by the end of 2007, in no way addresses or minimizes the anticompetitive incentives that will exist, and the adverse impact that could occur, to an alternative nationwide intermodal broadband platform, if the merged entities are permitted to retain BellSouth's 2.5 GHz spectrum rights. The attachment hereto identifies the specifics that were discussed in the meeting and left behind.

Pursuant to Section 1.1206(b)(2) of the Commission's Rules, this presentation is being filed electronically. If you have any questions regarding this matter, please do not hesitate to contact the undersigned at 202-429-0107 or at [Terri.Natoli@Clearwire.com](mailto:Terri.Natoli@Clearwire.com).

Sincerely,



Terri B. Natoli

Attachment

Chairman Kevin J. Martin  
Commissioner Michael J. Copps  
Commissioner Jonathan S. Adelstein  
Commissioner Deborah Taylor Tate  
Michelle Carey  
Fred Campbell

Jessica Rosenworcel  
Scott Deutchman  
Bruce Gottlieb  
Barry Ohlson  
Scott Bergmann  
Ian Dillner

Aaron Goldberger  
Thomas Navin  
Don Stockdale  
Chris Reichman

**AT&T/BELLSOUTH'S PROFFERED WIRELESS MERGER CONDITION FAILS TO ELIMINATE THE ADVERSE COMPETITIVE AND PUBLIC INTEREST IMPACT OF A MERGER TO AN INDEPENDENT NATIONWIDE INTERMODAL MOBILE BROADBAND PLATFORM IF THE MERGED ENTITIES ARE NOT REQUIRED TO DIVEST BELLSOUTH'S 2.5 GHz SPECTRUM HOLDINGS**

Merged entity will have unrivaled control over multiple essentially-nationwide broadband-capable platforms, as well as a narrowband PCS network

- Largest wireline/DSL network in the country
- Largest national narrowband voice /data network
- Largest national UMTS/HSDPA-capable (EV-DO) network
- Nearly nationwide 2.3 GHz broadband spectrum footprint
- Limited 2.5 GHz WiMax-optimal spectrum rights in roughly 11 BellSouth markets (insufficient amount to develop/deploy a standalone mobile wireless broadband platform)

Miminal BellSouth stranded investment/users were 2.5 GHz divestiture to occur

- Only legacy "pre-BRS/EBS flexible-use rule rewrite" wireless cable facilities which have been, or are being, de-commissioned
- Any legacy wireless cable service obligations could/would be assumed on an uninterrupted basis by service provider acquiring divested 2.5 GHz spectrum rights

No evidence of merged entity plans for 2.5 GHz fixed or mobile broadband service roll-out or deployment *at least through May 2011*.

- Evidence of 10 existing/planned trials *using only 2.3 GHz* or Unlicensed spectrum
- Lack of 2.5 GHz broadband deployment plans evidenced in BellSouth filings in BRS/EBS WT Docket No. 03-66

Mobile wireless broadband services via WiMax technology offer a unique opportunity for robust ubiquitous facilities-based intermodal broadband competition to consumers

- 2.5 GHz spectrum band is designated US mobile WiMax spectrum by IEEE & WiMax Forum
- 2.3 GHz spectrum band is also WiMax-capable spectrum (but merged entity will have majority of 2.3 GHz spectrum overlapping its 2.5 GHz spectrum footprint)

Merged entity will have the incentive/ability to continue to warehouse and underutilize its 2.5 GHz spectrum

- Creates critical coverage gap for 2.5 GHz mobile WiMAX broadband competitors
- Impedes a competing nationwide facilities-based mobile wireless broadband platform
- Frustrates nationwide broadband service availability/mobility at 2.5 GHz for consumers

A Merged entity 2.5 GHz spectrum rights divestiture *can be a win/win scenario for all*

- Merged entity can receive *full market value* for divested 2.5 GHz spectrum rights from wireless broadband competitor
- Consumers in the Southeast will ultimately have the capability to receive alternative mobile wireless broadband service on a nationwide WiMAX platform
- Merged entity can compete head-to-head at 2.3 GHz with alternative independent 2.5 GHz broadband platform