Approved by OMB
3060−0686

INTERNATIONAL SECTION 214 AUTHORIZATIONS FOR ASSIGNMENT OR TRANSFER OF CONTROL FCC FORM 214TC FOR OFFICIAL USE ONLY	

APPLICANT INFORMATION

Enter a description of this application to identify it on the main menu:

Application for Transfer of Control of T−Mobile USA, Inc.'s International Section 214 Authorization to AT&T Inc.

1. Legal Name of Applicant

Name:	T−Mobile USA, Inc.	**Phone Number:**	425−383−4000
DBA Name:		**Fax Number:**	425−383−4840
Street:	12920 SE 38th Street	**E−Mail:**	dan.menser@t−mobile.com
City:	Bellevue	**State:**	WA
Country:	USA	**Zipcode:**	98006 −
Attention:	Dan Menser		

2. Name of Contact Representative

Name:	Nancy J. Victory	**Phone Number:**	202−719−7344
Company:	Wiley Rein LLP	**Fax Number:**	202−719−7049
Street:	1776 K Street, NW	**E−Mail:**	nvictory@wileyrein.com
City:	Washington	**State:**	DC
Country:	USA	**Zipcode:**	20006−
Attention:		**Relationship:**	Legal Counsel

CLASSIFICATION OF FILING

3.Choose the button next to the classification that best describes this filing. Choose only one.

○ a. Assignment of Section 214 Authority

An Assignment of an authorization is a transaction in which the authorization, or a portion of it, is assigned from one entity to another. Following an assignment, the authorization will usually be held by an entity other than the one to which it was originally granted. (See Section 63.24(b).)

◉ b. Transfer of Control of Section 214 Authority

A Transfer of Control is a transaction in which the authorization remains held by the same entity, but there is a change in the entity or entities that control the authorization holder. (See Section 63.24(c).)

○ c. Notification of Pro Forma Assignment of Section 214 Authority (No fee required)

○ d. Notification of Pro Forma Transfer of Control of Section 214 Authority (No fee required)

Date of Consummation: Must be completed if you selecct c or d.

4. File Number(s) of Section 214 Authority(ies) for Which You Seek Consent to Assign or Transfer Control.
Note: If the Section 214 Authorization Holder whose authority is being assigned or transferred does not have an "ITC" File No. under which it is operating, contact the Help Desk for assistance before proceeding further with this application. You cannot enter an "ITC−ASG" or "ITC−T/C" File No. in response to this question. Your response must specify one or more "ITC" File Nos. Relevant "ITC−ASG" or "ITC−T/C" File Nos. should be listed only in Attachment 1 in response to Question 10.

File Number: ITC2141996093000473	**File Number:**	**File Number:**	**File Number:**	**File Number:**	**File Number:**	**File Number:**	**File Number:**

5. Name of Section 214 Authorization Holder

Name:	T−Mobile USA, Inc.	**Phone Number:**	425−383−4000
DBA Name:		**Fax Number:**	425−383−4840
Street:	12920 SE 38th Street	**E−Mail:**	dan.menser@t−mobile.com
City:	Bellevue	**State:**	WA
Country:	USA	**Zipcode:**	98006 −
Attention:	Dan Menser		

6. Name of Assignor / Transferor

Name:	Deutsche Telekom AG	**Phone Number:**	425−383−4000
DBA Name:		**Fax Number:**	425−383−4840
Street:	12920 SE 38th Street	**E−Mail:**	dan.menser@t−mobile.com
City:	Bellevue	**State:**	WA
Country:	USA	**Zipcode:**	98006 −
Attention:	Dan Menser		

7. Name of Assignee / Transferee

Name:	AT&T Inc.	**Phone Number:**	202−457−2055
DBA Name:		**Fax Number:**	202−457−3073
Street:	1120 20th Street, NW Suite 1000	**E−Mail:**	mg7268@att.com
City:	Washington	**State:**	DC
Country:	USA	**Zipcode:**	20036 −
Attention:	Michael P. Goggin		

8a. Is a fee submitted with this application?

◉ If Yes, complete and attach FCC Form 159. If No, indicate reason for fee exemption (see 47 C.F.R.Section 1.1114).

○ Governmental Entity ○ Noncommercial educational licensee ○ Notification of Pro Forma (No fee required.)

○ Other(please explain):

8b. You must file a separate application for each legal entity that holds one or more Section 214 authorizations to be assigned or transferred.

Fee Classification CUT − Section 214 Authority

9. Description (Summarize the nature of the application.)

(If the complete description does not appear in this box, please go to the end of the form to view it in its entirety.)

Application for Commission consent to the transfer of control of T-Mobile USA, Inc.'s international Section 214 authorization to AT&T Inc.

10. In Attachment 1, please respond to paragraphs (c) and (d) of Section 63.18 with respect to the assignor/transferor and the assignee/transferee. Label your response "Answer to Question 10".

11. Does any entity, directly or indirectly, own at least ten (10) percent of the equity of the assignee/transferee as determined by successive multiplication in the manner specified in the note to Section 63.18(h) of the rules?

○ Yes ◉ No

If you answered "Yes" to this question, provide in Attachment 1, the name, address, citizenship, and principal businesses of each person or entity that directly or indirectly owns at least ten (10) percent of the equity of the assignee/transferee, and the percentage of equity owned by each of those persons or entities (to the nearest one percent). Label your response "Answer to Question 11."

12. Does the assignee/transferee have any interlocking directorates with a foreign carrier?

◉ Yes ○ No

If you answered "Yes" to this question, identify each interlocking officer/director in Attachment 1. (See Section 63.09(g).) Provide the name and position/title of the individual or entity, the name of the foreign carrier, and the country in which the foreign carrier is authorized to operate. Label your response: "Answer to Question 12."

13. Provide in Attachment 1 a narrative of the means by which the proposed assignment or transfer of control will take place. In circumstances of a substantial assignment or transfer of control pursuant to Section 63.24(e), where the assignor seeks authority to assign only a portion of its U.S. international assets and/or customer base, please specify whether the assignor requests authority to continue to operate under any or all of its international Section 214 File Nos. after consummation; and, if so, please specify in Attachment 1 each File No. it seeks to retain in its own name. Label your response "Answer to Question 13."

Note: The assignor may retain any or all of its international Section 214 File Nos. In that case, the assignor will continue to hold the international section 214 authorizations that it specifies in response to this question. The ITC−ASG File No. that the Commission assigns to this application will, when granted, constitute Commission authorization of the proposed assignment of assets and /or customers from the assignor to the assignee. Unless Commission grant of the assignment application specifies otherwise, the assignee may provide the same services on the same routes as permitted under the assignor's Section 214 authorization(s), and the assignee may provide such service to any customers it may obtain in the ordinary course of business.

If this filing is not a notification of a pro forma assignment or pro forma transfer of control, please respond to Questions 14−20 below. (See Section 63.24(d).) Otherwise, you may proceed to Question 21 below.

14. Check "Yes" below if the assignee is a foreign carrier or if, upon consummation of the proposed assignment or transfer of control, the Section 214 holder would be affiliated with a foreign carrier. (See Section 63.18 (i).) The terms "foreign carrier" and "affiliated" are defined in Section 63.09 (d) & (e) of the rules respectively.

◉ Yes ○ No

If you answered "Yes" to this question, please specify in Attachment 1 each foreign country in which the assignee is a foreign carrier or in which the Section 214 holder, upon consummation, would be affiliated with a foreign carrier. Label your response, "Answer to Question 14."

15. If this application is granted and the proposed assignment or transfer is consummated, would the Section 214 holder be authorized to provide service to any destination country for which any of the following statements is true? (1) The Section 214 holder is a foreign carrier in that country; or (2) The Section 214 holder controls a foreign carrier in that country; or (3) Any entity that owns more than 25 percent of the Section 214 holder, or that controls the Section 214 holder, controls a foreign carrier in that country. (4) Two or more foreign carriers (or parties that control foreign carriers) own, in the aggregate, more than 25 percent of the Section 214 holder and are parties to, or the beneficiaries of, a contractual relation (e.g., a joint venture or market alliance) affecting the provision or marketing of international basic telecommunications services in the United States. If you answered "Yes" to this question, please specify in Attachment 1 each foreign carrier and country for which any of the above statements would be true. Label your response, "Answer to Question 15."	◉ Yes ○ No
16. If you answered "Yes" to question 14, do you request classification of the Section 214 holder as a "non−dominant" carrier, upon consummation of the proposed transaction, between the United States and any or all countries listed in response to Question 14? See Section 63.10 of the rules. If you answered "Yes" to this question, you must provide information in Attachment 1 to demonstrate that the Section 214 holder would qualify for non−dominant classification under Section 63.10 of the rules on each U.S.−destination country route where it would be a foreign carrier, or would be affiliated with a foreign carrier and for which you request non−dominant classification. Label your response, "Answer to Question 16."	◉ Yes ○ No

17. If you answered "Yes" to question 14 and you have not provided information in response to Question 16 to demonstrate that the Section 214 holder would qualify for non−dominant classification under Section 63.10 of the rules on each U.S.−destination route where it would be a foreign carrier, or be affiliated with a foreign carrier, check "Yes" below to certify that the assignee/transferee agrees to comply with the dominant carrier safeguards in Section 63.10 (c) & (e) of the rules in the provision of international service between the United States and any foreign country(ies) for which you have not provided the required information.

○ Yes, I certify that I agree to comply with the dominant carrier safeguards in Section 63.10 (c) & (e) of the rules in my provision of international service between the United States and the following foreign country(ies):

◉ No, Does not apply.

18. If you answered "Yes" to question 15, and if you have not provided information in response to question 16 to demonstrate that the Section 214 holder would qualify for non−dominant classification under Section 63.10 of the rules in its provision of service to each of the countries identified in response to question 15, the Section 214 holder may not be eligible to provide international telecommunications service between the U.S. and each such country following consummation of the assignment or transfer. In order to determine whether the public interest would be served by authorizing service on these U.S.−destination country routes, the assignee/transferee must provide information, in Attachment 1, to satisfy one of the showings specified in Section 63.18(k) of the rules. Label your response, "Answer to Question 18."

19. If the assignee, or the Section 214 holder that is the subject of this transfer of control application, is a provider of Commercial Mobile Radio Services, you need not answer this question.
If any of the Section 214 authorization(s) that would be assigned or transferred, authorize the Section 214 holder to resell the international switched services of an unaffiliated U.S. carrier for the purpose of providing international telecommunications services to a country listed in response to question 14, and unless you have provided information in response to question 16 to demonstrate that the Section 214 holder would qualify for non−dominant classification under Section 63.10(a)(3) of the rules for each country, check "Yes" below to certify that the assignee/transferee will file the quarterly traffic reports required by Section 43.61(c) of the rules; and/or state in Attachment 1 that the foreign carrier(s) for which the applicant has not made a showing under Section 63.10(c)(3) do(es) not collect settlement payments from U.S. international carriers. (See Section 63.18(l).)

○ Yes, I certify that I agree to comply with the quarterly traffic reporting requirements set forth in section 43.61(c) of the rules.

20. If the applicant desires streamlined processing pursuant to Section 63.12 of the rules, provide in Attachment 1 a statement of how the application qualifies for streamlined processing. (See Section 63.18(p).) Note that, if the application is being filed in connection with a sale of assets or reorganization of a carrier or its parent pursuant to the U.S. bankruptcy laws, the application may not be eligible for streamlined processing until final bankruptcy court approval of the proposed sale or reorganization.

Applicant certifies that its responses to questions 21 through 25 are true:

21. The assignee/transferee certifies that it has not agreed to accept special concessions directly or indirectly from a foreign carrier with respect to any U.S. international route where the foreign carrier possesses sufficient market power on the foreign end of the route to affect competition adversely in the U.S. market and will not enter into any such agreements in the future.	◉ Yes ○ No
22. By signing this application, the undersigned certify either (1) that the authorization(s) will not be assigned or that control of the authorization(s) will not be transferred until the consent of the Federal Communications Commission has been given, or (2) that prior Commission consent is not required because the transaction is subject to the notification procedures for pro forma transactions under Section 63.24 of the rules. The assignee/transferee also acknowledges that the Commission must be notified by letter within 30 days of a consummation or of a decision not to consummate. (See Section 63.24(e)(4).)	◉ Yes ○ No
23. If this filing is a notification of a pro forma assignment or transfer of control, the undersigned certify that the assignment or transfer of control was pro forma and that, together with all previous pro forma transactions, does not result in a change in the actual controlling party.	○ Yes ○ No ◉ Not a Pro Forma

24. The undersigned certify that all statements made in this application and in the exhibits, attachments, or documents incorporated by reference are material, are part of this application, and are true, complete, correct, and made in good faith.	◉ Yes ○ No
25. The assignee/transferee certifies that neither it nor any other party to the application is subject to a denial of Federal benefits pursuant to Section 5301 of the Anti−Drug Abuse Act of 1988, 21 U.S.C. ï¿½ 862, because of a conviction for possession or distribution of a controlled substance. See Section 1.2002(b) of the rules, 47 CFR ï¿½ 1.2002(b), for the definition of "party to the application" as used in this certification.	◉ Yes ○ No

CERTIFICATION

26. Printed Name of Assignor / Transferor Deutsche Telekom AG	29. Printed Name of Assignee / Transferee AT&T Inc.
27. Title (Office Held by Person Signing) Senior V.P. − Public and Regulatory Affairs	30. Title (Office Held by Person Signing) Senior V.P. & Assistant General Counsel
28. Signature (Enter the name of the person who will sign the paper version of this form for retention in their files) Wolfgang Kopf	31. Signature (Enter the name of the person who will sign the paper version of this form for retention in their files) William R. Drexel

WILLFUL FALSE STATEMENTS MADE ON THIS FORM ARE PUNISHABLE BY FINE AND / OR IMPRISONMENT (U.S. Code, Title 18, Section 1001), AND/OR REVOCATION OF ANY STATION AUTHORIZATION (U.S. Code, Title 47, Section 312(a)(1)), AND/OR FORFEITURE (U.S. Code, Title 47, Section 503).

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**ATTACHMENT 1 TO FCC ELECTRONIC FORM
FOR TRANSFER OF CONTROL
INTERNATIONAL SECTION 214 AUTHORIZATION**

Pursuant to Section 214 of the Communications Act of 1934, as amended, ("the Act"), 47 U.S.C. § 214, and Section 63.24 of the Commission's rules, 47 C.F.R. § 63.24, Deutsche Telekom AG ("DT or "Transferor") and AT&T Inc. ("AT&T" or "Transferee") hereby request Commission consent to the transfer of control of the international Section 214 authorizations held by T-Mobile USA, Inc. and T-Mobile Puerto Rico LLC (collectively "T-Mobile") from DT to AT&T.[1]

Answer to Question 10 - Section 63.18(c)-(d):

Transferor Information (Deutsche Telekom AG):

Contact Information:

Deutsche Telekom AG
c/o Dan Menser
T-Mobile USA, Inc.
12920 SE 38th Street
Bellevue, WA 98006
Tel: 425-383-4000
Fax: 425-383-4840
dan.menser@t-mobile.com

with a copy to

Nancy J. Victory
Wiley Rein LLP
1776 K Street, N.W.
Washington, D.C. 20006
Tel: 202-719-7344
Fax: 202-719-7049
nvictory@wileyrein.com

[1] DT and AT&T (collectively, "Applicants") are filing a total of four applications to transfer control of international Section 214 authorizations, three electronically (two for T-Mobile USA, Inc. and one for T-Mobile Puerto Rico LLC) and one on paper (for Iowa Wireless Services Holding Corporation). Applicants previously received a waiver of Section 1.10006 of the Commission's rules, 47 C.F.R. § 1.10006, which requires that applications to transfer control of international Section 214 authorizations be filed electronically.

International Section 214 Authorizations:

Deutsche Telekom wholly owns and controls T-Mobile, and T-Mobile has a 53.6 percent equity interest in Iowa Wireless.[2] T-Mobile and Iowa Wireless collectively hold four international Section 214 authorizations, which are the subject of these transfer of control applications: File Nos. ITC-214-20070626-00246 (Global or Limited Global Resale Service), ITC-214-20061004-00452 (Global or Limited Global Resale Service), ITC-214-19960930-00473 (Global Resale Service), and ITC-214-20020513-00251 (Global or Limited Global Resale Service).[3]

Transferee Information (AT&T Inc.):

AT&T Inc.
c/o William R. Drexel
Senior Vice President and Assistant General Counsel
AT&T Inc.
208 South Akard Street, Room 3305
Dallas, TX 75205
Tel: 214-757-3350
Fax: 214-746-2152
william.drexel@att.com

with a copy to

Peter J. Schildkraut
Arnold & Porter LLP
555 Twelfth Street, N.W.
Washington, D.C. 20004
Tel: 202-942-5634
Fax: 202-942-5999
Peter.Schildkraut@aporter.com

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[2] Although T-Mobile's interest in Iowa Wireless is non-controlling, the fact that AT&T will be acquiring a greater than 50 percent equity interest makes this transaction a transfer of control of the authorizations held by Iowa Wireless under the FCC's rules, for which Deutsche Telekom and AT&T must seek Commission approval. *See* 47 C.F.R. § 63.24(c) ("A change from less than 50 percent ownership to 50 percent or more ownership shall always be considered a transfer of control.").

[3] Deutsche Telekom (through its T-Systems North America, Inc. subsidiary) also controls two other international Section 214 authorizations (ITC-214-20020927-00514 and ITC-214-20040920-00370), control of which is *not* being transferred to AT&T.

International Section 214 Authorizations:

The Transferee, AT&T, has 49 wholly owned subsidiaries that collectively hold global or limited global facilities-based or resale Section 214 authorizations, including those for Cuba. These subsidiaries hold global authority under Section 214 to provide a range of facilities-based services, *see, e.g.*, ITC-214-19960830-00414 (Previous File Number ITC-96-487) (AT&T Corp. authority to provide global facilities-based services), including those originating in region and out of region, *see, e.g.*, ITC-214-20001130-00713 (SBC Long Distance, LLC authority to provide facilities-based and resale services originating in Kansas and Oklahoma); ITC-214-19971108-00689 (SBC Long Distance, LLC authority to provide facilities-based services originating out of region). AT&T subsidiaries also have global authority under Section 214 to provide various resale services. *See, e.g.*, ITC-214-19960223-00083 (SNET America, Inc. authority to resell private line services); ITC-214-19970814-00493 (Previous File Number ITC-97-506) (TC Systems, Inc. global authority to resell international switched services). Other AT&T subsidiaries hold authority to provide services on particular routes or over particular facilities. *See, e.g.*, ITC-89-060 (AT&T of Puerto Rico, Inc. and AT&T of the Virgin Islands, Inc. authority to operate additional capacity in St. Thomas-Tortola and Eastern Caribbean DCMS for use in providing services to various Caribbean points). AT&T's subsidiaries do not provide services to any of the countries in which they have an affiliate solely through the resale of the international switched services of an unaffiliated United States facilities-based carrier.

A complete list of the AT&T subsidiaries holding Section 214 authorizations, the file numbers associated with such authorizations and a description of such authorizations is set forth below in Attachment A.

Answer to Question 11 - Section 63.18(h):

AT&T is a publicly traded corporation whose stock is widely held by the public with no person or entity holding a ten percent or greater ownership interest in AT&T as of December 31, 2010 or projected to hold such an interest as of the closing of this transaction.

Answer to Question 12 - Section 63.18(h):

The following persons are officers or directors of AT&T Inc. and are also officers or directors of one or more foreign carriers: Rayford Wilkins, Jr., Chief Executive Officer - AT&T Diversified Businesses of AT&T Inc., is a director of América Móvil, S.A.B. de C.V. ("América Móvil"). América Móvil is a carrier or controls carriers in Argentina, Brazil, Chile, Colombia, the Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Jamaica, Mexico, Nicaragua, Panama, Paraguay, Peru, the United

States, and Uruguay.[4] Michael J. Viola, Senior Vice President - Finance of AT&T Inc., is a director of both Teléfonos de México, S.A.B. de C.V. ("Telmex") and América Móvil. Telmex is a carrier or controls carriers in Mexico and the United States.[5] George B. Goeke, Assistant Treasurer of AT&T Inc., is a director and Treasurer of the following: AT&T Global Network Services International, Inc., which is a carrier in Israel, New Zealand, and Pakistan; AT&T Global Network Services Norge LLC, which is a carrier in Norway; and AT&T Global Network Services Venezuela LLC, which is a carrier in Venezuela. Mr. Goeke is also Vice President and Treasurer of BellSouth Long Distance, Inc., which is a carrier in Canada.

Answer to Question 13 - Narrative of Transaction and Public Interest Statement:

Please see Attachment 2.

Answer to Question 14 - Section 63.18(i):

AT&T and its subsidiaries are presently affiliated with numerous foreign carriers authorized to provide telecommunications services to the public. Upon consummation of this transaction, T-Mobile and Iowa Wireless will be affiliated with those foreign carriers, which are listed below:

AT&T Communications Services Argentina S.R.L.	Argentina
AT&T Global Network Services Australia Pty. Ltd.	Australia
AT&T Global Network Services Austria GmbH	Austria
AT&T Global Network Services Belgium Luxembourg S.P.R.L.	Belgium
AT&T Global Network Services Brazil Ltda.	Brazil
AT&T Global Network Services Bulgaria Ltd.	Bulgaria
AT&T Global Services Canada Co.	Canada
AT&T Enterprises Canada Co.	Canada

[4] América Móvil, S.A.B. de C.V., Annual Report (Form 20-F), at 23 (May 25, 2010). América Móvil recently entered into an agreement with Digicel Group Limited and its affiliates ("Digicel"), to acquire all of Digicel's operations in El Salvador and Honduras. As part of this agreement, América Móvil will sell its operations in Jamaica to Digicel. *See* América Móvil, S.A.B. de C.V., Report of Foreign Private Issuer (Form 6-K) at 1 (Mar. 11, 2011). AT&T has relied upon América Móvil's and Telmex's SEC filings to identify the countries where América Móvil or Telmex is a carrier or controls carriers. There may be subsequent developments not reflected in those SEC filings. *See* Press Release, América Móvil, S.A.B. de C.V., América Móvil Obtains License in Costa Rica, Jan. 7, 2011, http://www.americamovil.com/amx/en/cm/news/2011/2011_01_07.pdf.

[5] Teléfonos de México, S.A.B. de C.V., Annual Report (Form 20-F) at 15 (May 11, 2010).

BellSouth Long Distance, Inc.	Canada
AT&T Chile SA	Chile
AT&T Red Global Telecommunications Ltda.	Chile
AT&T Global Network Services Colombia (Ltda.)	Colombia
AT&T Global Network Services Hrvatska d.o.o.	Croatia
AT&T Global Network Services Czech Republic s.r.o.	Czech Republic
AT&T Global Network Services Ltd.	Cyprus
AT&T Global Network Services Danmark ApS	Denmark
AT&T Global Network Services Ecuador Cia. Ltda.	Ecuador
AT&T Global Network Services Estonia Ou	Estonia
AT&T Global Network Services Finland Oy	Finland
AT&T Global Network Services France SAS	France
AT&T Global Network Services Deutschland GmbH	Germany
AT&T Global Network Services (Hellas) E.P.E. (Limited)	Greece
AT&T Servicios de Comunicaciones de Guatemala SA	Guatemala
AT&T Global Network Services Hong Kong Limited	Hong Kong
AT&T Global Network Services Hungary Kft	Hungary
AT&T Global Network Services Private Limited	India
AT&T Global Network Services Ireland Limited	Ireland
AT&T Global Network Services International Inc.	Israel
AT&T Global Network Services Italia S.p.A.	Italy
AT&T Japan Ltd.	Japan
AT&T Japan KK	Japan
AT&T Communications Services (Japan) Ltd.	Japan
AT&T Japan LLC	Japan
AT&T GNS Korea Limited (Yuhan Hoesa)	Korea
AT&T Global Network Services Latvia SIA	Latvia
UAB AT&T Lietuva (Lithuania)	Lithuania
AT&T Global Network Services Belgium Luxembourg S.P.R.L. (Branch Office)	Luxembourg
AT&T Worldwide Network Services (Malaysia) Sdn. Bhd.	Malaysia
Alestra, S. de R.L. de C.V.	Mexico
AT&T Global Network Services Morocco sarl au	Morocco
AT&T Global Network Services Nederland B.V.	Netherlands
AT&T Global Network Services International Inc.	New Zealand
AT&T Global Network Services Norge LLC	Norway
AT&T Global Network Services International Inc.	Pakistan
AT&T Communications Services de Panama S. de R.L.	Panama
AT&T Global Network Services del Peru S.R.L.	Peru
AT&T Global Network Services Polska Sp. z.o.o.	Poland

AT&T Serviços de Telecomunicaçues, Sociedade Unipessoal, Lda.	Portugal
AT&T Global Network Services Romania S.R.L.	Romania
AT&T Global Network Services OOO	Russia
AT&T Worldwide Telecommunications Services Singapore Pte Ltd.	Singapore
AT&T Global Network Services Slovakia s.r.o.	Slovakia
AT&T Globalne Omrezne Storitve d.o.o.	Slovenia
AT&T South Africa (Proprietary) Limited	South Africa
AT&T Global Network Services Espana, S.L.	Spain
AT&T Global Network Services Sweden AB	Sweden
AT&T Global Network Services Switzerland GmbH	Switzerland
AT&T Global Network Services Taiwan Ltd.	Taiwan
AT&T Global Iletism Servisleri Limited Sirteki Ltd. STI	Turkey
AT&T Global Network Services (UK) B.V.	United Kingdom
AT&T Global Network Services Venezuela LLC	Venezuela

<u>Answer to Question 15 - Section 63.18(j)</u>:

Pursuant to Section 63.18(j) of the Commission's rules, 47 C.F.R. § 63.18(j), AT&T certifies that it is not a foreign carrier, but that it holds controlling interests in certain foreign carriers in destination countries where its subsidiaries provide international service. These carriers and the countries where they provide service are described above in the answer to Question 14.

<u>Answer to Question 16 - Section 63.10</u>:

Pursuant to Section 63.10 of the Commission's rules, 47 C.F.R. § 63.10, AT&T qualifies for non-dominant classification on the routes between the United States and all the above-listed countries because the affiliates in these countries have no market power on the foreign end of any of these routes.[6] All of the above-listed affiliates have market shares under 50 percent in any relevant market on the foreign end of U.S. routes to these countries. Therefore, because all these companies lack 50 percent market share in the international transport and the local access markets in their respective foreign markets, and none is listed on the Commission's List of Foreign Telecommunications Carriers that Are Presumed to Possess Market Power in Foreign Telecommunications Markets, AT&T is presumptively classified as non-dominant on these routes.

[6] *See* 47 C.F.R. §§ 63.10(a)(3).

Answer to Question 18 - Section 63.18(k):

In accordance with Section 63.18(k)(1) of the Commission's rules, 47 C.F.R. § 63.18(k)(1), AT&T certifies that all of the countries listed in its response to Question 15 (therein referencing its response to Question 14) are WTO Member countries, with the exception of Russia.[7] AT&T certifies that its foreign carrier affiliate in Russia, AT&T Global Network Services, owns no facilities in that destination market, and therefore, lacks market power in Russia, satisfying the requirement of Section 63.18(k)(2).

[7] *See* WTO Members and Observers List, *at* http://www.wto.org/english/theWTO_e/whatis_e/tif_e/org6_e.htm (last visited Apr. 12, 2011).

Attachment A

List of AT&T's Subsidiaries' International Section 214 Authorizations

AT&T ENTITIES WITH INTERNATIONAL SECTION 214 AUTHORITY

Entity Name	Authorization Number	Description
Acadiana Cellular General Partnership	ITC-214-20010412-00193	Authorized to provide international resale service to its CMRS subscribers solely by reselling the international switched services of unaffiliated U.S. facilities-based carriers (either directly or indirectly through the resale of another U.S. resale carrier's international switched services) in accordance with the provisions of Section 63.18(e)(2). Authorization conditioned on filing of quarterly traffic reports for its resale traffic on route between the U.S. and South Africa.
ACC National Long Distance	ITC-214-19941221-00375 (Previous File Number ITC 95-104)	Authorization to provide international switched resale services.
ACC National Long Distance	ITC-ASG-20040524-00272 (Previous File Number ITC-93-034)	Authorization to provide international switched and private line resale to Canada.
ACC National Long Distance	ITC-ASG-20040524-00272 (Previous File Number ITC-93-035)	Authorization to provide international private line resale to the United Kingdom.
ACC National Long Distance	ITC-ASG-20040524-00272 (Previous File Number ITC-95-081)	Authorization to provide international switched resale services.
ACC National Long Distance	ITC-ASG-20040524-00273 (Previous File Number ITC-87-135)	Authorization to provide international switched resale services.

Entity Name	Authorization Number	Description
ACC National Long Distance	ITC-ASG-20040524-00274 (Previous File Number ITC-94-414)	Authorization to provide international switched resale services.
ACC National Long Distance	ITC-ASG-20040524-00275 (Previous File Number ITC-95-103)	Authorization to provide international switched resale services.
ACC National Long Distance	ITC-ASG-20040524-00276 (Previous File Number ITC-92-131)	Authorization to provide international switched resale services.
ACC National Long Distance	ITC-ASG-20040524-00277 (Previous File Number ITC-95-105)	Authorization to provide international switched resale services.
ACC National Long Distance	ITC-ASG-20040524-00278 (Previous File Number ITC-92-139)	Authorization to provide international switched resale services.
ACC National Long Distance	ITC-ASG-20040524-00279 (Previous File Number ITC-95-102)	Authorization to provide international switched resale services.
ACC National Long Distance	ITC-ASG-20040524-00280 (Previous File Number ITC-92-138)	Authorization to provide international switched resale services.
ACC National Long Distance	ITC-ASG-20040524-00281 (Previous File Number ITC-93-221)	Authorization to provide international switched resale services.

Entity Name	Authorization Number	Description
ACC National Long Distance	ITC-ASG-20040524-00282 (Previous File Number ITC-94-413)	Authorization to provide international switched resale services.
ACC National Long Distance	ITC-ASG-20040524-00283 (Previous File Number ITC-95-106)	Authorization to provide international switched resale services.
ACC National Long Distance	ITC-ASG-20040524-00284 (Previous File Number ITC-93-131)	Authorization to provide international switched resale services.
Alascom, Inc.	ITC-214-19970421-00221 (Previous File Number ITC-97-219)	Authorization to provide international facilities-based and resale services.
Alascom, Inc.	ITC-89-115; C4-89-003-P/L	Authorization to construct, and operate, a radio based telecommunication link between Provideniya Magadan, USSR and Alascom facilities in Gambel, Alaska for use in providing IMTS, private line and data services between the United States and the USSR.
Alascom, Inc.	ITC-90-035	Authorization, conditional upon State Department 6 month review, to establish channels of communications, including ancillary facility construction, between the U.S. and the U.S.S.R. via the Intersputnik satellite system for the provision of private line service between the United States and the USSR.

Entity Name	Authorization Number	Description
Alascom, Inc.	ITC-92-229	Authorization to establish and operate capacity via Alascom's AURORA II satellite for the provision of private line voice and data service Kapron, Magadan, Russia and Eagle River, Alaska.
Alascom, Inc.	ITC-93-164	Authorization to construct and operate a 9.1-meter, C-band earth station at Diamond Ridge, Alaska to communicate with the Russian Statsionar 16 satellite for use in providing of video and data services between the United States and the USSR.
Alascom, Inc.	ITC-214-19940829-00262 (Previous File Number ITC-94-474)	Authorization to establish capacity, via earth stations in Eagle River, Alaska and Petropavlovsk Russia and the AURORA II Satellite, for switched and private line service between Alaska and Russia
Alascom, Inc.	ITC-90-106	Authorization for the establishing a satellite connection, via AURORA I, between earth stations at Eagle River, Alaska and Anadyr, Magadan, USSR for use in providing private line voice and data services (for use in air traffic control) between the United States and the USSR.
AT&T Corp.	14 FCC Rcd. 19140; 17 FCC Rcd. 3643	Authorizations to provide facilities-based and resold international services.

Entity Name	Authorization Number	Description
AT&T Corp.	14 FCC Rcd. 3160 (authorizations transferred: ITC-96-528; ITC-97-441; ITC-97-442; ITC-97-457; ITC-97-458) ITC-214-19960925-00467 (Previous File Number ITC-96-528); ITC-214-19970801-00449 (Previous File Number ITC-97-441); ITC-214-19970801-00451 (Previous File Number ITC-97-442); ITC-214-19970805-00468 (Previous File Number ITC-97-457); ITC-214-19970801-00447 (Previous File Number ITC-97-458)	Authorization for AT&T Corp. to acquire TCI's Global Resale Services authorizations (Western Telecommunications; TCI Telephony of Connecticut; TCI Telephony of California; TCI Telephony of Illinois; TCI Telephony of Texas).
AT&T Corp.	2 FCC Rcd. 3948 (authorization transferred: ITC-87-077)	Authorization for AT&T Corp. to acquire facilities of All America Cables and Radio, Inc. and ITT Communications for use in providing service between the United States, Puerto Rico and the Virgin Islands.

Entity Name	Authorization Number	Description
AT&T Corp.	C3-84-001-MP/L	Authorization, subject to conditions, to modify permit and add 2 one-Kw troposcatter transmitters on existing Florida-Cuba OH radio link.
AT&T Corp.	CSG-89-089-P/L	Granted, authorized to construct and operate the proposed INTELSAT Revised Standard A earth station at Salt Creek, CA for the provision of international communication services.
AT&T Corp.	CSG-90-051-P/L, CSG-90-052-P/L	Authorized to construct and operate the proposed INTELSAT Revised Standard A earth stations at Salt Creek, CA for the provision of international communication services.
AT&T Corp.	DA 94-156	To acquire and operate capacity in Germany-Denmark 1 cable system for the provision of its authorized services between points in or reached via the United States and Russia.
AT&T Corp.	IPC-12	Authorization to amend AT&T Corp.'s Tariff FCC No. 263 to enable the use of its overseas MTS network for dataphone transmission, e.g. facsimile, teletype.

Entity Name	Authorization Number	Description
AT&T Corp.	I-P-C-81-038; I-P-C 82-048 etc.	Authorization for satellite television service to be received at an earth station in Pembroke, Bermuda.
AT&T Corp.	ITC-214-19920417-00005	Authorization to establish channels of communication between the United States and Vietnam on a Switched Transit Basis.
AT&T Corp.	ITC-214-19920428-00011	Authorization to establish channels of communication between the United States and Cambodia on a Switched Transit Basis.
AT&T Corp.	ITC-214-19951030-00041 (Previous file number ITC-95-580)	Authorization to construct, acquire and activate capacity in the ANTILLAS I Cable System between the Dominican Republic and Puerto Rico for use in providing authorized services.
AT&T Corp.	ITC-214-19951130-00045 (Previous File Number ITC-96-010)	Authorization to acquire and operate capacity in the TAGIDE 2 Cable System for use in providing authorized services between the United States, Portugal and France.
AT&T Corp.	ITC-214-19951201-00046 (Previous File Number ITC-96-008)	Authorization to convey capacity in the TAT-12/13 Cable System.

Entity Name	Authorization Number	Description
AT&T Corp.	ITC-214-19960111-00006 (Previous File Number ITC-96-009)	Authorization to Acquire and Operate Satellite Capacity for Service to Cuba.
AT&T Corp.	ITC-214-19960117-00015 (Previous File Number ITC-96-051)	Authorization to modify ownership of capacity in the AMERICAS-1 Cable System.
AT&T Corp.	ITC-214-19960117-00016 (Previous File Number ITC-96-050)	Authorization to modify its ownership of capacity in the COLUMBUS II Cable System.
AT&T Corp.	ITC-214-19960117-00017 (Previous File Number ITC-96-0666)	Authorization to modify ownership of capacity in the SEA-ME-WE Cable System.
AT&T Corp.	ITC-214-19960207-00063 (Previous File Number ITC-96-110)	Authorization to Modify Its Ownership of Capacity in the RIOJA Cable System.
AT&T Corp.	ITC-214-19960207-00064 (Previous File Number ITC-96-111)	Authorization to Modify Its Ownership of Capacity in the PacRimEast, PacRimWest, and TASMAN 2 Cable Systems.
AT&T Corp.	ITC-214-19960221-00077 (Previous File Number ITC-96-142)	Authorization to Modify Ownership of Capacity in the TPC-5 Cable System.
AT&T Corp.	ITC-214-19960221-00078 (Previous File Number ITC-96-140)	Authorization to Modify Ownership of Capacity in the APC System.

Entity Name	Authorization Number	Description
AT&T Corp.	ITC-214-19960223-00084 (Previous File Number ITC-96-143)	Authorization to convey capacity in the TAT-12/13 Cable Network.
AT&T Corp.	ITC-214-19960306-00101 (Previous File Number ITC-96-150)	Authorization to Provide Switched Services Via International Private Lines Interconnected to the Public Switched Networks between the United States and Sweden.
AT&T Corp.	ITC-214-19960312-00106 (Previous File Number ITC-96-202)	Authorization to Convey Interest of Capacity in the TCS-1 Cable System to IDB.
AT&T Corp.	ITC-214-19960329-00129 (Previous File Number ITC-96-231)	Authorization to Acquire and Operate Satellite Capacity for Service to Cuba.
AT&T Corp.	ITC-214-19960329-00130 (Previous file number ITC-96-234)	Authorization to construct, acquire and activate capacity in the Bahamas 2 Cable System between the United States and the Bahamas for use in providing authorized services.
AT&T Corp.	ITC-214-19960725-00341 (Previous File Number ITC-96-422)	Authorization to provide Switched services via International Private Lines Interconnected to the public switched networks between the U.S. and Canada.

Entity Name	Authorization Number	Description
AT&T Corp.	ITC-214-19960830-00414 (Previous File Number ITC-96-487)	Authorization to operate as a facilities-based carrier in accordance with the provisions of Section 63.18(e)(1) of the rules.
AT&T Corp.	ITC-214-19960912-00441 (Previous File Number ITC-96-514)	Authorization to acquire and operate capacity in the BALTICA Cable System.
AT&T Corp.	ITC-214-19960912-00441 (Previous File Number ITC-96-514)	Authorization to acquire and operate capacity in the BALTICA Cable System for use in providing authorized services between the United States and Poland.
AT&T Corp.	ITC-214-19970421-00219 (Previous File Number ITC-97-220)	Authorization to Acquire and Operate Additional Satellite Capacity for Service to the Republic of Cuba.
AT&T Corp.	ITC-214-19970421-00220 (Previous File Number ITC-97-221	Authorization to construct, acquire and operate capacity in the Pan American Cable System between the United States Virgin Islands, Aruba, Venezuela, Columbia, Panama, Ecuador, Peru and Chile for use in providing authorized services.

Entity Name	Authorization Number	Description
AT&T Corp.	ITC-214-19980209-00080 (Previous File Number ITC-98-140)	Authorization to provide switched service between the United States and France via international private lines interconnected with the public switched network at one and/or both ends (“ISR”).
AT&T Corp.	ITC-214-19980209-00081 (Previous File Number ITC-98-141)	Authorization to provide switched service between the United States and Germany via international private lines interconnected with the public switched network at one and/or both ends (“ISR”).
AT&T Corp.	ITC-214-19980209-00085 (Previous File Number ITC-98-137)	Authorization to provide switched service between the United States and Luxembourg via international private lines interconnected with the public switched network at one and/or both ends (“ISR”).
AT&T Corp.	ITC-214-19980209-00086 (Previous File Number ITC-98-138)	Authorization to provide switched service between the United States and Norway via international private lines interconnected with the public switched network at one and/or both ends (“ISR”).
AT&T Corp.	ITC-214-19980209-00087 (Previous File Number ITC-98-139)	Authorization to provide switched service between the United States and Denmark via international private lines interconnected with the public switched network at one and/or both ends (“ISR”).

Entity Name	Authorization Number	Description
AT&T Corp.	ITC-214-19980218-00125 (Previous File Number ITC-98-195)	Authorization to provide switched service between the United States and Belgium via international private lines interconnected with the public switched network at one and/or both ends (“ISR”).
AT&T Corp.	ITC-214-19980430-00286 (Previous file number ITC-98-342)	Authorization to construct, acquire and activate capacity in the Americas II Cable System between the United States, Puerto Rico, the US Virgin Islands, Martinique, Curacao, Trinidad, Venezuela, French Guiana and Brazil for use in providing authorized services.
AT&T Corp.	ITC-214-19980430-00287 (Previous File Number ITC-98-342(A))	The listing in paragraph 1 of the Joint Application is amended to add five new parties (STAR, WORLDxChange, CENTENNIAL, IDT and TELIA), each with a very small ownership interest.
AT&T Corp.	ITC-214-19980508-00303 (Previous File Number ITC-98-351)	Authorization to provide switched services between the United States and Austria and the United States and Switzerland via international private lines interconnected with the public switched network at one and/or both ends ("ISR").

Entity Name	Authorization Number	Description
AT&T Corp.	ITC-214-19980527-00346 (Previous File Number ITC-98-437)	Authorization to construct, acquire and operate capacity in the COLUMBUS-III Cable System between the United States, Italy, Spain and Portugal for use in providing authorized services.
AT&T Corp.	ITC-214-19981007-00714	Authorization to provide switched services between the United States and Ireland interconnected with the public switched network at one and/or both ends (ISR).
AT&T Corp.	ITC-214-19981118-00820	Authorization to provide switched, basic telecommunications services using international facilities-based private lines interconnected to the public switched network at one or both ends between the US and Hong Kong, with exceptions.
AT&T Corp.	ITC-214-19990325-00153	Authorization to construct, acquire and operate capacity in a digital submarine cable system to be called the MAYA-1 Cable System which will land in Florida in the United States, and in the Cayman Islands, Colombia, Costa Rica, Honduras, Mexico and Panama.
AT&T Corp.	ITC-214-19990422-00331	Authorization to provide switched services via international private lines interconnected to the public switched network at one or both ends (“ISR”) between the United States and Finland.

Entity Name	Authorization Number	Description
AT&T Corp.	ITC-214-19990503-00333	Authorization to provide switched services via international private lines interconnected to the public switched network at one or both ends (“ISR”) between the United States and Israel.
AT&T Corp.	ITC-214-19990530-00219 (Previous File Number ITC-96-305)	Authorization to use Orion F-1 and F2.
AT&T Corp.	ITC-214-19990809-00521	Authorization to provide switched services via international private lines interconnected to the public switched network at one or both ends (“ISR”) between the United States and Greece.
AT&T Corp.	ITC-214-19991019-00662	Authorization to provide switched service via international private lines interconnected with the public switched network at one and/or both ends (“ISR”) between the United States and Poland.
AT&T Corp.	ITC-2808	Authorization to terminate existing arrangement for the provision of international television service and to acquire and operate the facilities necessary to provide that service on a competitive basis.

Entity Name	Authorization Number	Description
AT&T Corp.	ITC-85-035	Blanket authorization to lease capacity from Comsat for any earth station that may be licensed for IBS in the future, including existing earth stations, and INTELSAT Atlantic and Pacific region satellites for provision of IBS and digital video services between US and countries that use or will use Comsat tariff provisions for space segment component of IBS or digital services.
AT&T Corp.	ITC-86-166	Authorization to replace Brewster, Washington earth station facilities with a proposed facility at Triunfo Pass, Cal. Prior authorizations also transferred (used to provide services between Australia, Fiji, Guam, Hong Kong, India, Indonesia, Japan, Korea, Malaysia, New Zealand, Papua New Guinea, Philippines, Singapore, Sri Lanka, Taiwan, Thailand, American Samoa, China, New Caledonia, Saipan, Tahiti, Tonga and Western Samoa).
AT&T Corp.	ITC-87-046; C3-87-002-ML; ITC-87-159; ITC-87-160; ITC-87-161; ITC-87-163	Authorization to construct and operate the U.S.-Cuba #7 Cable System and use designated capacity and lease a satellite half for use in providing services between the United States, Cuba and points reached via both.
AT&T Corp.	ITC-87-099	Authorization to provide private line business services over facilities previously authorized to provide other services between Canada and Mexico.

Entity Name	Authorization Number	Description
AT&T Corp.	ITC-87-109	Authorization to acquire the interests of CICI, MCII and RCA in the Etam, Jamesburg and Roaring Creek earth stations.
AT&T Corp.	ITC-87-120	Authorization to construct and operate the INTELSAT revised Standard A multipurpose earth station at Coram, New York and transfer satellite circuits from the Andover, Maine earth station to the proposed Coran station.
AT&T Corp.	ITC-87-143	Authorization to acquire three Digital Trunk Expander Terminals for use to increase capacity in facilities previously authorized to provide services between the United States, Israel and points reach by both.
AT&T Corp.	ITC-88-080	Authorization to acquire and operate the Lenox Earth Station and to offer earth station services to authorized users.
AT&T Corp.	ITC-88-180	Authorization to acquire and operate 141 Digital Circuit Multiplication System Terminals to increase previously authorized capacity for service to various authorized international points.

Entity Name	Authorization Number	Description
AT&T Corp.	ITC-88-182	Authorization to acquire and operate additional facilities, expand authorizations of existing facilities, lease facilities to others and to deactivate the CELTIC system. All changes for use in providing services between the United States, Anguilla, Antigua, the British Virgin Islands, Dominica, Grenada, Montserrat, St. Lucia, St. Vincent, Barbados, the French Antilles, Guyana, the Netherlands Antilles, St. Kitts and Nevis, Trinidad and Tobago and beyond.
AT&T Corp.	ITC-88-186	Authorization to acquire, install and operate a TASI-E terminal to increase capacity for previously authorized services between the United States and the United Kingdom.
AT&T Corp.	I-T-C-88-187	Authorization to redeploy the TASI-E System CANBER cable and to derive additional capacity for use in providing authorized services between the U.S. and Bermuda and beyond.
AT&T Corp.	ITC-89-001	Authorization to acquire and operate trans border capacity (United States Mexico and Mexico Guatemala) in Mexican Microwave system for use in providing authorized services between the United States and Guatemala.

Entity Name	Authorization Number	Description
AT&T Corp.	ITC-89-026	Authorization to activate and operate additional 24 circuits in the US-Cuba No.7 Cable for use in providing services between the United States, Cuba and points reached by both.
AT&T Corp.	ITC-89-111	Authorization to acquire and operate 40 Digital Circuit Multiplication System Terminals to increase previously authorized capacity for service to various authorized international points.
AT&T Corp.	ITC-89-117	Authorization to lease satellite capacity between AT&T CORP.'s earth station at Coram. New York and an earth station in Bombay, India and authorization to lease analogous capacity between an east coast earth station, an earth station in the United Arab Emirates and an earth station in Bombay, India for use in providing authorized services between the United States, India and beyond.
AT&T Corp.	ITC-89-124	Authorization to acquire and activate capacity in the MAT-2 and EMOS-1 Cable Systems, as well as connecting and transiting facilities, for use in providing services between the United States, Italy, Turkey, Yugoslavia, Greece and Israel.

Entity Name	Authorization Number	Description
AT&T Corp.	ITC-89-146	Authorization to acquire, on a lease or IRU basis, capacity in PTAT for use in providing authorized services between the United States, Bermuda, the United Kingdom and beyond.
AT&T Corp.	ITC-89-153	Authorization to acquire and activate capacity in the UK-Netherlands 12 and UK-Germany 5 Cable Systems, and connecting facilities, for use in providing services between the Netherlands, Denmark, Finland, West Germany, Norway and Sweden.
AT&T Corp.	ITC-89-153	Authorization to acquire and operate capacity in the UK-Netherlands 12 and the UK-Germany 5 Cable Systems, and ancillary connection facilities, for use in providing authorized services between the United States, the Netherlands, West Germany, Denmark, Finland, Norway, Sweden and beyond.
AT&T Corp.	ITC-89-159	Authorization to acquire capacity, on a right of passage basis, in a digital microwave system connection TCS-1 and the Dominican Republic/Haitian border for use in providing services between the United States, Haiti and beyond.

Entity Name	Authorization Number	Description
AT&T Corp.	ITC-89-164	Authorization to activate and lease to a correspondent additional capacity in Coram earth station for use in providing services between the United States and Guantanamo Bay, Cuba.
AT&T Corp.	ITC-89-165	Authorization to acquire and operate capacity in 2 digital microwave systems- St. Thomas-Tortola and Eastern Caribbean- for use in providing services between the United States, the Netherlands Antilles and beyond.
AT&T Corp.	ITC-90-004	Authorization to acquire, operate capacity or expand authorization for 2 Cable Systems- NAG and Florida- St Thomas- and the Curacao-Aruba Microwave System for use in providing services between the United States, Aruba and beyond.
AT&T Corp.	ITC-90-012	Granting authorization to establish channels of communications between the Salt Creek, California earth station and various Pacific points.

Entity Name	Authorization Number	Description
AT&T Corp.	ITC-90-050	Authorization to acquire and operate facilities in the Private Transatlantic Telecommunications Cable System for the provision of authorized common carrier service to Bermuda, the Republic of Ireland and the United Kingdom and beyond.
AT&T Corp.	ITC-90-050	Authority to acquire and operate facilities in the private Transatlantic Telecommunications Cable System for the provision of authorized common carrier service to Bermuda, the Republic of Ireland and the United Kingdom and beyond.
AT&T Corp.	ITC-214-19900315-00012 (Previous File Number ITC-90-072); ITC-94-333	Authorization to acquire and operate capacity in the Pacific Rim East Cable System between Hawaii and New Zealand for use in providing authorized services. Authorized to acquire and operate additional capacity in ITC-94-333.
AT&T Corp.	ITC-214-19900330-00013 (Previous File Number ITC-90-081)	Authority to modify its ownership of capacity in the HAW-5 Cable System, in accordance with the attached ownership schedules to the HAW-5 Construction and Maintenance Agreement (C&MA) and the Commissions to acquire and operate a total of 65 jointly owned MIU's and 373 wholly-owned MIU's.

Entity Name	Authorization Number	Description
AT&T Corp.	ITC-90-122	Authorization to lease and operate border facilities (Mexico Guatemala, Guatemala Honduras, Guatemala El Salvador, El Salvador Guatemala and El Salvador Honduras) for use in providing services between the United States, Honduras and beyond.
AT&T Corp.	ITC-90-124	Authorization to acquire and operate capacity in the TASMAN-2 Cable System between Australia and New Zealand for use in providing authorized services.
AT&T Corp.	ITC-90-174	Granting, with limitations, authorization to reassign circuits in the PTAT-1 Cable and to acquire connecting circuitry for service between the U.S. and Belgium, France, the Netherlands, Spain, Sweden and Switzerland.
AT&T Corp.	ITC-91-015	Authorization to operate additional satellite capacity for use in providing international message telephone service and 800 Service Overseas between American Samoa, Australia, Brunei, China, Fiji, Guam, Hong Kong, Indonesia, Japan, Korea, Macau, Malaysia, Marshall Islands, Micronesia, Midway Island, New Caledonia, New Zealand, Palau, Papua New Guinea, Philippines, Saipan, Singapore, Tahiti, Taiwan, Thailand, Tonga, Wake Island, Western Samoa and beyond.

Entity Name	Authorization Number	Description
AT&T Corp.	ITC-91-032	Granting authorization to acquire and operate facilities in the Private Transatlantic Telecommunications Cable System for the provision of authorized common carrier service to the United Kingdom and beyond.
AT&T Corp.	ITC-91-035	Authorization to acquire and operate 303 Digital Circuit Multiplication System Terminals to increase previously authorized capacity for service to various authorized international points.
AT&T Corp.	ITC-91-038	Authorization to acquire one-half interests in 810 64 Kb/s circuits in the NPC system between the Oregon and Japan cable terminals, and ancillary connecting facilities, for use in providing AT&T CORP.'s regularly authorized services.
AT&T Corp.	ITC-91-038	Authorization to acquire and operate capacity in the N. Pac. Cable System, and connecting facilities, for use in providing authorized services.
AT&T Corp.	ITC-91-079	Authorization to lease border facilities (United States Mexico, Mexico Guatemala and Guatemala El Salvador for use in providing services between the United States, El Salvador and beyond.

Entity Name	Authorization Number	Description
AT&T Corp.	ITC-91-097	Authorization to acquire and operate capacity in the SEA-ME-WE 2, EURAFRICA and UK-Belgium 6 Cable Systems in order to extend TAT 8 and TAT 9 capacity for use in providing authorized services between the United States, Cyprus, Djibouti, Egypt, India, Indonesia, Saudi Arabia, Sri Lanka, Syria, Turkey, Yemen, Portugal, Morocco, Belgium, Germany and Switzerland.
AT&T Corp.	ITC-91-097; ITC-93-190	Authorization to acquire and operate capacity in the SEA-ME-WE 2, EURAFRICA and UK-Belgium 6 Cable Systems in order to extend TAT 8 and TAT 9 capacity for use in providing authorized services between the United States, Cyprus, Djibouti, Egypt, India, Indonesia, Saudi Arabia, Sri Lanka, Syria, Turkey, Yemen, Portugal, Morocco, Belgium, Germany and Switzerland. ITC-93-190 is authorization to acquire and operate capacity to extend capacity to Indonesia and Tunisia.

Entity Name	Authorization Number	Description
AT&T Corp.	ITC-91-097; ITC-93-190	Authorization to acquire and operate capacity in the SEA-ME-WE 2, EURAFRICA and UK-Belgium 6 Cable Systems in order to extend TAT 8 and TAT 9 capacity for use in providing authorized services between the United States, Cyprus, Djibouti, Egypt, India, Indonesia, Saudi Arabia, Sri Lanka, Syria, Turkey, Yemen, Portugal, Morocco, Belgium, Germany and Switzerland. ITC-93-190 is authorization to acquire and operate capacity to extend capacity to Indonesia and Tunisia.
AT&T Corp.	ITC-91-115	Authorization to acquire 3 Digital Circuit Multiplication Systems Terminals and use the resulting additional derived circuits for use in providing services between the United States, Kuwait and beyond.
AT&T Corp.	ITC-91-146	Application for authority to acquire and operate facilities in the private Transatlantic Telecommunications Cable System for the provision of authorized common carrier service to the United Kingdom and beyond.
AT&T Corp.	ITC-91-146	Authorization to acquire on an IRU basis, one-half interest in 21 E-1 circuits in the PTAT-1 cable between the US and UK; acquire connecting facilities; and operate capacity for services.

Entity Name	Authorization Number	Description
AT&T Corp.	ITC-91-158	Authorization to acquire and operate capacity in the Denmark-Germany 1 Cable System to extend TAT-9 capacity for use in providing authorized services between the United States, Denmark, Finland, Norway, Sweden and beyond.
AT&T Corp.	ITC-91-191	Authorization to lease satellite circuits for use in providing regularly authorized services between the United States, Mauritius and beyond.
AT&T Corp.	ITC-91-200	Authorization to acquire and operate capacity in 3 Cable Systems-Kuantan-Kota Kinabalu, Brunei- Darussalam-Malaysia-Philippines and Brunei-Singapore for use in providing authorized services between the United States, Brunei Darussalam, Malaysia and Singapore.
AT&T Corp.	ITC-91-206	Authorization to replace capacity in the Florida-Jamaica Cable System for use by its correspondent in providing authorized services between the United States and Panama. Authorization to provide, on an IRU basis, and reacquire capacity in TCS-1.

Entity Name	Authorization Number	Description
AT&T Corp.	ITC-91-206, ITC-91-207	AT&T application for authority to make available facilities in the Trans-Caribbean Cable to INTEL for service to Panama.
AT&T Corp.	ITC-92-009	Authorization to establish channels of communication via the Intersputnik satellite system for use in providing private line services using the 2 E-1 circuits which have been granted under the ITC-90-035/10 between the United States, Albania, Bulgaria, Czechoslovakia, Hungary, Poland, Romania and formerly the U.S.S.R.
AT&T Corp.	ITC-92-041	Authorization to acquire and operate capacity TAT-6 Cable System, extended via terrestrial transit facilities to an earth station in France and further extended via an appropriate INTELSAT IOR satellite and to operate capacity between an AT&T earth station on the west coast of the U.S. and an INTELSAT POR satellite for use in providing service between the United States and Vietnam.
AT&T Corp.	ITC-92-053	Authorization to acquire and operate capacity in the China-Japan Cable System for use in providing authorized services.

Entity Name	Authorization Number	Description
AT&T Corp.	ITC-92-086	Authorizing, subject to State Department review, establishment of communications channels, via the Statsionar 11 satellite system for use in providing private line service between the US, Armenia, Azerbaijan, Belarus, Estonia, Georgia, Kazakhstan, Kyrgyzstan, Latvia, Lithuania, Moldova, Russia, Tajikistan, Turkmenistan, Ukraine and Uzbekistan.
AT&T Corp.	ITC-92-087	Authorization to construct and operate an international multipurpose earth station located at Tanguisson Point, Guam, and the related satellite capacity, for use in providing common carrier service between the US and Guam and to provide restoration of POR digital submarine cables between Guam and Japan, Taiwan, Australia, and the Philippines.
AT&T Corp.	ITC-214-19921110-00127 (Previous File Number ITC-92-106)	Authorization to construct, acquire and operate capacity in the Taino-Carib Cable System between Puerto Rico, St. Thomas, the United States Virgin Islands and Tortola, the British Virgin Islands for use in providing authorized services.
AT&T Corp.	ITC-92-115	Authorization to use 4 Ku-band transponders leased from GE Americom to establish communications with certain earth stations in Canada and Mexico for the provision of private line services.

Entity Name	Authorization Number	Description
AT&T Corp.	ITC-92-179	Authorization to construct, acquire and operate capacity in the TPC-5 Cable System between the continental United States, Hawaii, Guam and Japan for use in providing authorized services.
AT&T Corp.	ITC-92-182	Authorization to provide, on an IRU basis, capacity in the US-Bahamas and TCS-1 Cable Systems.
AT&T Corp.	ITC-93-005	Authorization to lease and operate 2,138 satellite circuits from Comsat for service between the United States, Bulgaria, Czechoslovakia, CIS (Russia), Gibraltar, Hungry, Poland, Romania, Egypt, Libya, Tunisia, Bahrain, Diego Garcia, Iran, Iraq, Israel, Jordan, Kuwait, Lebanon, Oman, Pakistan, Qatar, Saudi Arabia, Syria, United Arab Emirates and Yemen Arab Republic. Note, by its terms this authorization was to expire before October 1, 1997.
AT&T Corp.	ITC-93-029	Authorization to construct, acquire and activate capacity in the Columbus 2 Cable System between the United States, Mexico, the US Virgin Islands, Spain, Italy and Portugal, for use in providing authorized services.

Entity Name	Authorization Number	Description
AT&T Corp.	ITC-93-030	Authorization to construct, acquire and activate capacity in the Americas I Cable System between the United States, the US Virgin Islands, Brazil, Trinidad and Venezuela for use in providing authorized services.
AT&T Corp.	ITC-93-037	Authorization to acquire and operate additional digital circuit multiplication equipment for use in providing regularly authorized services between the United States and various overseas points (blanket authorization).
AT&T Corp.	ITC-214-19930103-00258 (Previous File Number ITC-93-062)	Authorization to construct, acquire and activate capacity in the TAT 12/13 Cable System between the United States, the United Kingdom and France for use in providing authorized services.
AT&T Corp.	ITC-93-089	Authorization to acquire and operate capacity in the Denmark-Russia 1 Cable System for use in providing authorized services between Denmark and Russia.
AT&T Corp.	ITC-93-093	Authorization to acquire and operate capacity in the UK-Spain 4 Cable System between the United Kingdom and Spain for providing authorized services.

Entity Name	Authorization Number	Description
AT&T Corp.	ITC-93-104	Authority to provide capacity in the TCS-1 Cable System, on an IRU basis, to 5 carriers.
AT&T Corp.	ITC-93-144	Authorization to acquire and operate capacity in the UK-Germany 5 and Germany-Sweden 4/5 Cable Systems to extend capacity in TAT-9 to Sweden for use in providing authorized services between the United States and Sweden.
AT&T Corp.	ITC-214-19930423-00003 (Previous File Number ITC-93-162)	Authorization to provide international switched services via international private lines interconnected to the public switched networks in the US and UK.
AT&T Corp.	ITC-93-165	Authorization to acquire an additional half-interests in 308 jointly-assigned (MAUOs) in the MAT-2 Cable System to extend capacity, and provide services, to Israel (270 MAUOs), Italy (18 MAUOs) and Turkey (20 MAUOs).

Entity Name	Authorization Number	Description
AT&T Corp.	ITC-93-170	Authorization to acquire and operate the following MIUs in the APC Cable System: Singapore-Kyushu Segment (17 jointly-assigned MIUs); Kuantan-Toucheng Segment (5 jointly-assigned MIUs); Hong Kong-Miura Segment (16 jointly-assigned MIUs); Toucheng-Kyushu Segment (36 jointly-assigned MIUs); Kyushu-Miura Segment (3 jointly-assigned MIUs on an IRU basis).
AT&T Corp.	ITC-93-189; ITC-93-144	Authorization to acquire a half interest in 8 MIUs in the Denmark-Germany 1 Cable System in order to extend capacity, and provide services, to Denmark, Norway and Poland. ITC-93-144 is authorization to acquire capacity in the Denmark-Germany 1 Cable System to extend TAT-10 capacity to Sweden.
AT&T Corp.	ITC-93-267	Authorization to acquire and operate capacity in the UNISUR Cable System between Argentina, Brazil and Uruguay for use in providing authorized services.

Entity Name	Authorization Number	Description
AT&T Corp.	ITC-93-268	Authorization to acquire capacity in the RIOJA Cable System for use in providing authorized services between Spain, the United Kingdom, Belgium and the Netherlands.
AT&T Corp.	ITC-93-271	Authorization to acquire and operate capacity in the R-J-K Cable System between Russia, Japan and Korea for use in providing authorized services.
AT&T Corp.	ITC-93-272	Authorization to acquire and operate capacity in the Malaysia- Thailand Cable System for use in providing authorized services between the Malaysia and Thailand.
AT&T Corp.	ITC-93-282	Authorization to extend authorizations of facilities previously authorized to provide services between the United States, Hong Kong and Japan to provide IVPN services between the Mission and North Korea.
AT&T Corp.	ITC-93-309; ITC-94-081; ITC-214-19961227-00655 (Previous File Number ITC-97-019)	Authorization to acquire and operate capacity in the INMARSAT satellite system for use in providing shore-to-ship maritime mobile satellite service in the Atlantic Ocean, Pacific Ocean and Indian Ocean areas.

Entity Name	Authorization Number	Description
AT&T Corp.	ITC-94-048	Authorization to acquire, on an IRU basis, a half interest in 30 MAUOs in the PENCAN 5 Cable System for use in providing services between the United States, South Africa and other certificated points.
AT&T Corp.	ITC-94-048	Authorization to acquire capacity, on an IRU basis, in the SAT-2 Cable System for use in providing authorized services between the United States, South Africa and other certificated points.
AT&T Corp.	ITC-94-061	Authorization to acquire and operate capacity in the Denmark-Germany 1 and TAT-10 Cable Systems for use in providing authorized services between the United States, Russia and certified points.
AT&T Corp.	ITC-94-079	Authority to provide capacity in the TCS-1 Cable System, on an IRU basis, to 13 carriers.
AT&T Corp.	ITC-94-235	Authorization to acquire an additional 4 MIUs in the China-Japan Cable System.

Entity Name	Authorization Number	Description
AT&T Corp.	ITC-94-244	Authorization to acquire and operate capacity in Germany-Sweden 4 & 5 Cable Systems along with any necessary extension facilities, for use in providing AT&T CORP.'s authorized services.
AT&T Corp.	ITC-94-301	Authorization to modify its ownership in the TAT-12/TAT-13 Cable System (to reduce to 1083 total half MIUs, a net divestiture of 72 half MIUs).
AT&T Corp.	ITC-94-334	Authorization to activate and operate previously authorized capacity in the T-V-H Cable System for use in providing authorized services between the United States and Thailand Vietnam and Hong Kong.
AT&T Corp.	ITC-94-439	Authorization to acquire and operate capacity, on an IRU basis, in the ITUR Cable System for use in providing authorized services between the United States, Turkey, the Ukraine and Russia.
AT&T Corp.	ITC-94-495	Authorization to acquire, on an IRU basis, capacity in the Caribbean-Atlantic (CARAC) Cable System for use in AT&T CORP.’s regularly authorized services between the United States and Bermuda for use in providing authorized services.

Entity Name	Authorization Number	Description
AT&T Corp.	ITC-94-509	Authorization to acquire and operate the following MIUs in the following segments of the APCN Cable System: Japan-Hong Kong (7), Japan-Thailand (3), Japan-Malaysia (3), Japan-Singapore (2) and Japan-Indonesia (1).
AT&T Corp.	ITC-94-511	Authorized to convey capacity in the HAW-5 Cable System, and to acquire and operate capacity in the HAW-4/TPC-3 Cable System.
AT&T Corp.	ITC-95-048	Authorization to acquire, on an ownership basis, and operate capacity in the Eastern Caribbean Fiber System (ECFS Cable) for use in AT&T CORP.'s regularly authorized services between the United States and Anguilla, St. Kitts, Montserrat, Antigua, Guadeloupe, Dominica, Martinique, St. Lucia, Barbados, St. Vincent, & Grenada for use in providing authorized services.
AT&T Corp.	ITC-95-129	Authorization to acquire, on an IRU basis, a half interest in 2 MIUs of the CANTAT-3 Cable System for use in providing services between the United States and Iceland.

Entity Name	Authorization Number	Description
AT&T Corp.	ITC-95-134	Authorization to acquire, on an IRU basis, a half interest in one E-1 in the Latvia-Sweden Cable System for use in providing services between the United States and Latvia.
AT&T Corp.	ITC-95-141	Authorization to acquire a half interest in 15 MAUOs in the Aden-Djibouti Cable System for use in service between the United States and Yemen.
AT&T Corp.	ITC-95-179	Authorization to acquire a half interest in 33 MIUs in the CELTIC Cable System for use in services between the United States and Ireland.
AT&T Corp.	ITC-95-188	Authorization to expand the capacity of the U.S.-Cuba No. 7 Cable System and to activate and operate 31 additional circuits for provision of its regularly authorized services between the United States and Cuba.
AT&T Corp.	ITC-95-203	Authorization to acquire a half interest in 90 MAUOs in the CIOS Cable System for use in providing services between the United States and Israel.

Entity Name	Authorization Number	Description
AT&T Corp.	ITC-95-270	Authorization to acquire a half interest in 30 MAUOs in the UGARIT Cable System for use in providing services between the United States and Syria.
AT&T Corp.	ITC-95-271	Authorization to acquire a half interest in 60 MAUOs in the CADMOS Cable System for use in service between the United States and Lebanon.
AT&T Corp.	ITC-214-19950528-00040 (Previous File Number ITC-95-298)	Blanket authorization to provide Resale of the Services of Other U.S. Carriers between the United States and Various International Points.
AT&T Corp.	ITC-95-305	Authorization to acquire a half interest in 9 MIUs of the ARIANE 2 Cable System for use in providing services between the United States, Cyprus, Lebanon and Greece.
AT&T Corp.	ITC-95-326	Authorization to acquire a half interest in 6 MIUs in the KATTEGAT 1 Cable System for use in providing services between the United States, Finland, Latvia and Sweden.

Entity Name	Authorization Number	Description
AT&T Corp.	ITC-95-364	Authorization to acquire, on an IRU basis, a half interest in 330 MAUOs in the Marseille-Palermo Link for use in providing services between the United States, Israel, Greece and Turkey.
AT&T Corp.	ITC-95-418	Authorization to acquire half interests in the ODIN Cable System (78 on Netherlands-Denmark Segment, 37 on Denmark-Norway Segment and 30 on Norway-Sweden Segment) for use in providing services between the United States and the Netherlands, Denmark, Norway and Sweden.
AT&T Corp.	ITC-95-491	Authorization to acquire a half interest in 120 MAUOs in the APHRODITE 2 Cable System for use in providing services between the United States, Cyprus and Greece.
AT&T Corp.	ITC-95-554	Authorization to acquire a half interest in 2 MIUs in the KAFOS Cable System for use in providing services between the United States, Turkey, Bulgaria and Romania.

Entity Name	Authorization Number	Description
AT&T Corp.	ITC-95-558	Blanket authorization to lease and operate satellite voice-grade circuits via appropriate INTELSAT satellites between the United States and various worldwide overseas points.
AT&T Corp.	PC-7825	Authorization to supplement existing facilities between various locations throughout the Continental US and to Canada and Mexico by the construction, installation, and operation of the facilities proposed.
AT&T Corp.	TC-1896-7	Authorization to acquire, by lease, and operate satellite capacity from COMSAT for use in providing communication services, including television, between the United States, Puerto Rico and various countries in Central and South America.
AT&T Corp.	WPC-6622, ITC-90-163	Authorization to acquire and operation of Western Union's international and domestic teletype and telex services.
AT&T Corp., et al.	ITC-84-100	Authorization for joint owners of Roaring Creek, Pa. Earth Station to acquire, install and operate ground communications, single channel per carrier, multiplex, and engineering service circuit equipment.

Entity Name	Authorization Number	Description
AT&T Corp., et al.	ITC-84-102	Authorization for joint owners of Etam, West Virginia, Earth Station to acquire, install and operate ground communications, single channel per carrier, multiplex, and engineering service circuit equipment.
AT&T Corp.; AT&T of Puerto Rico, Inc.	ITC-88-071	Authorization to construct, acquire, operate and lease capacity in the TCI-1 Cable System between Florida, Puerto Rico, Columbia, the Dominican Republic and Jamaica for use in providing authorized services.
AT&T Corp.; AT&T of Puerto Rico, Inc.	ITC-91-034	Authorizing AT&T to convey AT&T CORP.-PR on an IRU basis, a one-half interest in `8 64-Kbps circuits AT&T wholly-owned in subsegments G-1 and G-4 of the TCS-1 Cable; authorizing AT&T CORP.-PR to acquire IRU from AT&T for service between PR and Colombia, to deactivate circuits between PR and Colombia, and to transfer traffic.
AT&T Corp.; AT&T of Puerto Rico, Inc.	ITC-95-342	Authorization to acquire and operate capacity in Comsat and INTELSAT satellite facilities, and construct ancillary facilities for use in providing authorized services between the United States, Puerto Rico and Cuba.

Entity Name	Authorization Number	Description
AT&T Mobility LLC	ITC-214-20011031-00547	Authorized to operate as a facilities-based carrier in accordance with the provisions of Section 63.18(e)(1) of the rules (except on the U.S.-South Africa route) and also to provide service in accordance with the provisions of Section 63.18(e)(2) of the rules.
AT&T Mobility of Galveston LLC	ITC-214-19960516-00196	Authorized to provide individual switched resale service from the U.S. to international points.
AT&T Mobility Puerto Rico Inc.	ITC-214-19930315-00040 (Previous File Number ITC-93-128) *See* FCC Public Notice, Report No. I-6796 (rel. May 12, 1993).	Authorized to provide international switched services by reselling the international switched services of other carriers, and only in accordance with all rules, regulations and policies of the Commission.
AT&T Mobility Puerto Rico Inc.	ITC-214-19940107-00011 (Previous File Number ITC-94-100) *See* FCC Public Notice, Report No. I-6941 (rel. March 16, 1994).	Authorized to provide individual switched resale service from the U.S. to international points.

Entity Name	Authorization Number	Description
AT&T Mobility of Puerto Rico Inc.	ITC-214-19980430-00923	Authority to construct, acquire and operate capacity in a Digital Submarine Cable System, the AMERICAS-II Cable System.
AT&T Mobility of Puerto Rico Inc.	ITC-214-19980918-00669	Authorization to operate a facilities-based carrier in accordance with the provisions of Section 63.18(e)(1) of the rules.
AT&T Mobility Wireless Operations Holdings Inc.	ITC-214-20031017-00481 (transferred to Cingular Wireless LLC, File No. ITC-T/C-20050121-00028)	Authority to resell international switched services pursuant to Section 63.18(e)(2)-(e)(3) of the rules. With respect to U.S. outbound service, Applicant will resell the international switched services of unaffiliated U.S. carriers to the extent it has outbound traffic on the U.S.-Belgium, U.S.-Denmark and U.S.-South Africa routes. Applicant agrees to comply with the Commission's international dominant carrier safeguards specified in Section 63.10 of the rules with respect to U.S.-inbound traffic generated by its customers who are roaming in Belgium, Denmark and South Africa.

Entity Name	Authorization Number	Description
AT&T Mobility Wireless Operations Holdings LLC	ITC-214-20010412-00198	Authorized to provide international resale service to its CMRS subscribers solely by reselling the international switched services of unaffiliated U.S. facilities-based carriers (either directly or indirectly through the resale of another U.S. resale carrier's international switched services) in accordance with the provisions of Section 63.18(e)(2). Authorization conditioned on filing of quarterly traffic reports for its resale traffic on route between the U.S. and South Africa.
AT&T of Puerto Rico, Inc.	ITC-214-19900306-0001 4 (Previous File Number ITC-90-066)	Authorization to acquire, on a lease basis, capacity in Puerto Rico-Dominican Republic digital microwave system and related supporting facilities for use in providing services between Puerto Rico, the Dominican Republic and beyond.
AT&T of Puerto Rico, Inc.	ITC-90-070	Authorization to acquire and activate capacity in 2 digital microwave systems- Puerto Rico-St Thomas and acquire capacity or expand authorization in 2 cable systems- St. Thomas-Venezuela II and NAG. All additional capacity and authorizations for use in providing services between Puerto Rico, Aruba and beyond.

Entity Name	Authorization Number	Description
AT&T of Puerto Rico, Inc., and AT&T of the Virgin Islands, Inc.	ITC-89-057, ITC-89-059	Authorization to AT&T of the Virgin Islands to lease capacity in the St. Thomas-Puerto Rico Digital Microwave System to Bundespost and TELECOM. Authorization to AT&T to acquire, activate and lease capacity in the same DMS, the Venezuela II, the Columbus, the Pencan III and the Barcelona-Genoa Cable Systems. All changes for use by AT&T of Puerto Rico in providing services between Puerto Rico, Germany and Columbia.
AT&T of Puerto Rico; AT&T of the Virgin Islands	ITC-214-19890214-0005 (Previous File Number ITC-89-060)	Authorization to acquire, activate and operate additional capacity, on an IRU basis, in St. Thomas-Tortola and Easter Caribbean DCMS for use in providing services to Antigua, Barbados, the British Virgin Islands, Guadelupe, St. Kitts and Nevis, St. Maarten and Trinidad facilities for service to various Caribbean points and to provide direct service to St. Kitts and Nevis.
AT&T of The Virgin Islands, Inc.	ITC-89-056, ITC-89-058	Authorization to acquire and activate capacity in 2 digital microwave systems- St. Thomas-Tortola and Eastern Caribbean, to retire the analog St. Thomas microwave system and to provide, on an IRU basis, capacity to Teleglobe and BET. All changes for use in providing services between the U.S. Virgin Islands, Anguilla, Antigua, Barbados, the British Virgin Islands, Dominica, Guadeloupe, Montserrat, St. Kitts and Nevis, St. Lucia, St. Maarten and France.

Entity Name	Authorization Number	Description
AT&T of the Virgin Islands, Inc.	ITC-90-027	To establish six additional channels for the provision of authorized services between points in or reached via both the US and Barbados.
AT&T of the Virgin Islands, Inc.	ITC-214-19900315-00015 (Previous File Number ITC-90-071)	Authorization to activate and operate capacity in the Venezuela-Curacao digital microwave system and expand authorization or activate capacity in 2 Cable Systems- NAG and St. Thomas-Venezuela II. All additional capacity and authorizations for use in providing services between the U.S. Virgin Islands, Aruba and beyond.
BellSouth Long Distance, Inc.	ITC-214-19970122-00039	Authorization to provide resold switched service in accordance with the provisions of Section 63.18(e)(2) of the rules for communications originating outside of BellSouth's region, and terminating at international points. See Appendix A.

Entity Name	Authorization Number	Description
BellSouth Long Distance, Inc.	ITC-214-19971017-00637	Authorization to operate as a facilities-based carrier in accordance with the provisions of Section 63.18(e)(1) of the rules and also to provide service in accordance with the provisions of Section 63.18(e)(2) of the rules for communications originating outside of Bell South's region and terminating at international points.
BellSouth Long Distance, Inc.	ITC-214-19980728-00520	Authorization to operate as a facilities-based and resale carrier in accordance with the provisions of Section 63.18(e)(1) and (e)(2) of the rules for communications originating outside of BellSouth's region. IT IS ORDERED that any agreements that BellSouth International Long Distance Services, Inc. (BSILDS), negotiates with foreign carriers to route U.S. inbound switched traffic to the BellSouth Telecommunications, Inc., in-region states via BSILDS's authorized private lines are subject to our Section 43.51(e) requirements.

Entity Name	Authorization Number	Description
BellSouth Long Distance, Inc.	ITC-214-19990218-00144	Authorization to operate a facilities-based carrier in accordance with the provisions of Section 63.18(e)(1) of the rules and also to provide service in accordance with the provisions of Section 63.18(e)(2) of the rules originating from all points in the United States except the in-region states served by its local exchange carrier affiliate, BellSouth Telecommunications, Inc.
BellSouth Long Distance, Inc.	ITC-214-20020219-00085	Authorization to provide service in accordance with the provisions of section 63.18 (e)(1) and (2) of the Commission's rules, specifically: (1) authority to provide global international facilities-based service between all points in both Georgia and Louisiana and all international points, except countries listed on the Commission's exclusion list; and (2) authority to provide global resale services between all points in both Georgia and Louisiana and all international points.

Entity Name	Authorization Number	Description
BellSouth Long Distance, Inc.	ITC-214-20020628-00328	Authorization to provide service in accordance with the provisions of section 63.18 (e)(1) and (2) of the Commission's rules, specifically: (1) authority to provide global international facilities-based service between all points in Alabama, Kentucky, Mississippi, North Carolina, and South Carolina and all international points, except those countries listed on the Commission's exclusion list; and (2) authority to provide resale service between all points in Alabama, Kentucky, Mississippi, North Carolina, and South Carolina and all international points.
BellSouth Long Distance, Inc.	ITC-214-20021009-00500	Authorization to provide service in accordance with the provisions of section 63.18(e)(1) and (2) of the Commission's rules, specifically: (1) authority to provide global international facilities-based service between all points in the states of Florida and Tennessee and all international points, except those countries listed on the Commission's exclusion list; and (2) authority to provide resale service between all points in the state of Florida and Tennessee and all international points.
BellSouth International, LLC	ITC-214-19971017-00638	Authorization to operate a facilities-based carrier in accordance with the provisions of Section 63.18(e)(1) of the rules and also to provide service in accordance with the provisions of Section 63.18(e)(2) of the rules for communications originating outside of Bell South's region and terminating at international points.

Entity Name	Authorization Number	Description
BellSouth International, LLC	ITC-214-19990325-00153	Authorization to construct, acquire and operate capacity in a digital submarine cable system to be called the MAYA-1 Cable System which will land in Florida in the United States, and in the Cayman Islands, Colombia, Costa Rica, Honduras, Mexico and Panama.
Centennial Communications Corp.	ITC-214-20000817-00545	Authorization to operate a facilities-based carrier in accordance with the provisions of Section 63.18(e)(1) of the rules.
Centennial Communications Corp.	ITC-214-19970923-00579	Authorization to provide service in accordance with the provisions of Section 63.18(e)(2) of the rules.
CCPR of the Virgin Islands, Inc.	ITC-214-20001101-00664	Authorized to resell switched services of unaffiliated U.S. international carriers on a global or limited global basis pursuant to Section 63.18(e)(2) of the Commission's rules. Authority is conditioned on the filing of quarterly traffic reports on route between the U.S. and South Africa.

Entity Name	Authorization Number	Description
Cincinnati SMSA Limited Partnership	ITC-214-20010412-00199	Authorized to provide international resale service to its CMRS subscribers solely by reselling the international switched services of unaffiliated U.S. facilities-based carriers (either directly or indirectly through the resale of another U.S. resale carrier's international switched services) in accordance with the provisions of Section 63.18(e)(2). Authorization conditioned on filing of quarterly traffic reports for its resale traffic on route between the U.S. and South Africa.
Cingular Wireless of Texas RSA #11 Limited Partnership	ITC-214-20000713-00776	Authorized to resell on a non-dominant carrier basis international switched services of unaffiliated U.S. international carriers for the provision of international switched services originating from U.S. points and terminating at all international points, with the exception of the Dominican Republic and Venezuela.
Cingular Wireless of Texas RSA #16 Limited Partnership	ITC-214-20000713-00777	Authorized to resell on a non-dominant carrier basis international switched services of unaffiliated U.S. international carriers for the provision of international switched services originating from U.S. points and terminating at all international points, with the exception of the Dominican Republic and Venezuela.

Entity Name	Authorization Number	Description
Decatur RSA Limited Partnership	ITC-214-20010412-00219	Authorized to provide international resale service to its CMRS subscribers solely by reselling the international switched services of unaffiliated U.S. facilities-based carriers (either directly or indirectly through the resale of another U.S. resale carrier's international switched services) in accordance with the provisions of Section 63.18(e)(2). Authorization conditioned on filing of quarterly traffic reports for its resale traffic on route between the U.S. and South Africa.
Florida RSA No.2B (Indian River) Limited Partnership	ITC-214-20010412-00205	Authorized to provide international resale service to its CMRS subscribers solely by reselling the international switched services of unaffiliated U.S. facilities-based carriers (either directly or indirectly through the resale of another U.S. resale carrier's international switched services) in accordance with the provisions of Section 63.18(e)(2). Authorization conditioned on filing of quarterly traffic reports for its resale traffic on route between the U.S. and South Africa.

Entity Name	Authorization Number	Description
Georgia RSA No. 3 Limited Partnership	ITC-214-20010412-00201	Authorized to provide international resale service to its CMRS subscribers solely by reselling the international switched services of unaffiliated U.S. facilities-based carriers (either directly or indirectly through the resale of another U.S. resale carrier's international switched services) in accordance with the provisions of Section 63.18(e)(2). Authorization conditioned on filing of quarterly traffic reports for its resale traffic on route between the U.S. and South Africa.
Houma-Thibodaux Cellular Partnership	ITC-214-20000721-00430	Authorized to provide service solely through the resale of an unaffiliated U.S. facilities-based carrier's international switched services (either directly or indirectly through the resale of another U.S. resale carrier's international switched services) in accordance with the provisions of Section 63.18(e)(2).
Louisiana RSA No. 7 Cellular General Partnership	ITC-214-20010412-00197	Authorized to provide international resale service to its CMRS subscribers solely by reselling the international switched services of unaffiliated U.S. facilities-based carriers (either directly or indirectly through the resale of another U.S. resale carrier's international switched services) in accordance with the provisions of Section 63.18(e)(2). Authorization conditioned on filing of quarterly traffic reports for its resale traffic on route between the U.S. and South Africa.

Entity Name	Authorization Number	Description
Louisiana RSA No. 8 Limited Partnership	ITC-214-20010412-00232	Authorized to provide international resale service to its CMRS subscribers solely by reselling the international switched services of unaffiliated U.S. facilities-based carriers (either directly or indirectly through the resale of another U.S. resale carrier's international switched services) in accordance with the provisions of Section 63.18(e)(2). Authorization conditioned on filing of quarterly traffic reports for its resale traffic on route between the U.S. and South Africa.
Lubbock SMSA Limited Partnership	ITC-214-20010412-00196	Authorized to provide international resale service to its CMRS subscribers solely by reselling the international switched services of unaffiliated U.S. facilities-based carriers (either directly or indirectly through the resale of another U.S. resale carrier's international switched services) in accordance with the provisions of Section 63.18(e)(2). Authorization conditioned on filing of quarterly traffic reports for its resale traffic on route between the U.S. and South Africa.

Entity Name	Authorization Number	Description
Madison SMSA Limited Partnership	ITC-214-20010412-00225	Authorized to provide international resale service to its CMRS subscribers solely by reselling the international switched services of unaffiliated U.S. facilities-based carriers (either directly or indirectly through the resale of another U.S. resale carrier's international switched services) in accordance with the provisions of Section 63.18(e)(2). Authorization conditioned on filing of quarterly traffic reports for its resale traffic on route between the U.S. and South Africa.
McAllen-Edinburg-Mission SMSA Limited Partnership	ITC-214-20010412-00208	Authorized to provide international resale service to its CMRS subscribers solely by reselling the international switched services of unaffiliated U.S. facilities-based carriers (either directly or indirectly through the resale of another U.S. resale carrier's international switched services) in accordance with the provisions of Section 63.18(e)(2). Authorization conditioned on filing of quarterly traffic reports for its resale traffic on route between the U.S. and South Africa.

Entity Name	Authorization Number	Description
Milwaukee SMSA Limited Partnership	ITC-214-20010412-00231	Authorized to provide international resale service to its CMRS subscribers solely by reselling the international switched services of unaffiliated U.S. facilities-based carriers (either directly or indirectly through the resale of another U.S. resale carrier's international switched services) in accordance with the provisions of Section 63.18(e)(2). Authorization conditioned on filing of quarterly traffic reports for its resale traffic on route between the U.S. and South Africa.
Missouri RSA 11/12 Limited Partnership	ITC-214-20010412-00203	Authorized to provide international resale service to its CMRS subscribers solely by reselling the international switched services of unaffiliated U.S. facilities-based carriers (either directly or indirectly through the resale of another U.S. resale carrier's international switched services) in accordance with the provisions of Section 63.18(e)(2). Authorization conditioned on filing of quarterly traffic reports for its resale traffic on route between the U.S. and South Africa.

Entity Name	Authorization Number	Description
Missouri RSA 8 Limited Partnership	ITC-214-20010412-00200	Authorized to provide international resale service to its CMRS subscribers solely by reselling the international switched services of unaffiliated U.S. facilities-based carriers (either directly or indirectly through the resale of another U.S. resale carrier's international switched services) in accordance with the provisions of Section 63.18(e)(2). Authorization conditioned on filing of quarterly traffic reports for its resale traffic on route between the U.S. and South Africa.
Missouri RSA 9B1 Limited Partnership	ITC-214-20010412-00191	Authorized to provide international resale service to its CMRS subscribers solely by reselling the international switched services of unaffiliated U.S. facilities-based carriers (either directly or indirectly through the resale of another U.S. resale carrier's international switched services) in accordance with the provisions of Section 63.18(e)(2). Authorization conditioned on filing of quarterly traffic reports for its resale traffic on route between the U.S. and South Africa.
New Cingular Wireless PCS, LLC	ITC-214-20000713-00774	Authorized to resell on a non-dominant carrier basis international switched services of unaffiliated U.S. international carriers for the provision of international switched services originating from U.S. points and terminating at all international points, with the exception of the Dominican Republic and Venezuela.

Entity Name	Authorization Number	Description
New Cingular Wireless PCS, LLC	ITC-214-19960426-00172	Authorized to provide individual switched resale service from the U.S. to international points.
New Cingular Wireless PCS, LLC	ITC-214-20000428-00254	Authorization to operate as a facilities-based carrier in accordance with the provisions of Section 63.18(e)(1) of the rules and also to provide service in accordance with the provisions of Section 63.18(e)(2) of the rules.
New Cingular Wireless PCS, LLC	ITC-214-20000428-00255	Authorization to operate as a facilities-based carrier in accordance with the provisions of Section 63.18(e)(1) of the rules and also to provide service in accordance with the provisions of Section 63.18(e)(2) of the rules.
New Cingular Wireless PCS, LLC	ITC-214-20000516-00368	Authorized to provide service solely through the resale of an unaffiliated U.S. facilities-based carrier's international switched services (either directly or indirectly through resale of another U.S. resale carrier's international switched service) in accordance with the provisions of Section 63.18(e)(2) of the rules. Also authorized to provide switched international services to its customers that are roaming in foreign markets by reselling the switched services of foreign-authorized carriers in foreign markets where the applicant has obtained or will obtain a roaming agreement with a foreign carrier. Authorization subject to regulation as a dominant carrier with respect to roaming traffic carried by affiliated carriers identified in its application, as amended, on route between the United States and South Africa.

Entity Name	Authorization Number	Description
New Cingular Wireless PCS, LLC	ITC-214-20000713-00775 (assigned pro forma from AT&T Mobility Texas LLC File No. ITC-ASG-20100127-00053)	Authorized to resell on a non-dominant carrier basis international switched services of unaffiliated U.S. international carriers for the provision of international switched services originating from U.S. points and terminating at all international points, with the exception of the Dominican Republic and Venezuela.
New Cingular Wireless PCS, LLC	ITC-214-20000713-00779 (assigned pro forma from AT&T Mobility Texas LLC File No. ITC-ASG-20100127-00053)	Authorized to resell on a non-dominant carrier basis international switched services of unaffiliated U.S. international carriers for the provision of international switched services originating from U.S. points and terminating at all international points, with the exception of the Dominican Republic and Venezuela.
New Cingular Wireless PCS, LLC	ITC-214-20001116-00672	Authorized to provide international resale service in accordance with the provisions of Section 63.18(e)(2) of the rules.

Entity Name	Authorization Number	Description
New Cingular Wireless PCS, LLC	ITC-214-20010412-00192	Authorized to provide international resale service to its CMRS subscribers solely by reselling the international switched services of unaffiliated U.S. facilities-based carriers (either directly or indirectly through the resale of another U.S. resale carrier's international switched services) in accordance with the provisions of Section 63.18(e)(2). Authorization conditioned on filing of quarterly traffic reports for its resale traffic on route between the U.S. and South Africa.
New Cingular Wireless PCS, LLC	ITC-214-20010412-00195	Authorized to provide international resale service to its CMRS subscribers solely by reselling the international switched services of unaffiliated U.S. facilities-based carriers (either directly or indirectly through the resale of another U.S. resale carrier's international switched services) in accordance with the provisions of Section 63.18(e)(2). Authorization conditioned on filing of quarterly traffic reports for its resale traffic on route between the U.S. and South Africa.

Entity Name	Authorization Number	Description
New Cingular Wireless PCS, LLC	ITC-214-20010412-00202 (assigned pro forma from AT&T Mobility Texas LLC File No. ITC-ASG-20100127-00053)	Authorized to provide international resale service to its CMRS subscribers solely by reselling the international switched services of unaffiliated U.S. facilities-based carriers (either directly or indirectly through the resale of another U.S. resale carrier's international switched services) in accordance with the provisions of Section 63.18(e)(2). Authorization conditioned on filing of quarterly traffic reports for its resale traffic on route between the U.S. and South Africa.
New Cingular Wireless PCS, LLC	ITC-214-20010412-00206	Authorized to provide international resale service to its CMRS subscribers solely by reselling the international switched services of unaffiliated U.S. facilities-based carriers (either directly or indirectly through the resale of another U.S. resale carrier's international switched services) in accordance with the provisions of Section 63.18(e)(2). Authorization conditioned on filing of quarterly traffic reports for its resale traffic on route between the U.S. and South Africa.

Entity Name	Authorization Number	Description
New Cingular Wireless PCS, LLC	ITC-214-20010412-00209	Authorized to provide international resale service to its CMRS subscribers solely by reselling the international switched services of unaffiliated U.S. facilities-based carriers (either directly or indirectly through the resale of another U.S. resale carrier's international switched services) in accordance with the provisions of Section 63.18(e)(2). Authorization conditioned on filing of quarterly traffic reports for its resale traffic on route between the U.S. and South Africa.
New Cingular Wireless PCS, LLC	ITC-214-20010412-00211	Authorized to provide international resale service to its CMRS subscribers solely by reselling the international switched services of unaffiliated U.S. facilities-based carriers (either directly or indirectly through the resale of another U.S. resale carrier's international switched services) in accordance with the provisions of Section 63.18(e)(2). Authorization conditioned on filing of quarterly traffic reports for its resale traffic on route between the U.S. and South Africa.

Entity Name	Authorization Number	Description
New Cingular Wireless PCS, LLC	ITC-214-20010412-00212 (assigned pro forma from AT&T Mobility Texas LLC File No. ITC-ASG-20100127-00053)	Authorized to provide international resale service to its CMRS subscribers solely by reselling the international switched services of unaffiliated U.S. facilities-based carriers (either directly or indirectly through the resale of another U.S. resale carrier's international switched services) in accordance with the provisions of Section 63.18(e)(2). Authorization conditioned on filing of quarterly traffic reports for its resale traffic on route between the U.S. and South Africa.
New Cingular Wireless PCS, LLC	ITC-214-20010412-00214	Authorized to provide international resale service to its CMRS subscribers solely by reselling the international switched services of unaffiliated U.S. facilities-based carriers (either directly or indirectly through the resale of another U.S. resale carrier's international switched services) in accordance with the provisions of Section 63.18(e)(2). Authorization conditioned on filing of quarterly traffic reports for its resale traffic on route between the U.S. and South Africa.

Entity Name	Authorization Number	Description
New Cingular Wireless PCS, LLC	ITC-214-20010412-00217	Authorized to provide international resale service to its CMRS subscribers solely by reselling the international switched services of unaffiliated U.S. facilities-based carriers (either directly or indirectly through the resale of another U.S. resale carrier's international switched services) in accordance with the provisions of Section 63.18(e)(2). Authorization conditioned on filing of quarterly traffic reports for its resale traffic on route between the U.S. and South Africa.
New Cingular Wireless PCS, LLC	ITC-214-20010412-00221	Authorized to provide international resale service to its CMRS subscribers solely by reselling the international switched services of unaffiliated U.S. facilities-based carriers (either directly or indirectly through the resale of another U.S. resale carrier's international switched services) in accordance with the provisions of Section 63.18(e)(2). Authorization conditioned on filing of quarterly traffic reports for its resale traffic on route between the U.S. and South Africa.

Entity Name	Authorization Number	Description
New Cingular Wireless PCS, LLC	ITC-214-20010412-00227	Authorized to provide international resale service to its CMRS subscribers solely by reselling the international switched services of unaffiliated U.S. facilities-based carriers (either directly or indirectly through the resale of another U.S. resale carrier's international switched services) in accordance with the provisions of Section 63.18(e)(2). Authorization conditioned on filing of quarterly traffic reports for its resale traffic on route between the U.S. and South Africa.
New Cingular Wireless PCS, LLC	ITC-214-20010412-00230 (assigned pro forma from AT&T Mobility Texas LLC File No. ITC-ASG-20100127-00053)	Authorized to provide international resale service to its CMRS subscribers solely by reselling the international switched services of unaffiliated U.S. facilities-based carriers (either directly or indirectly through the resale of another U.S. resale carrier's international switched services). Authorization conditioned on filing of quarterly traffic reports for its resale traffic on route between the U.S. and South Africa.
New Cingular Wireless PCS, LLC	ITC-214-20030417-00194	Authorized to provide facilities-based and resale services pursuant to Section 63.18(e)(1)-(3) of the rules. Authorization holder agrees to be classified as a dominant international carrier on the U.S.-South Africa routes without prejudice to its rights to petition for reclassification at a later date.

Entity Name	Authorization Number	Description
New Cingular Wireless PCS, LLC	ITC-214-20031017-00482 (assigned pro forma from Ozark Cellular Corporation, File No. ITC-ASG-20040329-00156; transferred to Cingular Wireless LLC, File No. ITC-T/C-20050121-00029)	Authority to resell international switched services pursuant to Section 63.18(e)(2)-(e)(3) of the rules. With respect to U.S. outbound service, Applicant will resell the international switched services of unaffiliated U.S. carriers to the extent it has outbound traffic on the U.S.-Belgium, U.S.-Denmark and U.S.-South Africa routes. Applicant agrees to comply with the Commission's international dominant carrier safeguards specified in Section 63.10 of the rules with respect to U.S.-inbound traffic generated by its customers who are roaming in Belgium, Denmark and South Africa.
New Cingular Wireless PCS, LLC	ITC-214-20031113-00514	Authorization to operate as a facilities-based carrier in accordance with the provisions of Section 63.18(e)(1) of the rules and also to provide service in accordance with the provisions of Section 63.18(e)(2) of the rules.
New Cingular Wireless PCS, LLC	ITC-214-20040213-00053	Authorized to provide facilities-based service between the U.S. and Canada in accordance with Section 63.18(e)(1).

Entity Name	Authorization Number	Description
New Cingular Wireless PCS, LLC	ITC-214-20080208-00535	Authorized to provide facilities-based service in accordance with section 63.18(e)(1) of the Commission's rules, and also to provide resale service in accordance with section 63.18(e)(2) of the Commission's rules.
New Cingular Wireless PCS, LLC	ITC-214-20080208-00537	Authorized to provide facilities-based service in accordance with section 63.18(e)(1) of the Commission's rules, and also to provide resale service in accordance with section 63.18(e)(2) of the Commission's rules.
New Cingular Wireless PCS, LLC	ITC-214-20080822-00409	Authority to provide facilities-based service in accordance with Section 63.18(e)(1) of the Commission's rules, and also to provide resale service in accordance with Section 63.18(e)(2) of the Commission's rules.
New Cingular Wireless PCS, LLC	ITC-214-20090522-00562	Application for authority to provide facilities-based service in accordance with section 63.18(e)(1) of the Commission's rules, and also to provide resale service in accordance with section 63.18(e)(2) of the Commission's rules, 47 C.F.R. § 63.18(e)(1), (e)(2).

Entity Name	Authorization Number	Description
New Cingular Wireless PCS, LLC	ITC-214-20100722-00328	Application for authority to provide facilities-based service in accordance with section 63.18(e)(1) of the Commission's rules, and also to provide resale service in accordance with section 63.18(e)(2) of the Commission's rules, 47 C.F.R. § 63.18(e)(1), (e)(2).
Northeastern Georgia RSA Limited Partnership	ITC-214-20010412-00223	Authorized to provide international resale service to its CMRS subscribers solely by reselling the international switched services of unaffiliated U.S. facilities-based carriers (either directly or indirectly through the resale of another U.S. resale carrier's international switched services) in accordance with the provisions of Section 63.18(e)(2). Authorization conditioned on filing of quarterly traffic reports for its resale traffic on route between the U.S. and South Africa.

Entity Name	Authorization Number	Description
Oklahoma City SMSA Limited Partnership	ITC-214-20010412-00229	Authorized to provide international resale service to its CMRS subscribers solely by reselling the international switched services of unaffiliated U.S. facilities-based carriers (either directly or indirectly through the resale of another U.S. resale carrier's international switched services) in accordance with the provisions of Section 63.18(e)(2). Authorization conditioned on filing of quarterly traffic reports for its resale traffic on route between the U.S. and South Africa.
Oklahoma RSA 3 Limited Partnership	ITC-214-20010412-00207	Authorized to provide international resale service to its CMRS subscribers solely by reselling the international switched services of unaffiliated U.S. facilities-based carriers (either directly or indirectly through the resale of another U.S. resale carrier's international switched services) in accordance with the provisions of Section 63.18(e)(2). Authorization conditioned on filing of quarterly traffic reports for its resale traffic on route between the U.S. and South Africa.

Entity Name	Authorization Number	Description
Oklahoma RSA 9 Limited Partnership	ITC-214-20010412-00215	Authorized to provide international resale service to its CMRS subscribers solely by reselling the international switched services of unaffiliated U.S. facilities-based carriers (either directly or indirectly through the resale of another U.S. resale carrier's international switched services) in accordance with the provisions of Section 63.18(e)(2). Authorization conditioned on filing of quarterly traffic reports for its resale traffic on route between the U.S. and South Africa.
SBC Long Distance, LLC	ITC-214-19960906-00422 (Previous File No. ITC-96-497)	Authorization to provide services originating from "out - of-region" in accordance with the provisions of Section 63.18(e)(2) of the rules and the conditions contained in the Order DA-96-1169 (Released July 24, 1996). The applicant will not provide any such services originating from the States of California and Nevada until the Commission issues an order determining the regulatory treatment of such services.
SBC Long Distance, LLC	ITC-214-19971108-00689 (Previous File No. ITC-97-770)	Authorization to provide "out-of-region" facilities-based switched voice and data services; private line voice and data services; and switched voice and data services via interconnected and non-interconnected international private lines and to terminate in all international points except Chile, South Africa and Switzerland.

Entity Name	Authorization Number	Description
SBC Long Distance, LLC	ITC-214-20000127-00027	Authorization to operate as a facilities-based carrier in accordance with the provisions of Section 63.18(e)(1) of the rules and also to provide service in accordance with the provisions of Section 63.18(e)(2) of the rules.
SBC Long Distance, LLC	ITC-214-20000301-00125	Authorization to operate as a facilities-based carrier in accordance with the provisions of Section 63.18(e)(1) of the rules and also to provide service in accordance with the provisions of Section 63.18(e)(2) of the rules between all out-of-region points and Chile, South Africa and Switzerland. Applicant agrees to comply with the dominant carrier regulations in the Commission's Foreign Participation Order on the U.S.-South Africa route.
SBC Long Distance, LLC	ITC-214-20001130-00713	Authorization to provide international facilities-based and resale services originating in Kansas and Oklahoma, with conditions.
SBC Long Distance, LLC	ITC-214-20010919-00474	Authorization to provide international facilities-based and resale services originating in Arkansas and Missouri, with conditions.
SBC Long Distance, LLC	ITC-214-20020923-00452	Authorization to provide international facilities-based and resale services originating in California and Nevada, with conditions.

Entity Name	Authorization Number	Description
SBC Long Distance, LLC	ITC-214-20030123-00026	Authorization to provide international facilities-based and resale services originating in Michigan, Indiana, Illinois, Ohio and Wisconsin, with conditions.
SNET America, Inc.	ITC-214-19960223-00083 (Previous File No. 96-172)	Authorization pursuant to Section 214 of the Communications Act of 1934, as amended, to resell private line services of other common carriers to provide private line services from the United States to international points.
SNET America, Inc.	ITC-95-145	Authorization pursuant to Section 214 of the Communications Acts of 1934, as amended, to resell international switched services of other common carriers.
SNET Diversified Group, Inc.	ITC-214-19960917-00451 (Previous File No. 96-538)	Authorization to provide global resale service in accordance with the provisions of Section 63.18(e)(2) of the rules.
TC Systems, Inc.	ITC-214-19951212-00056 (Previous File Number ITC-96-002)	Authorization to provide international switched resale services.
TCG America, Inc.	ITC-214-19970814-00493 (Previous File Number ITC-97-506)	Authorization to provide international facilities-based and resale services.
TCG New Jersey, Inc.	ITC-214-19890926-00004 (Previous File Number ITC-90-003	Authorization to provide international resale services.

Entity Name	Authorization Number	Description
Texas RSA 18 Limited Partnership	ITC-214-20010412-00224	Authorized to provide international resale service to its CMRS subscribers solely by reselling the international switched services of unaffiliated U.S. facilities-based carriers (either directly or indirectly through the resale of another U.S. resale carrier's international switched services) in accordance with the provisions of Section 63.18(e)(2). Authorization conditioned on filing of quarterly traffic reports for its resale traffic on route between the U.S. and South Africa.
Texas RSA 19 Limited Partnership	ITC-214-20010412-00216	Authorized to provide international resale service to its CMRS subscribers solely by reselling the international switched services of unaffiliated U.S. facilities-based carriers (either directly or indirectly through the resale of another U.S. resale carrier's international switched services) in accordance with the provisions of Section 63.18(e)(2). Authorization conditioned on filing of quarterly traffic reports for its resale traffic on route between the U.S. and South Africa.
Texas RSA 20B1 Limited Partnership	ITC-214-20010412-00228	Authorized to provide international resale service to its CMRS subscribers solely by reselling the international switched services of unaffiliated U.S. facilities-based carriers (either directly or indirectly through the resale of another U.S. resale carrier's international switched services) in accordance with the provisions of Section 63.18(e)(2). Authorization conditioned on filing of quarterly traffic reports for its resale traffic on route between the U.S. and South Africa.

Entity Name	Authorization Number	Description
Texas RSA 6 Limited Partnership	ITC-214-20010412-00218	Authorized to provide international resale service to its CMRS subscribers solely by reselling the international switched services of unaffiliated U.S. facilities-based carriers (either directly or indirectly through the resale of another U.S. resale carrier's international switched services) in accordance with the provisions of Section 63.18(e)(2). Authorization conditioned on filing of quarterly traffic reports for its resale traffic on routes between the U.S. and South Africa.
Texas RSA 7B1 Limited Partnership	ITC-214-20010412-00204	Authorized to provide international resale service to its CMRS subscribers solely by reselling the international switched services of unaffiliated U.S. facilities-based carriers (either directly or indirectly through the resale of another U.S. resale carrier's international switched services) in accordance with the provisions of Section 63.18(e)(2). Authorization conditioned on filing of quarterly traffic reports for its resale traffic on route between the U.S. and South Africa.
Texas RSA 9B1 Limited Partnership	ITC-214-20010412-00190	Authorized to provide international resale service to its CMRS subscribers solely by reselling the international switched services of unaffiliated U.S. facilities-based carriers (either directly or indirectly through the resale of another U.S. resale carrier's international switched services) in accordance with the provisions of Section 63.18(e)(2). Authorization conditioned on filing of quarterly traffic reports for its resale traffic on route between the U.S. and South Africa.

Entity Name	Authorization Number	Description
Topeka SMSA Limited Partnership	ITC-214-20010412-00226	Authorized to provide international resale service to its CMRS subscribers solely by reselling the international switched services of unaffiliated U.S. facilities-based carriers (either directly or indirectly through the resale of another U.S. resale carrier's international switched services) in accordance with the provisions of Section 63.18(e)(2). Authorization conditioned on filing of quarterly traffic reports for its resale traffic on route between the U.S. and South Africa.

Description of Transaction,

Public Interest Showing, and

Related Demonstrations

REDACTED – FOR PUBLIC INSPECTION

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Declaration of John Donovan

Declaration of William Hogg

Declaration of Rick L. Moore

Declaration of Thorsten Langheim

Declaration of Kim Kyllesbech Larsen

Declaration of Dennis W. Carlton, Allan Shampine, and Hal Sider

Appendix A: Spectrum Aggregation Chart

Appendix B: Competitor Chart

Appendix C: Competitors in CMAs in Which the Spectrum Screen Is Reached

INTRODUCTION AND SUMMARY

In this transaction, AT&T Inc.—an American company on the leading edge of mobile broadband innovation—is acquiring T-Mobile USA, a Deutsche Telekom subsidiary with declining market shares and no clear path to Long Term Evolution (LTE), the gold standard for advanced mobile broadband services.

AT&T faces network spectrum and capacity constraints more severe than those of any other wireless provider, and this merger provides by far the surest, fastest, and most efficient solution to that challenge. The network synergies of this transaction will free up new capacity—the functional equivalent of new spectrum—in the many urban, suburban, and rural wireless markets where escalating broadband usage is fast consuming existing capacity. This transaction will thus benefit consumers by reducing the number of dropped and blocked calls, increasing data speeds, and dramatically expanding deployment of next-generation mobile technology. Indeed, the transaction will give the combined company the scale, resources, and spectrum that will enable it to deploy LTE to more than 97 percent of Americans—approximately 55 million more Americans than under AT&T's current plans. That deployment will help fulfill this Administration's pledge to "connect[] every part of America to the digital age,"[1] and it will create new jobs and economic growth in the small towns and rural communities that need them most. This transaction will leave the wireless marketplace fiercely competitive; indeed, AT&T's massive LTE deployment will intensify broadband competition throughout the United States. Finally, the transaction will promote America's global leadership in mobile broadband innovation.

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[1] Barack Obama, *State of the Union Address* (Jan. 25, 2011), http://www.whitehouse.gov/the-press-office/2011/01/25/remarks-president-state-union-address ("*Obama 2011 State of the Union Address*").

* * *

AT&T has helped lead America's mobile broadband revolution for many years, achieving network-technology breakthroughs at AT&T Labs and then pioneering their deployment to consumers. AT&T introduced the first widely adopted smartphone—Apple's iPhone—in 2007. It now offers a wide-ranging portfolio of mobile broadband devices, including the second-generation iPad and other tablet computers; a variety of netbooks, eReaders, and machine-to-machine (M2M) offerings; and a host of smartphones running on different operating systems, such as Google's Android, Microsoft's Windows, Apple's iOS, and RIM's Blackberry, among others. According to a leading market research firm, AT&T's subscribers owned more than **[Begin Confidential Information]** **[End Confidential Information]** percent of the nation's smartphones at the end of 2010, by far the highest percentage among all U.S. wireless providers.[2] AT&T's pioneering initiatives have helped convert mobile broadband from a niche product into a transformative engine of innovation, growth, and consumer empowerment. And they have helped make the United States the global leader in mobile broadband subscriptions and smartphone sales.

AT&T's mobile broadband leadership, however, now presents it with unique spectrum and capacity challenges. A smartphone generates 24 times the mobile data traffic of a conventional wireless phone,[3] and the explosively popular iPad and similar tablet devices can generate traffic comparable to or even greater than a smartphone. AT&T's mobile data volumes thus surged by a staggering 8000% from 2007 to 2010:

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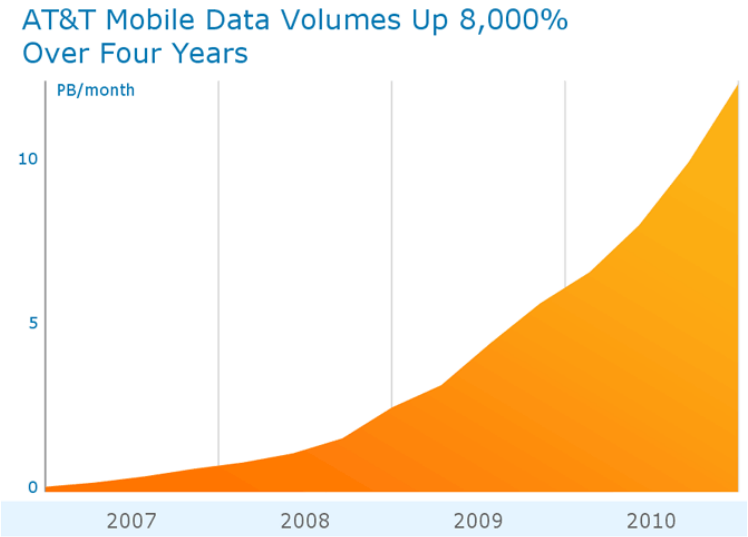
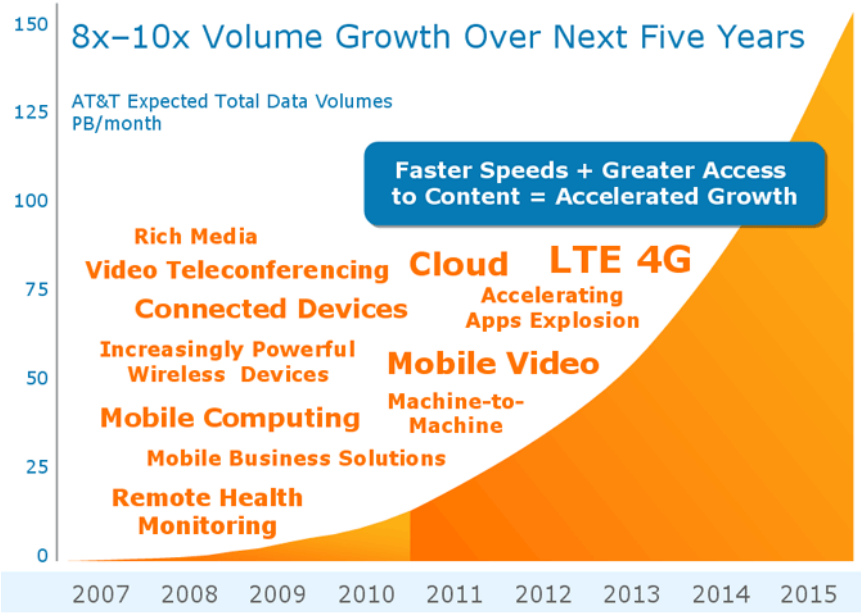
[2] The Nielsen Company, *Carrier Share of Smartphone Subscribers – Q4 2010*.

[3] FCC Fact Sheet, *Spectrum: American Competitiveness, Opportunity, Dollars and the Cost Of Delay* (Mar. 22, 2011), *available at* http://www.fcc.gov/Daily_Releases/Daily_Business/2011/db0322/DOC-305309A2.pdf ("*FCC Fact Sheet*").



AT&T has worked tirelessly to address this data explosion through a wide variety of means. For example, it has purchased spectrum on the open market when available and has added thousands of cell sites and additional backhaul capacity to its network grid. AT&T has also deployed distributed antenna systems, 24,000 Wi-Fi hotspots across the country, and Wi-Fi Hotzones in heavy usage areas—such as Chicago's Wrigleyville, New York's Times Square, and others—to off-load traffic from its mobile network. All told, AT&T invested $21.1 billion in capital expenditures to upgrade its wireless network between 2008 and 2010.

These types of measures, however, are increasingly inadequate solutions to AT&T's growing capacity constraints. AT&T is using up its spectrum at an accelerating rate, and the wireless broadband revolution is just beginning. Over the next five years, data usage on AT&T's network is projected to skyrocket by a factor of eight to ten as customers "mobilize" all of their communications activities, from streaming HD video and cloud computing to a range of M2M applications like energy management, fleet tracking, and remote health monitoring:



Put differently, in just the first *five to seven weeks* of 2015, AT&T expects to carry all of the mobile traffic volume it carried during 2010.

In short, AT&T faces severe capacity constraints and cannot simply wait for the next major auction to resolve them. For example, AT&T expects that, by **[Begin Confidential Information]** **[End Confidential Information]**, it would have insufficient capacity to handle the expected traffic demand for its UMTS services in approximately **[Begin Confidential Information]** **[End Confidential Information]** cellular market areas ("CMAs") covering **[Begin Confidential Information]** **[End Confidential Information]** people.[4] These include large cities such as **[Begin Confidential Information]** **[End Confidential Information]**, as well as smaller towns and rural areas such as **[Begin Confidential Information]** **[End Confidential Information]**.

[4] As discussed below, Universal Mobile Telephone System ("UMTS") is a wireless technology that supports both voice and mobile broadband services; Global System for Mobile ("GSM") is an earlier second-generation technology.

In **[Begin Confidential Information]** **[End Confidential Information]** additional markets, AT&T does not have enough spectrum today even to launch and support UMTS service, and thus it can offer only 2G GSM service to the more than **[Begin Confidential Information]** **[End Confidential Information]** people in those markets. In many markets where T-Mobile USA has spectrum, AT&T's capacity constraints also prevent it from dedicating enough spectrum to launch LTE, deploy it optimally, or meet expected demand. For example, in approximately **[Begin Confidential Information]** **[End Confidential Information]** CMAs covering about **[Begin Confidential Information]** **[End Confidential Information]** people, AT&T lacks spectrum to deploy LTE at all. Within another approximately **[Begin Confidential Information]** **[End Confidential Information]** CMAs, covering nearly **[Begin Confidential Information]** **[End Confidential Information]** people in large cities and small towns alike, AT&T cannot deploy LTE with the contiguous 20 MHz of spectrum needed for improved speed and spectral efficiency. And AT&T estimates that it is likely to face LTE capacity constraints as early as **[Begin Confidential Information]** **[End Confidential Information]** in certain major markets.

T-Mobile USA likewise faces capacity constraints in a number of key markets. It also has no clear path to deploy LTE services because it has already dedicated its spectrum resources to today's less spectrally efficient technologies. T-Mobile USA also faces new questions about its long-term capital support, in part because its parent company, Deutsche Telekom, must dedicate significant capital resources to broadband deployment in Germany and the rest of Europe. Indeed, Deutsche Telekom recently announced that, in light of its capital constraints, T-

Mobile USA can no longer rely on its parent for investment funding and must instead "fund its future itself."[5]

From a consumer's perspective, the capacity constraints confronting these companies, if unaddressed, would translate into more dropped and blocked calls, slower speeds, and access to fewer and less advanced applications. More generally, these capacity constraints could hinder innovation in America's mobile broadband ecosystem. As Chairman Genachowski has observed, "[i]f we do nothing in the face of the looming spectrum crunch, many consumers will face higher prices—as the market is forced to respond to supply and demand—and frustrating service—connections that drop, apps that run unreliably or too slowly. The result will be downward pressure on consumer use of wireless service, and a slowing down of innovation and investment in the space."[6] These consumer harms, moreover, "would . . . have a disproportionate impact on minority and low-income groups who are more likely than the average American to access the Internet through a mobile device."[7] "[T]he only thing that can address the growing overall demand for mobile," the Chairman more recently added, "is increasing the overall supply of spectrum and the efficiency of its use."[8]

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[5] Transcript of Briefing by Deutsche Telecom and T-Mobile to Analysts, at 4 (Jan. 20, 2011) (Deutsche Telekom CEO Rene Obermann), http://www.telecom.de/dtag/cms/contentblob/dt/en/979218/blobBinary/transcript_20012011.pdf ("*Jan. 20, 2011 DT Analyst Briefing*"); Declaration of Thorsten Langheim, Senior Vice President Mergers and Acquisitions, Deutsche Telekom AG, at ¶ 14 (April 20, 2011) ("Langheim Decl.") (attached).

[6] Remarks of FCC Chairman Julius Genachowski, CTIA Wireless 2011, at 9 (Mar. 22, 2011), http://hraunfoss.fcc.gov/edocs_public/attachmatch/ DOC-305309A1.pdf ("*Genachowski CTIA Remarks*").

[7] *Id.*

[8] Remarks of FCC Chairman Julius Genachowski, NAB Show 2011, at 4 (Apr. 12, 2011), http://www.fcc.gov/Daily_Releases/Daily_Business/2011/db0412/DOC-305708A1.pdf.

This transaction helps meet that national objective. Although it will not literally increase "the overall supply of spectrum," it will dramatically increase the efficiency of its use, and those efficiency gains are the functional equivalent of creating new spectrum. In this manner, the transaction will provide by far the fastest, most efficient, and most certain solution to each applicant's capacity challenges, while creating significant benefits for consumers and the marketplace as a whole. It will improve service quality and create a robust, ubiquitous, and state-of-the-art wireless broadband platform. It will enable the combined company to compete far more effectively than either company could alone, while fueling the wireless broadband revolution at the heart of this Administration's goals.

These benefits arise from the uniquely complementary nature of AT&T and T-Mobile USA. Unlike other major U.S. wireless providers, AT&T and T-Mobile USA both use GSM and UMTS/HSPA+ technologies. Their common use of those technologies, together with their complementary spectrum holdings and well-matched cell-site grids, will produce immense synergies. As a result of these synergies, the integration of these two networks will far exceed the sum of its parts, creating substantially more capacity than the two companies could produce individually.

This increased capacity will give the combined company the flexibility it needs, on a market-by-market basis, to improve service quality, free up spectrum for more spectrally efficient technologies such as LTE, or both. These benefits could not be obtained nearly as fully or quickly through any alternative to this transaction. These transaction-specific benefits include:

- *Efficiencies from unique cell-site complementarities.* The combined company expects to integrate more than **[Begin Confidential Information]** **[End Confidential Information]** T-Mobile USA cell sites into the AT&T network. Upon network

integration, this will equate to "instant" cell splits—increasing cell density and effectively doubling the amount of network traffic that can be carried using existing spectrum in the areas served by those cell sites. This network integration will start immediately after closing, can be targeted initially to areas with the greatest capacity needs, and is expected to be completed within twenty-four months, with service improvements in areas of various markets in as little as nine months. AT&T could accomplish nothing comparable absent this merger. In practical terms, the integration of these two infrastructures will mean fewer dropped and blocked calls and a better mobile Internet experience for consumers.

- *Repurposing of Redundant Control Channels.* Each company now devotes substantial spectrum to "control channels" for its GSM services. The transaction will enable the combined company to eliminate redundant control channels and promptly free up 4.8 to 10 MHz of extra spectrum, depending on the market.

- *Channel Pooling Efficiencies.* This transaction will enable the two networks to group their respective GSM spectrum channels into larger pools (as well as the UMTS spectrum channels as they are integrated over time). Because larger pools increase the statistical probability of obtaining an open channel, the transaction will enable the combined network to serve more subscriber traffic with the same aggregate spectrum than the two could serve independently. By analogy, an airport can serve more customers more quickly if it creates one ticket counter with four ticket agents rather than two counters with two agents apiece. This efficiency alone is expected to increase GSM capacity by as much as 15 percent in some areas and, among other benefits, will reduce the number of blocked calls.

- *Utilization Efficiencies.* The combined company will be able to make more efficient use of "spare" capacity in areas where one or both companies' networks are underutilized, driving improvements in both performance and capacity in those areas. For example, if AT&T's GSM network is congested in a market, while T-Mobile USA's is underutilized, the combined company could use spectrum in the underutilized network to relieve that congestion. Alternatively, if AT&T is facing congestion in its UMTS network but not its GSM network, then a portion of T-Mobile USA's GSM spectrum could be redeployed to relieve that congestion and provide for more spectrally efficient UMTS services.

- *Broader deployment of more spectrally efficient LTE technologies.* The transaction will accelerate the transition to more spectrally efficient LTE technologies for more subscribers, thereby increasing network capacity and more efficiently using scarce spectrum resources. Over time, the transaction will enable the combined company to transition T-Mobile USA's HSPA services off of its AWS spectrum in many markets and devote that spectrum to the deployment of LTE services that are 30 to 40 percent more spectrally efficient. In addition, T-Mobile USA's AWS spectrum covers approximately **[Begin Confidential Information]** **[End Confidential Information]** additional people in areas where AT&T lacks sufficient 700 MHz or AWS spectrum to

> deploy LTE, allowing the combined company to roll out that technology more broadly than AT&T could alone.

AT&T estimates that these efficiencies, in combination, will push back the date of expected spectrum exhaust in many markets, particularly in its constrained markets. With this additional time, the company expects to be able to address continuing capacity needs through the ramping down of GSM networks, the fuller deployment of efficient, capacity-increasing LTE technologies, and new spectrum available at auction. More generally, the consolidation of these two companies is projected to produce operational savings and other cost synergies exceeding $39 billion, with annual savings of approximately $3 billion starting in year three.

All of these efficiencies will benefit both companies' current and future customers. For example, by alleviating capacity constraints, this transaction will enable AT&T to enhance service quality for its GSM and UMTS customers, reducing the number of blocked and dropped calls, increasing data speeds, and providing more consistent and reliable service. Moreover, this transaction will give AT&T the capacity it needs to serve more customers in more markets with UMTS and fully optimized LTE than it would otherwise. This transaction will also give T-Mobile USA's 34 million customers access to LTE services that will surpass T-Mobile USA's current services in performance and network efficiency. In addition, T-Mobile USA's customers will have greatly expanded in-home and rural coverage and rapid access to a broader device portfolio. And, as in AT&T's prior acquisitions, consumers will have the option to keep their current T-Mobile USA pricing plans for existing services.

In short, this transaction is the most pro-*consumer* solution to the critical capacity challenges facing these two companies. It is also the most pro-*innovation* and pro-*investment* solution for America. The network and spectrum synergies unleashed by this transaction will

enable AT&T to continue fostering wireless innovation and supporting the virtuous cycle of investment and innovation needed to fuel advances in the mobile broadband ecosystem. And this transaction gives AT&T the scale, spectrum and resources that will enable it to deploy LTE to more than 97 percent of Americans, many of them in the rural areas and small towns most in need of greater broadband deployment and economic development.[9]

The long-term benefits of such infrastructure investment are immense. As Lawrence Summers, then head of the President's National Economic Council, explained in 2010, "[e]ach dollar invested in wireless deployment is estimated to result in as much as $7 to $10 higher GDP," and as wireless investment grows, "the benefits for job creation and job improvement are likely to be substantial."[10] In addition, because AT&T is the only major wireless company that is unionized, this transaction will bring jobs with union wages and benefits.[11] And the expansion of LTE's state-of-the-art broadband performance will help fill gaps in the availability of cutting-edge medical, education, and other services in rural areas and small towns. Because this transaction will produce these larger social benefits, groups from across the political spectrum,

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[9] When the parties announced this transaction in March 2011, AT&T initially stated that it would deploy LTE to 95 percent of the U.S. population. AT&T has now conducted a more refined analysis of the scope and capabilities of the combined network and identified T-Mobile USA and AT&T cell sites that it had not previously counted on for LTE expansion, but that will allow the expansion of LTE into areas not previously included. The parties are thus now increasing the scope of this commitment to more than 97.3%.

[10] Remarks of Lawrence H. Summers, New America Foundation, *Technological Opportunities, Job Creation, and Economic Growth* (June 28, 2010), http://www.whitehouse.gov/administration/eop/nec/speeches/technological-opportunities-job-creation-economic-growth ("*Summers Remarks*").

[11] AT&T remains the only large wireless company in the U.S. with a voluntary recognition and card check agreement, which allows eligible employees to choose whether to be represented by the CWA. AT&T remains neutral in organizing drives and voluntarily recognizes the CWA when a majority of workers sign union authorization cards. Under this process, CWA has now organized more than 41,000 AT&T Mobility employees, including those following mergers with AT&T Wireless, BellSouth, Dobson, and Centennial.

including the Communications Workers of America, the AFL-CIO, the NAACP, the Hispanic Institute, the American Foundation for the Blind, and a broad range of other consumer, civil rights, and rural advocacy groups, have highlighted the transaction's potential to empower consumers, workers, and small businesses to participate more fully in our nation's broadband society.

As discussed in Section II below, this transaction will also preserve and, indeed, enhance competition. The Commission found last year that approximately three-quarters of Americans live in localities contested by at least five facilities-based wireless providers.[12] And the U.S. wireless marketplace is characterized by escalating usage, product differentiation, rapid innovation, fierce advertising campaigns, new entry, and sharply declining prices for wireless service by unit of consumption (*e.g.*, minutes or megabytes). It will remain every bit as dynamic and competitive after this transaction as before. Indeed, the wireless marketplace will be *more* competitive because this transaction will expand overall output and relieve both AT&T and T-Mobile USA of capacity constraints that, absent this transaction, would reduce their competitive impact. Moreover, because the transaction will enable AT&T to deploy next-generation LTE services to more than 97 percent of Americans, it will give many more consumers a new, robust alternative to *wireline* broadband services across America.

Post-merger, the combined company will continue to face intense competition from the following providers, among others:

- ***Verizon Wireless***, now the largest U.S. wireless provider, occupies an exceptionally strong position in all market segments, and it claims unequaled network advantages in the

[12] Fourteenth Report, *Implementation of Section 6002(b) of the Omnibus Budget Reconciliation Act of 1993*, 25 FCC Rcd 11407, 11621-22 ¶¶ 42-45 (May 20, 2010) ("*Fourteenth Wireless Report*").

provision of high-end LTE services over its nationwide 22 MHz block of 700 MHz spectrum.

- ***Sprint*** has reversed its earlier setbacks, added nearly 1.8 million net subscribers in 2010 (for a total of approximately 50 million), and is aggressively implementing Network Vision, a multi-billion-dollar initiative to upgrade its network to supplement existing 4G services. Sprint has already achieved substantial 4G success by offering attractive pricing plans and upgrading its smartphone portfolio with models like the highly successful EVO.

- ***MetroPCS*** and ***Leap*** ("Cricket")—the leading "all you can eat" providers—have signed a long-term mutual roaming agreement, offer nationwide service plans, and now sell service in markets covering more than 200 million Americans. They are growing rapidly and will continue winning consumers with their low-priced service plans after this transaction closes.

  - According to internal AT&T estimates, MetroPCS has won approximately [**Begin Confidential Information]** **[End Confidential Information]** of the Miami market and double-digit shares in other major cities, and its subscriber share now exceeds T-Mobile USA's in a number of key markets, including **[Begin Confidential Information]** **[End Confidential Information]**. MetroPCS recently launched the nation's first commercially available LTE smartphone for its new 4G LTE network, thereby targeting higher-end consumers in addition to its established base of value-conscious customers.

  - Meanwhile, Leap added hundreds of thousands of new subscribers in 2010 and has achieved substantial shares in a number of metropolitan areas. Although it has long focused on value-oriented voice services, it too has branched out into broadband services, and smartphones now account for 40% of Leap's handset sales. In March 2011, Leap expanded its LTE deployment plans by reaching a major spectrum arrangement with LightSquared.

- ***U.S. Cellular*** is a leading provider of nationwide service in 26 states and now has more than six million customers. According to AT&T's estimates, U.S. Cellular has strong double-digit shares in many markets, including **[Begin Confidential Information]** **[End Confidential Information]**.

- A number of other providers also offer nationwide wireless service plans with marked success. These include, among the others discussed below, ***Cellular South***, which serves about 880,000 customers and plans to launch LTE service by the end of this year; ***Cincinnati Bell Wireless,*** which serves southwestern Ohio and **[Begin Confidential Information]** **[End Confidential Information]**; and ***Cox Communications***, which has

begun aggressively marketing wireless plans to its existing cable subscribers in a growing number of markets.

- ***Clearwire***, owned by a consortium of Sprint, Comcast, Time Warner Cable, Intel, Google, and Bright House Networks, is the nation's largest holder of spectrum. Using spectrum in the 2.5-2.6 GHz bands, Clearwire is both a retailer of 4G data services (under the "Clear" brand), with more than a million retail customers, and a supplier of wholesale inputs to 4G WiMAX retail providers such as Sprint, Time Warner Cable, and Comcast. In March 2011, it signed a wholesale agreement with Best Buy, which will use Clearwire spectrum to offer its "Best Buy Connect" MVNO services at its retail stores throughout America. Clearwire is also conducting LTE trials, which, according to CTO John Saw, have yielded "mind blowing" results.[13]

- ***LightSquared***, a spectrum-rich and well-capitalized wireless entrant, plans to deploy a 4G LTE network covering 100 million people by the end of 2012 and 260 million by the end of 2015. It recently announced major wholesale arrangements with Best Buy, rural broadband provider Open Range, and Leap, which, as discussed, will use LightSquared spectrum to help roll out its LTE services.

T-Mobile USA's network and spectrum resources will add substantial value to this highly competitive marketplace when they are combined with AT&T's network and spectrum resources to produce the output-enhancing synergies discussed in this submission. As a standalone company, however, T-Mobile USA would continue to face substantial commercial and spectrum-related challenges. It confronts increased competition from industry mavericks such as MetroPCS, Leap, and others; its percentage of U.S. subscribers has been falling for nearly two years; and it has no clear path to LTE.

T-Mobile USA's absence from the marketplace will not have a significant competitive impact, particularly vis-à-vis AT&T. AT&T is more focused on Verizon and Sprint than on T-Mobile USA, and AT&T too is seeing increased competitive threats from rapidly growing mavericks like MetroPCS and Leap and other providers. These other competitors can quickly replace the diminished market role T-Mobile USA plays today—and indeed have already begun

[13] Karl Bode, *Clearwire: LTE Trial Results 'Mind Blowing'*, DSL Reports (Mar. 23, 2011), http://www.dslreports.com/shownews/Clearwire-LTE-Trial-Results-Mind-Blowing-113342.

to do so. More generally, this transaction will promote the core objectives of sound competition policy by alleviating the applicants' capacity constraints and thereby generating greater output and more competitive prices.

Finally, the Commission should view this transaction in its international context when assessing both its competitive significance and its importance to American innovation. As the Commission has observed, the U.S. wireless marketplace is substantially less concentrated than its counterparts in other industrialized nations.[14] The Commission would disserve American consumers if it imposed artificial constraints on network scale and efficiency not seen elsewhere in the world, thereby ultimately consigning the U.S. marketplace to a collection of spectrum-starved providers. That outcome would risk degrading service for millions of American consumers, undermining the virtuous cycle of mobile broadband innovation, and imperiling U.S. technological leadership.

In sum, this transaction will be good for consumers, for workers, for the economy, and for the companies involved. It is needed to alleviate serious capacity challenges on the two parties' networks; to enable the combined company to deploy LTE to more than 97 percent of Americans; to derive the greatest value for consumers from T-Mobile USA's existing resources; and to keep America on the cutting edge of wireless broadband technologies. The transaction should be promptly approved.

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[14] *Fourteenth Wireless Report*, 25 FCC Rcd at 11621-22 ¶¶ 364-67.

DESCRIPTION OF THE APPLICANTS AND THE TRANSACTION

A. The Applicants

AT&T is a leading provider in the United States of wireless, Wi-Fi, high-speed Internet, local and long distance voice, mobile broadband, and advanced TV services.[15] It also provides worldwide wireless coverage and IP-based business communications services. Headquartered in Dallas, Texas, AT&T is the only large U.S. wireless carrier that is unionized.

Deutsche Telekom AG (DT), based in Bonn, Germany, is one of the world's leading telecommunications companies with operations in about 50 countries. The Federal Republic of Germany holds approximately a direct 15% interest in DT. KfW, a development bank that is 80% owned by the Federal Republic of Germany and 20% owned by the German federal states, owns approximately a 17% interest in DT. DT's core businesses, which require substantial capital investments in their own right, involve the provision of fixed broadband and wireless services in Germany and throughout much of the rest of Europe. *See* Langheim Decl. ¶ 7.

T-Mobile USA, a wholly owned subsidiary of DT, is headquartered in Bellevue, Washington and offers nationwide wireless voice and data services to residential and business customers.

[15] AT&T Mobility LLC, which operates AT&T's wireless network, is the successor to Cingular Wireless and is a wholly owned subsidiary of AT&T Inc. For ease of exposition for present purposes, the term "AT&T" is generally used here to refer to AT&T Mobility LLC or other wholly-owned subsidiaries of AT&T Inc. Nonetheless, AT&T Inc. is the AT&T applicant in this proceeding and, as noted below, is the corporate entity acquiring T-Mobile USA.

B. Qualifications

The Commission has concluded repeatedly that AT&T has the necessary qualifications required by the Communications Act, and nothing has changed to disturb this conclusion.[16] The Commission has likewise concluded that T-Mobile USA has the requisite character and qualifications to hold Commission authorizations.[17]

C. Nature of the Transaction

AT&T Inc. has agreed to acquire from DT all of the stock of T-Mobile USA on a debt-free basis. The total consideration will be $39 billion. That amount will include a cash payment of $25 billion with the balance to be paid using AT&T common stock, subject to adjustment. AT&T has the right to increase the cash portion of the purchase price by up to $4.2 billion with a corresponding reduction in the stock component, so long as DT receives at least a 5 percent equity ownership interest in AT&T. If AT&T makes no adjustments, DT will hold approximately 8 percent of AT&T stock at the transaction's close. The number of AT&T shares issued will be based on the AT&T share price during a 30-trading-day period prior to closing, subject to a 7.5 percent collar that was determined at signing. The cash portion of the purchase price will be financed with new debt and cash on AT&T's balance sheet. AT&T has an 18-month commitment for a one-year unsecured bridge term facility with various banks for up to $20 billion. AT&T assumes no debt from T-Mobile USA or DT.

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[16] *See* Memorandum Opinion and Order, *Applications of AT&T Inc. and Cellco Partnership d/b/a Verizon Wireless*, 25 FCC Rcd 8704, 8720 ¶ 29 (2010) ("*AT&T/Verizon Order*"); Memorandum Opinion and Order, *Applications of AT&T Inc. and Centennial Communic'ns Corp.*, 24 FCC Rcd 13915, 13931 ¶ 33 (2009) ("*AT&T/Centennial Order*").

[17] *See* Memorandum Opinion and Order, *Applications of T-Mobile USA, Inc. and Suncom Wireless Holdings, Inc. for Consent to Transfer Control of Licenses and Authorizations*, 23 FCC Rcd 2515, 2519-20 ¶ 10 (2008).

Under the terms of the parties' Stockholder's Agreement, DT will have the right to nominate one director for election to the AT&T board so long as it owns 5% or more of AT&T's voting stock.[18] DT will not be permitted to transfer any stock for the first 12 months after the closing. Sales in any calendar year, other than in a registered offering, will be limited. DT will have demand and piggyback registration rights. But DT will have no special voting rights or other indicia of control. In addition, the Stockholder's Agreement has a standstill provision that limits DT's ability to acquire additional AT&T stock.

STANDARD OF REVIEW

In reviewing license-transfer applications, the Commission first assesses whether the proposed transaction complies with the specific provisions of the Communications Act, other applicable statutes, the Commission's rules, and federal communications policy.[19] The Commission then weighs any potential public interest harms of the proposed transaction against the potential public interest benefits. The Applicants need to show by a preponderance of the evidence that the proposed transaction, on balance, serves the public interest.[20] The Commission "may not consider whether the public interest, convenience, and necessity might be served by" a transaction involving an entity "other than the proposed transferee."[21] Moreover, as the

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[18] The Agreement specifies that, in some circumstances, DT can retain this right if it owns as little as 2.5% of AT&T's voting stock if AT&T takes actions to dilute DT's share.

[19] 47 U.S.C. § 310(d)

[20] *See AT&T/Verizon Order*, 25 FCC Rcd at 8716 ¶ 22; *AT&T/Centennial Order*, 24 FCC Rcd at 13928 ¶ 27.

[21] 47 U.S.C. § 310(d).

Commission has repeatedly found, merger proceedings are improper forums for addressing general industry issues that are not specific to the transaction.[22]

This transaction does not violate any law or rule, and, for the reasons discussed below, it will strongly promote the public interest.

PUBLIC INTEREST ANALYSIS

I. THE TRANSACTION WILL BENEFIT CONSUMERS AND THE AMERICAN ECONOMY.

This transaction will generate strong and diverse public interest benefits that would not occur but for this transaction. First, as discussed in Section I.A, it will create immense network and spectrum synergies that will alleviate the capacity constraints that the applicants would otherwise be left to address, far less efficiently and effectively, on their own. It will thereby increase capacity, enhance efficiency in the use of scarce spectrum resources, and significantly improve quality of service. This expanded capacity will benefit not only the applicants and their customers, but consumers in general. As Professor Carlton explains, the transaction will increase total industry output and thus produce lower prices than would prevail in the absence of the transaction.[23]

Second, as discussed in Section I.B, the transaction will give the combined company the scale, resources, and spectrum it needs to increase its LTE deployment from AT&T's current

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[22] *E.g.*, *AT&T/Centennial Order*, 24 FCC Rcd at 13972 ¶ 141; Memorandum Opinion and Order and Declaratory Ruling, *Applications of Cellco Partnership d/b/a Verizon Wireless and Atlantis Holdings LLC for Consent to Transfer Control of Licenses, Authorizations, and Spectrum Manager and De Facto Transfer Leasing Arrangements*, 23 FCC Rcd 17444, 17527-28 ¶ 185 (2008) ("*Verizon/ALLTEL Order*"); Memorandum Opinion and Order, *AT&T, Inc. and BellSouth Corporation Application for Transfer of Control*, 22 FCC Rcd 5662, 5692 ¶ 56 n.154 (2007) ("*AT&T/BellSouth Order*").

[23] *See* Declaration of Dennis Carlton, Allan Shampine, and Hal Sider, Compass Lexecon, at ¶¶ 12, 58, 133 (April 20, 2011) ("Carlton Decl.") (attached); *see also* Section II, *infra*.

plans of 80 percent of Americans to more than 97 percent. That is a transformative benefit because LTE rivals some of today's wireline broadband connections in speed and performance. This initiative will increase jobs and investment, particularly in rural areas, and enhance U.S. global competitiveness and leadership in mobile broadband services. Moreover, the transaction will promote America's global leadership in mobile broadband innovation. Finally, as discussed in Section I.C, the transaction will enhance our country's disaster preparedness and recovery capabilities.

A. The Transaction Will Benefit Customers of Both AT&T and T-Mobile USA by Creating Substantial Synergies, Expanding Output, and Alleviating Severe Capacity Constraints.

AT&T faces network capacity constraints more serious than those of other providers, and this merger provides the surest, fastest, and most efficient solution to that challenge. This section discusses—

- the sources of these capacity constraints, including AT&T's leadership in smartphone services, its customers' escalating data usage, and its need to support multiple generations of technology over limited spectrum bands;
- the practical consequences of those constraints;
- T-Mobile USA's own capacity constraints and lack of a clear path to LTE;
- the many independent ways in which this transaction will alleviate capacity constraints on both parties' networks, expand output, and thereby promote competition and consumer welfare; and
- the relative inefficacy of alternative ad hoc patches to the parties' systemic capacity challenges.

This section then concludes by identifying the tens of billions of dollars in overall cost synergies this transaction is expected to generate.

1. The Mobile Broadband Revolution Is Placing Unprecedented Strains on AT&T's Network.

As Chairman Genachowski recently observed, "mobile broadband is being adopted faster than any computing platform in history, and could surpass all prior platforms in their potential to drive economic growth and opportunity."[24] Smartphones are exploding in popularity; data-intensive mobile applications are proliferating; consumers are feeding a limitless appetite for streaming video and social networking sites; and cloud-based computing services are fast emerging. Yet that unprecedented adoption rate is placing similarly unprecedented congestion on mobile broadband networks. And that congestion is hitting AT&T's network sooner and harder than others for two main reasons. First, AT&T has been a key pioneer of mobile broadband technologies and is now on the leading edge of the mobile traffic growth curve. Second, unlike some of its competitors, AT&T must also dedicate substantial spectrum to serve three different generations of technology.

a) AT&T has pioneered the mobile broadband revolution, and its network usage has surged dramatically.

AT&T has long been a leader in wireless innovation, both in developing key network technologies and in forging the commercial relationships needed to launch a wide range of cutting-edge services and devices, including smartphones, e-readers, M2M services, and cloud-based computing.[25] For example, AT&T was the first wireless provider to feature a number of innovative devices, from the revolutionary Motorola RAZR in 2004 to the iPhone in 2007 to the iPad in 2010. And this year, AT&T is the first wireless provider to feature the Motorola ATRIX

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[24] *Genachowski CTIA Remarks* at 5.

[25] Declaration of John Donovan, Chief Technology Officer, AT&T Services, Inc., at ¶¶ 4-8 (April 20, 2011) ("Donovan Decl.") (attached).

4G, the first smartphone to contain dual-core processing technology that can power a laptop via a docking port. All of these devices consume enormous wireless bandwidth. "Smartphones consume 24 times as much data as traditional cell phones," and they outsold "PCs worldwide—101 million to 92 million in the 4th quarter of 2010."[26] Meanwhile, tablets can consume at least as much data as smartphones, and "[a]nalysts project tablet sales of 55 million worldwide this year."[27]

Because of its leadership, AT&T is now on the front end of the mobile broadband traffic growth curve. AT&T has approximately 31 million smartphone users,[28] and according to a leading market research firm, its subscribers accounted for more than **[Begin Confidential Information] [End Confidential Information]** percent of all U.S. smartphone users at year-end 2010, **[Begin Confidential Information] [End Confidential Information]**.[29] At the end of 2010, 61 percent of AT&T's 68.0 million contract subscribers had "integrated devices," up from 46.8 percent a year earlier.[30] And in the fourth quarter of 2010, integrated devices accounted for more than 80 percent of AT&T's device sales in connection with contract plans. By the end of 2011, AT&T plans to introduce twenty additional devices, including two LTE tablets and additional LTE devices such as smartphones.

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26 *FCC Fact Sheet*, *supra*.

27 *Id.*

28 Declaration of Rick L. Moore, Senior Vice President of Corporate Development, AT&T Inc., at ¶ 17 (April 20, 2011) ("Moore Decl.") (attached).

29 The Nielsen Company, *Carrier Share of Smartphone Subscribers – Q4 2010*. By comparison, the data show that **[Begin Confidential Information] [End Confidential Information]** percent. *Id.*

30 "Integrated devices are handsets with QWERTY or virtual keyboards in addition to voice functionality and are a key driver of wireless data usage." AT&T 4Q 2010 Investor Briefing, at 4 (Jan. 27, 2011), http://www.att.com/Investor/Financial/Earning_Info/docs/4Q_10_IB_FINAL.pdf.

The result is extraordinary and accelerating usage on AT&T's network. AT&T's mobile data volumes increased *8000 percent* from 2007 to 2010. Donovan Decl. ¶ 41. That growth is expected to continue. By 2015, AT&T estimates that mobile data traffic on its network will reach eight to ten times what it was in 2010. Moore Decl. ¶ 6. Put another way, in just the first five to seven weeks of 2015, AT&T expects to carry *all* of the mobile traffic volume it carried during 2010.

b) AT&T must support three generations of technology over its available spectrum.

While AT&T's capacity challenges arise largely from exploding data usage on its network, they are exacerbated by AT&T's need to divide its spectrum portfolio among three different generations of technology—a challenge some of its competitors do not face. *See* Carlton Decl. ¶¶ 9, 34, 76, 106, 116, 120. In particular, even as AT&T begins to deploy LTE services on its AWS and 700 MHz bands, it must continue to support services on the 850 MHz (cellular) and 1900 MHz (PCS) bands for the tens of millions of its customers using two older standards: (1) the 2G GSM standard, and (2) the UMTS standard, enhanced with different types of High Speed Packet Access ("HSPA" and "HSPA+") technology, which permit increased download and upload speeds.[31] Significantly, those customers' handsets, purchased over many years, are designed for particular standards and frequency bands, and they will not work with newer technologies or on other bands. Hogg Decl. ¶ 16 n.4. Thus, a GSM handset cannot be

[31] Declaration of William Hogg, Senior Vice President of Network Planning and Engineering, AT&T Services, Inc., at ¶¶ 18, 20, 22 (April 20, 2011) ("Hogg Decl.") (attached). As used below, "UMTS" refers to all forms of that technology, whether enhanced with HSPA or not.

used for UMTS or LTE services, and a UMTS handset cannot be used for LTE services. And none of these embedded handsets can be used for *any* service in the AWS or 700 MHz bands.[32]

AT&T will need to continue dedicating much of its spectrum to supporting these legacy GSM and UMTS services. As of the end of 2010, AT&T provided GSM services to approximately **[Begin Confidential Information]** **[End Confidential Information]** subscribers. Hogg Decl. ¶ 18. And it projects that it will need to continue devoting 850 MHz and 1900 MHz spectrum to GSM subscribers well into this decade, given the time it will take for AT&T to expand its UMTS network and migrate its GSM subscribers to UMTS or LTE services. *Id.* ¶¶ 5, 27.

As of the end of 2010, AT&T separately provided UMTS service to about another **[Begin Confidential Information]** **[End Confidential Information]** subscribers. Hogg Decl. ¶ 22. To support those services, it uses one or more 10 MHz "carriers" of 850 MHz or 1900 MHz spectrum, each consisting of paired 5 MHz blocks of spectrum. *Id.* ¶¶ 21-22. Because of the high demand for broadband service, AT&T already has had to deploy four carriers (for a total of 40 MHz of spectrum) for UMTS in some areas—and it will need to deploy more in the near future, even if doing so squeezes its GSM spectrum allocation and compromises GSM service quality. *See id.*; Section I.A.2, *infra*. AT&T expects that, given the relative infancy of the LTE ecosystem and the time needed to migrate subscribers, it will need to continue to allocate spectrum to UMTS services for a substantial number of years—indeed, even longer than AT&T needs to continue allocating spectrum for GSM services. *Id.* ¶¶ 5, 27.

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[32] Although handsets are not forward-compatible, they are typically backwards-compatible. For example, UMTS handsets can generally process GSM signals (so long as they are transmitted on compatible frequencies). *See* Carlton Decl. ¶ 33; Hogg Decl. ¶¶ 16 n.4, 22-23.

Finally, AT&T has begun deployment of LTE services using its AWS and 700 MHz spectrum and currently plans to cover more than 250 million people by the end of 2013. *Id.* ¶ 27. LTE offers peak data speeds that, depending on the deployment configuration, are up to four times faster than HSPA+. *Id.* ¶ 24.

Significantly, although it will take time for subscribers to migrate to LTE, AT&T cannot simply "borrow" spectrum from the AWS or 700 MHz bands to address congestion for its GSM and UMTS/HSPA services. First, its customers' GSM and UMTS handsets do not operate on those bands (or, for that matter, on a range of other frequencies in which third-party providers offer wholesale spectrum services). Hogg Decl. ¶ 66. Second, even if those customers' handsets did operate on the AWS and 700 MHz bands, carving out some of that spectrum to support GSM and UMTS services would leave AT&T with insufficient spectrum to deploy the fastest and most spectrally efficient LTE services. *See id.*

AT&T's need to support multiple generations of technology severely constrains its flexibility to use its spectrum with optimal efficiency. Each new generation of technology can support more traffic in a fixed amount of spectrum in a particular geographic area than its predecessor, and greater use of newer technologies is thus more spectrally efficient. For example, UMTS is significantly more spectrally efficient than GSM, and LTE in turn is 30-40 percent more spectrally efficient than HSPA+. Hogg Decl. ¶ 25. LTE is also about *860* percent more spectrally efficient than GSM. *Id.* But migration of customers from one technology to the next is typically a multi-year undertaking even once the new technology is deployed because, among other things, it takes considerable time for customers to migrate to new handsets. *See id.* ¶ 40. For example, in the first year after AT&T launched UMTS service, fewer than **[Begin Confidential Information]** **[End Confidential Information]** percent of its customers were

UMTS subscribers. *Id.* Even after five years, only about **[Begin Confidential Information] [End Confidential Information]** percent of its subscribers had UMTS service, with the remainder still on predecessor technologies. *Id.* Again, AT&T projects it will need to use its 850 MHz and 1900 MHz spectrum holdings to support GSM and UMTS services for a number of years and, in the meantime, will not be able to re-deploy them for more spectrally efficient LTE services. *Id.* ¶¶ 5, 27.

2. AT&T Faces Growing Capacity Constraints That, Absent This Transaction, Would Impair Its Ability to Offer High-Quality, Leading-Edge Services to Its Customers.

As Chairman Genachowski recently warned, today's "explosion in demand for mobile services places unsustainable demands on our invisible infrastructure—spectrum. . . . And the coming spectrum crunch threatens American leadership in mobile and the benefits it can deliver to our country."[33] He added:

> If we do nothing in the face of the looming spectrum crunch, many consumers will face higher prices—as the market is forced to respond to supply and demand—and frustrating service—connections that drop, apps that run unreliably or too slowly. The result will be downward pressure on consumer use of wireless service, and a slowing down of innovation and investment in the space. Emerging markets like mobile medicine, mobile payments, social-network-based services, and machine-to-machine connectivity will see their growth stunted. This would hurt our economy broadly. It would also have a disproportionate impact on minority and low-income groups who are more likely than the average American to access the Internet through a mobile device.[34]

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33 *Genachowski CTIA Remarks* at 5-6.

34 *Id.* at 9 (emphasis added).

FCC staff has quantified the "looming spectrum crisis" to which the Chairman referred, concluding that "mobile data demand will exceed available capacity by 2013, and will reach a nearly 300 MHz deficit by 2014."[35]

AT&T's network-capacity challenges, however, are not just "looming" a few years down the road—they are here today, the product of AT&T's mobile broadband leadership and its need to support multiple generations of services. And although other providers' public statements indicate that they have sufficient capacity to cover their needs until additional spectrum is made available via auction several years from now,[36] AT&T must move more quickly.

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[35] Federal Communications Commission, *FCC Technical Paper No. 6: Mobile Broadband: The Benefits of Additional Spectrum* (Oct. 2010) at 18, http://download.broadband.gov/plan/fcc-staff-technical-paper-mobile-broadband-benefits-of-additional-spectrum.pdf ("*FCC Technical Paper No. 6*").

[36] As noted in Section II.B below, ***Verizon Wireless's*** CEO recently reaffirmed that his company is "extremely confident" it has the "spectrum position" it needs. *Verizon and Sprint react to US mega deal*, Mobile Business Briefing (Mar. 22, 2011) (quoting CEO Dan Mead), http://www.mobilebusinessbriefing.com/article/verizon-and-sprint-react-to-us-mega-deal. ***Sprint*** CEO Dan Hesse also has noted the strength of Sprint's spectrum position: "When you combine Sprint's spectrum position with Clearwire's spectrum position it put[s] us in the strongest place for the future." Andrew Munchbach, *Live from CTIA 2010's Day Two Keynote with Sprint CEO Dan Hesse* (Mar. 24, 2010), http://www.bgr.com/2010/03/24/live-from-ctia-2010%E2%80%99s-day-one-keynote-with-sprint%E2%80%99s-dan-hesse/ ("*Hesse Keynote*"). He further stated that "[w]e have the spectrum resources where we could add LTE if we choose to do that, on top of the WiMAX network. The beauty of having a lot of spectrum is we have a lot of flexibility." Andrew Parker, *Sprint's 4G move opens way to merger*, Fin. Times (July 12, 2010), http://www.ft.com/cms/s/0/c4d6eb6a-8de0-11df-9153-00144feab49a.html#axzz1JKLAeXkb ("*Sprint's 4G move*"). ***Leap's*** President and CEO similarly stated that, particularly with its new LightSquared spectrum arrangement (*see* Section II.B, *infra*), Leap "certainly ha[s] spectrum in most of our markets to launch LTE and to the degree that we can see cost advantages and scale advantages." Phil Goldstein, *Leap to hold off on LTE devices until 2012* (Apr. 13, 2011), http://www.fiercewireless.com/story/leap-hold-lte-devices-until-2012/2011-04-13?utm_medium=nl&utm_source=internal. Meanwhile, ***MetroPCS*** has skipped a generation of technology and moved directly to more spectrally efficient LTE, which according to its COO, will allow it to "have great capacity," particularly as it "can move voice to LTE." Sue Marek, *MetroPCS' COO on the pros and cons of the AT&T/T-Mobile deal*, FierceWireless (Mar. 30, 2011), http://www.fiercewireless.com/story/metropcs-coo-pros-and-cons-attt-mobile-deal/2011-03-30.

AT&T has worked tirelessly to address these network-capacity challenges through a wide variety of available measures. First, AT&T has added many thousands of cell sites to extend and deepen its network, including approximately **[Begin Confidential Information] [End Confidential Information]** in 2010 alone. Hogg Decl. ¶ 72. A provider can effectively divide, or "split," the geographic area covered by a cell site by adding one or more nearby sites. *Id.* ¶ 43. Because each site will serve a smaller area than the original, fewer people have to share the radio channels in each of the split sites, which effectively increases the available capacity. *See id.* To take a simple example, if a cell site covering a given area is divided into two equally sized cells covering the same area, the total capacity (*i.e.*, the amount of traffic that the network can handle) doubles. *Id*. As discussed below, however, building new cell sites is difficult, expensive, and—most importantly—prone to multi-year delays.

Second, AT&T has deployed indoor and outdoor distributed antenna systems ("DAS"), and Wi-Fi hotspots and Hotzones to offload traffic from AT&T's mobile broadband network and relieve congestion. For example, AT&T installed a DAS network in downtown Chicago to offload heavy usage due to business and festival traffic. Hogg Decl. ¶ 34. AT&T also had deployed 24,000 Wi-Fi hotspots as of the end of 2010 in high use areas, as well as Hotzones in areas such as New York City's Times Square and Chicago's Wrigleyville. *Id.* In addition, since 2007, AT&T has purchased or leased spectrum in particular areas (where available and compatible) to alleviate specific capacity constraints on existing networks and to support next-generation networks. *Id.* ¶¶ 33, 66.[37]

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[37] AT&T also recently implemented tiered data pricing for smartphones, a decision necessitated, in part, by the need to respond to network capacity constraints. *See* Declaration of David Christopher, Chief Marketing Officer, AT&T Mobility Inc., at ¶ 4 (April 19, 2011) ("Christopher Decl.") (attached).

As discussed in Section I.A.6 below, however, these are short-term and expensive patches, and they are increasingly inadequate for dealing with AT&T's broader spectrum challenges. In a number of markets, AT&T is burning through its existing spectrum at an accelerating rate. Whereas in 2004 it took 24 months in major markets to exhaust 10 MHz of spectrum, from 2008-2010 growing UMTS demand caused AT&T to burn through 10 MHz in half that time or less in some major markets. Hogg Decl. ¶ 6. As a result, in many urban, suburban, and rural markets, AT&T faces a growing capacity crunch. Absent a solution to this problem, AT&T's customers would face a greater number of blocked and dropped calls as well as less reliable and slower data connections. And in some markets, AT&T's customers would be left without access to more advanced technologies. These potential consumer harms vary by market and fall generally into the following categories.

First, AT&T anticipates that it would lack the spectrum it needs to serve the demand for UMTS service in approximately **[Begin Confidential Information] [End Confidential Information]** CMAs covering nearly **[Begin Confidential Information] [End Confidential Information]** people by the end of **[Begin Confidential Information] [End Confidential Information]** (and in additional markets thereafter). Hogg Decl. ¶ 37. In particular, AT&T expects **[Begin Confidential Information] [End Confidential Information]** CMAs to reach UMTS spectrum exhaust between now and the end of **[Begin Confidential Information] [End Confidential Information]**, and **[Begin Confidential Information] [End Confidential Information]** more CMAs by the end of **[Begin Confidential Information] [End Confidential Information]**. *Id*. These markets include large cities such as **[Begin Confidential Information]**

[End Confidential Information], as well as smaller towns and

rural areas such as **[Begin Confidential Information]**

[End Confidential Information]. *Id.* Without a capacity solution, subscribers in these areas would confront degradation in service, including increased blocked and dropped calls and data connections, slower mobile broadband service, and other reductions in service quality. *Id.* ¶ 38.

Second, in **[Begin Confidential Information]** **[End Confidential Information]** other CMAs covering more than **[Begin Confidential Information]** **[End Confidential Information]** people, spectrum constraints currently keep AT&T from launching and supporting more spectrally efficient UMTS services *at all*. Hogg Decl. ¶ 39. Such areas encompass smaller and rural markets where broadband is less prevalent today, including—to name but a few examples—**[Begin Confidential Information]**

[End Confidential Information]. *Id.* In all of these areas, spectrum constraints deny customers the faster speeds and other benefits that accompany an upgrade from GSM to UMTS/HSPA+. And AT&T is unable to take advantage of the latter technology's greater spectral efficiencies. *Id.*

Third, quite apart from GSM and UMTS services, spectrum and capacity constraints would prevent AT&T in some markets from deploying LTE service at all, from providing it in its most beneficial configuration, and/or from serving expected LTE demand. In approximately **[Begin Confidential Information]** **[End Confidential Information]** CMAs covering about **[Begin Confidential Information]** **[End Confidential Information]** people, AT&T lacks the AWS or 700 MHz spectrum it needs to deploy LTE at all, while T-Mobile USA has at least 20 MHz of AWS spectrum. Hogg Decl. ¶ 60. Within another approximately **[Begin Confidential Information]** **[End Confidential Information]** CMAs, covering nearly

[Begin Confidential Information] **[End Confidential Information]** people, AT&T's average spectrum holding is insufficient to permit deployment of the most spectrally efficient LTE services, whereas the combination of AT&T's and T-Mobile USA's spectrum will address the situation. *Id*. These markets include major cities such as **[Begin Confidential Information]** **[End Confidential Information]**, and smaller communities such as **[Begin Confidential Information]** **[End Confidential Information]**. *Id.* AT&T also estimates that, as early as **[Begin Confidential Information]** **[End Confidential Information]**, growing LTE demand is likely to create capacity shortages in such major markets as **[Begin Confidential Information]**

[End Confidential Information]. *Id.*

3. Absent This Transaction, T-Mobile USA Would Confront Capacity Constraints and Lack a Clear Path to LTE.

Meanwhile, T-Mobile USA faces spectrum constraints of its own, despite its substantial investments in spectrum and network facilities. Like AT&T, T-Mobile USA confronts rising demand for data services.[38] As of the end of 2010, 3G/4G smartphone customers accounted for 24 percent of T-Mobile USA's total customers, about double the 12 percent figure it had achieved by the fourth quarter of 2009.[39] Because of this "explosive growth in demand," T-Mobile USA "faces spectrum exhaust in a number of markets." Larsen Decl. ¶ 12. In particular,

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[38] Dr. Kim Kyllesbech Larsen, Senior Vice President, Technology Service and International Network Economics, Deutsche Telekom AG, at ¶¶ 12-13 (April 19, 2011) ("Larsen Decl.") (attached).

[39] *T-Mobile USA Reports Fourth Quarter 2010 Results*, at 5 (Feb. 25, 2011), http://www.t-mobile.com/company/InvestorRelations.aspx?tp=Abt_Tab_InvestorRelations&ViewArchive=Yes.

T-Mobile USA anticipates that, during **[Begin Confidential Information]** **[End Confidential Information]**, it will reach spectrum exhaust in **[Begin Confidential Information]** **[End Confidential Information]**; that, during **[Begin Confidential Information]** **[End Confidential Information]**, it will reach spectrum exhaust in **[Begin Confidential Information]** **[End Confidential Information]**; and that, by **[Begin Confidential Information]** **[End Confidential Information]**, anywhere from **[Begin Confidential Information]** **[End Confidential Information]** of its markets could follow suit. *Id.* ¶ 18.

Just as significantly, T-Mobile USA has "no clear path" to LTE. Larsen Decl. ¶¶ 23-26; Langheim Decl. ¶ 11. T-Mobile USA has already dedicated its current spectrum to UMTS/HSPA+ and GSM technologies. Larsen Decl. ¶ 11; Langheim Decl. ¶ 12. As a result, T-Mobile USA "does not have access to the spectrum needed to deploy LTE in an economically and technically sustainable fashion." Langheim Decl. ¶ 12. Even in areas where T-Mobile USA could try to "refarm" its existing spectrum to make room for LTE, it would face serious competitive disadvantages. **[Begin Confidential Information]**

[End Confidential Information]. Larsen Decl. ¶ 30. Moreover, T-Mobile USA **[Begin Confidential Information]**

[End Confidential Information]. *Id.* ¶ 23. In short, any such deployment

would be **[Begin Confidential Information]**

[End Confidential Information]. *Id*. As a result, T-Mobile USA "has no clear path to an effective, economical deployment of LTE." *Id.* Simply put, its "options are **[Begin Confidential Information]** **[End Confidential Information]**." *Id.*

T-Mobile USA could try to alleviate these problems by purchasing more spectrum and investing in the necessary network infrastructure—at an estimated cost of **[Begin Confidential Information]** **[End Confidential Information]**. Langheim Decl. ¶ 14. But T-Mobile USA has concluded that its options for acquiring sufficient additional spectrum **[Begin Confidential Information]**

[End Confidential Information]. Larsen Decl. ¶ 9. Further, T-Mobile USA could not acquire new spectrum unless it obtains the necessary billions of dollars in investment capital, and it can no longer look to its corporate parent for that purpose. As DT Senior Vice President Langheim explains, "[t]he required substantial investments in LTE in the United States would significantly stretch Deutsche Telekom's financial capability or, alternatively, force Deutsche Telekom to reallocate investments from our core Europe operations into T-Mobile USA, which has been shrinking for the last two years and which is lacking a clear path towards LTE to stay competitive." Langheim Decl. ¶ 14. Because Deutsche Telekom has determined that it cannot divert capital from its core business, it has directed T-Mobile USA to "fund its future itself."[40] As Langheim concludes, "[t]his means that T-Mobile USA would need

[40] *Jan. 20, 2011 DT Analyst Briefing* (Deutsche Telekom CEO Rene Obermann); *see also* Langheim Decl. ¶ 14 ("Because Deutsche Telekom's financial priorities must be focused on

to fund spectrum acquisitions and other necessary capital investments through its own operations rather than by drawing on the resources of its corporate parent." Langheim Decl. ¶ 14. That DT decision has made it significantly more difficult for T-Mobile USA to obtain the capital it needs to upgrade its network.

4. This Transaction Provides By Far the Surest, Most Output-Expanding, and Most Pro-Consumer Solution to the Applicants' Capacity Challenges.

This transaction provides the most effective, efficient, and timely resolution of the capacity constraints facing AT&T and T-Mobile USA. AT&T's and T-Mobile USA's spectrum and networks are uniquely complementary: in addition to their well-matched cell site grids, both providers use GSM/HSPA+ technologies and have contiguous and compatible spectrum assets:

AT&T and T-Mobile USA Networks and Spectrum

Spectrum	AT&T			T-Mobile USA		
Band	GSM	UMTS/HSPA	LTE	GSM	UMTS/HSPA	LTE
700 MHz			UC			
850 MHz	X	X				
1900 MHz	X	X		X		
AWS			UC		X	

X: Active; UC: Under Construction

See Carlton Decl. ¶ 32 & Table 1. That complementarity will allow the combined company to produce the network synergies detailed below, each of which will increase capacity and output through more efficient use of the applicants' spectrum and network resources. That increased capacity is *the functional equivalent of new spectrum*. AT&T estimates that the efficiencies resulting from this transaction, in combination, will push back the date of expected spectrum exhaust in many markets, particularly in its constrained markets. Hogg Decl. ¶ 11. With this

Europe, however, Deutsche Telekom's CEO Rene Obermann has stated publicly that T-Mobile USA 'has to develop into a self-funding platform that is able to fund its future itself.'").

additional time, the company expects to be able to address continuing capacity needs through the ramping down of GSM networks, the fuller deployment of efficient, capacity-increasing LTE technologies, and new spectrum available at auction. *Id*.

This additional capacity will produce immediate and long-term benefits for the two companies' customers and consumers at large. It will give the combined company the flexibility it needs, on a market-by-market basis, to improve service quality for existing services and reallocate spectrum so that more consumers will have access to more advanced and spectrally efficient technologies such as LTE. And because the combined network will far exceed the sum of its parts (*i.e.*, 1+1=3), the transaction will increase overall output and consumer welfare more broadly. *See* Carlton Decl. ¶¶ 51-58, 133; *see* Section I.A.5, *infra*. Acting alone, neither company could begin to realize these efficiencies on anything resembling the same timetable.

a) *Network Capacity Expansion Through Integration of T-Mobile USA's Cell Sites.*

AT&T and T-Mobile USA have highly compatible cell site grids, both (1) because, unlike other major carriers, they both use GSM and UMTS/HSPA technologies that will permit more rapid integration of cell sites, and (2) because many of T-Mobile USA's sites are located in places where AT&T needs them to, for example, ease capacity congestion in its network. Hogg Decl. ¶¶ 18-19, 43-45. As a result, upon network integration, the combined company can conduct instant "cell splits," effectively doubling the amount of traffic that can be carried over the same amount of spectrum in the area served by the original site. *See* Section I.A.2, *supra*. All told, AT&T plans to integrate more than **[Begin Confidential Information]** **[End Confidential Information]** of T-Mobile USA's cell sites this way. Hogg Decl. ¶ 44; *see also* Larsen Decl. ¶ 7.

The cell-site integration will proceed on a rolling basis, beginning immediately upon close of the transaction. AT&T will implement cell splits in its network by identifying T-Mobile USA sites that are complementary to AT&T's cell grid and then replacing T-Mobile USA's antennas and equipment with multi-band antennas and AT&T's equipment. Hogg Decl. ¶ 46. In selecting these T-Mobile USA sites, AT&T will give priority to locations that are currently suffering from near-term capacity constraints. *Id.* The company expects to see service improvements in areas of various markets in as early as nine months, and it expects to complete this integration process and optimize its network architecture on a national basis within twenty-four months. *Id.* ¶ 44. AT&T has a proven track record of incorporating cell sites in this fashion from prior transactions. *Id.* ¶ 45.

Given the complexity and delays inherent in the process of building cell sites (discussed in more detail below), AT&T could not replicate the benefits of this network integration on its own nearly as quickly because it could not possibly build **[Begin Confidential Information]**

[End Confidential Information] additional sites for many more years. *See* Hogg Decl. ¶¶ 12, 47; *see* Section I.A.6, *infra*. In markets throughout the country, the transaction will thus create a denser cell grid far faster than AT&T could standing alone. For example, AT&T projects that integration of T-Mobile USA's sites will increase cell density by as much as 35-45 percent in Chicago, 25-35 percent in San Francisco and New York, and nearly **[Begin Confidential Information]** **[End Confidential Information]** percent in Wichita, Kansas. Hogg Decl. ¶ 47. By itself, this increase in network density will mean that the combined company's GSM and UMTS networks will have greater capacity than the sum of the two companies' separate networks. And that additional capacity will relieve congestion, allow for further broadband traffic growth, and, in some markets, allow existing customers to be served

with less spectrum, thereby freeing up spectrum for more spectrally efficient services. *Id.* ¶¶ 12, 44.

b) ***Elimination of redundant control channels.***

AT&T and T-Mobile USA each generally dedicate substantial spectrum to GSM control channels, which are used to transmit commands (such as the assignment of particular radio channels) between user handsets and base stations. Hogg Decl. ¶ 48. The transaction will allow more efficient use of spectrum because the parties' combined network will require only a single set of control channels, rather than one for each independent network. *Id.* Eliminating redundant control channels will free up anywhere from 4.8 to 10 MHz of spectrum in each market where the applicants both provide GSM service. *Id.*; *see also* Larsen Decl. ¶ 7.

That spectrum can be either used to improve the quality of GSM service in congested areas or re-deployed and used more efficiently on the combined company's UMTS network. For example, in a market where AT&T currently has only 5 MHz of spectrum available for redeployment to UMTS, the elimination of redundant control channels could free up enough spectrum to permit the combined company to relieve UMTS congestion by deploying an additional carrier (which requires 10 MHz of spectrum). Hogg Decl. ¶ 48. This efficiency is another way in which the transaction will give the combined company substantially more capacity than the sum of the capacities of the standalone companies, increasing output and generating lower prices than would otherwise prevail. Carlton Decl. ¶¶ 12, 58, 133. No other two major carriers today have compatible GSM networks that would produce this efficiency, and thus it is unique to this transaction.

c) *Channel pooling efficiencies.*

Because not all users in a wireless cell are likely to place calls at once, a large number of those users will share a "pool" of a provider's radio channels available to connect handsets with the network. Hogg Decl. ¶ 50. The term "channel pooling efficiencies" refers to the efficiencies a wireless provider gains when it can combine spectrum in an area and pool a greater number of wireless channels together. *Id.*[41] For example, if a provider doubles the number of radio channels in a pool, it can serve significantly *more* than double the amount of customer traffic from that pool with the same statistical likelihood of network availability. *See id.* ¶ 52.

By analogy, imagine two airport scenarios involving four ticket agents:

> ***Scenario 1:*** All customers line up in a single queue to accept service from any of the four ticket agents.
>
> ***Scenario 2:*** Customers line up in two queues on opposite sides of the airport (making it impractical for customers to change queues), and each queue is served by two ticket agents (for a total of four).

Scenario 1 will result in faster and more efficient service for customers than Scenario 2. In Scenario 1, whenever a ticket agent is available, the next customer in line will be served. In Scenario 2, if there is no one in line for one group of ticket agents, those ticket agents could not serve any customers even if there is a long line for the other two ticket agents. *Id.* ¶ 51.

In wireless communications, two providers with complementary spectrum and common technologies can achieve an analogous benefit by serving all of their customers over a single set of shared network resources. In particular, any given caller is significantly more likely to find a vacant channel when a larger number of channels are pooled together. Hogg Decl. ¶ 50. This

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[41] Some network engineers use the term "trunking efficiencies" to describe the same phenomenon. Hogg Decl. ¶ 49 n.18. These terms relate to efficiencies in wireless channels between subscribers and radio infrastructure and are unrelated to efficiencies in backhaul facilities between towers and switching stations.

means in turn that, in every market where the parties' networks overlap, the combined company will be able to serve *more* customers (*i.e.*, carry more traffic) over the *same* amount of spectrum than they had independently served before. *Id.* ¶¶ 49-53; *see also* Larsen Decl. ¶ 8. This is yet another way in which the combined company's network will exceed the sum of its parts, creating the functional equivalent of new spectrum.

Channel pooling permits both immediate and longer-term benefits. In the short term, simply by pooling its GSM channels together, the combined company expects to increase network capacity in many areas by approximately 10 to 15 percent beyond the sum of each network's capacity standing alone. Hogg Decl. ¶ 50. Significantly, these channel pooling efficiencies can be achieved even if the networks being combined are both near capacity ("heavily loaded"). *Id.* ¶ 52. Once the networks are integrated, channel pooling will thus give the combined company an immediate boost in capacity in markets such as **[Begin Confidential Information]** **[End Confidential Information]**, where both parties face capacity challenges. *Id.*

Over the longer term, these efficiencies will give the combined company significantly greater flexibility in how it utilizes spectrum. In some markets, they will enable the company to consolidate the two networks' GSM spectrum, reducing dropped and blocked call rates and improving service quality. *Id.* ¶ 53. In other markets, because channel pooling efficiencies effectively allow a provider to use less spectrum to serve the same number of customers without increasing dropped and blocked call rates, the combined company could free up some spectrum currently dedicated to GSM and re-deploy it for UMTS services. That would relieve congestion for the latter services, allow subscribership numbers to grow without a loss of service quality, and make more efficient use of spectrum (since, as noted, later wireless technologies are more

efficient than earlier ones). *Id.* Moreover, also over the longer term, the combined company will be able to pool the channels used for UMTS services themselves once it begins serving all UMTS subscribers in a given area over the same frequency bands. *Id.* ¶ 49 n.19. In all of these respects—indeed, as a general matter—the more efficient use of spectrum will reduce the unit costs of providing service. *Id.* ¶ 53.

d) *Utilization efficiencies.*

In markets where one or both companies' GSM networks are underutilized, the combined company will be able to increase that utilization to help relieve congestion, to migrate spectrum to more spectrally efficient UMTS services, or both. Hogg Decl. ¶¶ 54-55. For example, in **[Begin Confidential Information]** **[End Confidential Information]**, AT&T's GSM network is capacity constrained, but T-Mobile USA's network is comparatively underutilized. *Id*. ¶ 54. Conversely, in **[Begin Confidential Information]** **[End Confidential Information]**, T-Mobile USA's GSM network is more heavily loaded than AT&T's. *Id*. By combining the networks, the parties will be able to carry traffic in those areas more efficiently, thereby relieving congestion and freeing up spectrum. *Id*. ¶ 55. By analogy, consider two water bottles of identical size, where one is 80 percent full and the other is 10 percent full. Pouring the water from one bottle into the other leaves one 90-percent-utilized bottle and frees up an empty bottle to use for some other purpose. In this context, moreover, the freed-up spectrum can hold substantially more traffic than before if it is repurposed for more efficient UMTS technology. *Id*.

The particular ways in which the efficiencies play out will vary by market. The critical point, however, is that the transaction will give the combined company flexibility to make more efficient use of either party's currently underutilized GSM network in order to relieve

congestion, free up spectrum for more efficient UMTS services (which can carry more traffic over the same amount of spectrum), or both. This is yet another way in which the merger will expand output and enhance consumer welfare.

e) ***Additional spectrum for more spectrally efficient LTE services.***

The transaction also will increase capacity by freeing up spectrum that can be used for more spectrally efficient LTE services. As noted, T-Mobile USA's AWS spectrum is currently dedicated to relatively less efficient HSPA+ technology. Over time, at a rate that will vary by market, the combined company will be able to (1) migrate T-Mobile USA subscribers off the AWS spectrum to AT&T's UMTS bands, which merger synergies will have made less congested, (2) upgrade them to LTE service, or (3) pursue some combination of these two. Hogg Decl. ¶ 56. This process generally will take time because it will require the affected T-Mobile USA UMTS subscribers to obtain new handsets, given that their current handsets cannot provide UMTS service outside the AWS band and cannot provide LTE service on any band. But the transaction eventually will enable AT&T to free up T-Mobile USA's AWS spectrum for higher-performing and more spectrally efficient LTE services. *Id*. Moreover, in some places, such as **[Begin Confidential Information]** **[End Confidential Information]**, T-Mobile USA holds AWS spectrum that it has not deployed for UMTS service, and the combined company can re-purpose that spectrum for LTE without having to migrate UMTS/HSPA customers. *Id.*

In some markets, this spectrum redeployment will enable the combined company to offer LTE where neither company could have offered it separately. For example, as noted above, in approximately **[Begin Confidential Information]** **[End Confidential Information]** CMAs where AT&T lacks enough 700 MHz or AWS spectrum to deploy LTE, T-Mobile USA has

AWS spectrum that can be used to support that deployment. Hogg Decl. ¶ 60. These markets include **[Begin Confidential Information]**

[End Confidential Information], to name a few examples. *Id.* Within approximately **[Begin Confidential Information]** **[End Confidential Information]** additional CMAs (including cities such as **[Begin Confidential Information]** **[End Confidential Information]** and smaller towns such as **[Begin Confidential Information]** **[End Confidential Information]**), the combination of AT&T and T-Mobile USA spectrum will give the post-merger company contiguous blocks of at least (on average) 20 MHz of AWS spectrum for LTE, which AT&T currently lacks in those areas. *Id.* In these markets, that 20 MHz of contiguous spectrum will enable the combined company to provide LTE to more people at faster speeds and with greater efficiency. *Id.* In other markets, the redeployment of T-Mobile USA's spectrum to LTE will also help prevent likely exhaustion of the LTE network as that service ramps up and demand inevitably increases. *Id*. AT&T estimates that, without this transaction, it is likely to face LTE capacity constraints as early as **[Begin Confidential Information]** **[End Confidential Information]** in such major markets as **[Begin Confidential Information]**

[End Confidential Information]. *Id.*

Finally, as described above, T-Mobile USA has no clear path to providing LTE service with its current spectrum holdings because it is already serving millions of customers on its AWS spectrum using less spectrally efficient HSPA+ technologies. This transaction will provide a clear path for migrating T-Mobile USA customers to more efficient LTE services, thereby enabling the combined company to further expand output.

* * *

In sum, the transaction will enable the merged firm to create far greater capacity on the combined network than the two networks could achieve on their own by (i) creating a denser network with additional cell sites that increase aggregate capacity; (ii) increasing spectrum available to provide service by consolidating redundant GSM network control channels; (iii) increasing the efficiency of existing spectrum through "channel pooling"; (iv) making greater use of underutilized networks; and (v) freeing up spectrum for more spectrally efficient services and thereby expanding the number of areas in which such services will be deployed. In so doing, the transaction will give the combined company much-needed flexibility to relieve capacity constraints by enabling it to optimize its use of spectrum on a market-by-market basis, while giving it the headroom necessary to migrate users to more efficient technologies over time.

5. By Alleviating the Parties' Capacity Constraints and Enabling More Efficient Use of Spectrum, This Transaction Will Yield Substantial Benefits for Consumers.

The transaction will benefit consumers in general and the two companies' customers in particular. First, as Professor Carlton explains, "[t]he increase in the combined capacity of the AT&T and T-Mobile USA networks that will result from the proposed merger will lower the cost of serving additional subscribers and thus create incentives to expand output and lower prices relative to the levels expected in the absence of the transaction." Carlton Decl. ¶ 134; *see also id.* ¶ 12. The combined company will have especially "strong incentives to fully utilize available capacity given the rapid projected increase in the demand for wireless services and competition from AT&T's rivals." *Id.* ¶ 58; *see also id.* ¶ 7. Thus, the transaction will increase overall output and produce better services and more competitive prices in the market as a whole than would prevail in the absence of the transaction.

Second, the transaction will deliver major benefits to the current and future customers of both companies:

***AT&T Customers*.** Because the transaction will alleviate AT&T's severe capacity constraints and avoid spectrum exhaust, AT&T's GSM and UMTS customers will receive higher quality of service in the form of fewer dropped and blocked calls, better in-building and in-home coverage, and faster, more consistent, and more reliable data services, particularly during periods of peak use. *See* Hogg Decl. ¶¶ 61-64. And because AT&T will adopt the best practices of each company, AT&T expects that its customers will benefit from T-Mobile USA's industry-leading customer care practices.[42]

Moreover, as described above, this transaction will (1) in many areas, give AT&T customers access to UMTS and LTE services they could not otherwise receive at all and (2) in many other areas, give AT&T customers faster LTE services as a result of greater deployment of spectrum resources to LTE services. Further, AT&T's increased deployment of LTE to more than 97 percent of the U.S. population will give millions of people who are *not* currently AT&T customers the option of choosing LTE services. As a result, these customers will be able to take advantage of faster services with less latency (particularly important for applications such as telemedicine, video conferencing, and online gaming). Hogg Decl. ¶ 26.

T-Mobile USA Customers. Again, the transaction will give T-Mobile USA customers their only clear path to LTE, the mobile technology of the future. Larsen Decl. ¶ 36. T-Mobile USA customers, like AT&T customers, will further benefit from improved service quality,

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[42] *See, e.g.*, Press Release, *T-Mobile USA Tops Fourth Consecutive Retail Customer Satisfaction Study* (Feb. 17, 2011), http://newsroom.t-mobile.com/articles/T-Mobile-JDPower-Retail-Customer-Satisfaction; Press Release, *T-Mobile Tops Ranking in Wireless Customer Service For Second Consecutive Time* (Feb. 3, 2011), http://newsroom.t-mobile.com/articles/T-Mobile-Highest-Customer-Service.

especially in capacity-constrained areas, with fewer dropped and blocked calls and faster and more consistent data downloads. T-Mobile USA customers will also gain access to a broader range of current devices such as the iPhone, the iPad, and the ATRIX 4G, as well as faster access to the next generation of devices. Moore Decl. ¶ 10.

Further, because most T-Mobile USA GSM customers have handsets that will work on AT&T's GSM network, AT&T expects that, immediately after closing, T-Mobile USA's customers in certain areas will benefit from their ability to access both networks. Hogg Decl. ¶ 57. In these areas and elsewhere once the networks are integrated, T-Mobile USA's GSM customers will enjoy improved coverage, including superior in-building and in-home service, because of the denser grid and access to 850 MHz spectrum. *Id*. As T-Mobile USA's UMTS subscribers migrate to the AT&T network, they too will benefit from better in-building penetration and broader coverage—indeed, more than double the geographic coverage for UMTS they have today. *Id.* 58. These are key benefits: **[Begin Confidential Information]**

[End Confidential Information]. Larsen Decl. ¶ 30.

Finally, the transaction will enhance the diversity of rate plans available to T-Mobile USA customers. Consumers who are happy with their T-Mobile USA rate plans will be able to keep them, so they will enjoy the benefits of improved service quality and thus a lower quality-adjusted price. Moore Decl. ¶ 30. Moreover, T-Mobile USA customers who wish to consider other options will have access to AT&T's broad selection of rate plans, such as basic/senior plans available to customers 65 years and older, individual entry-level plans starting as low as 200 minutes per month, and plans with expanded weekend hours, and rollover minutes. *Id.* In

addition, they will benefit from free mobile-to-mobile calling to a substantially expanded customer base. *Id.*

To be clear, consumers will not have to make any changes to their T-Mobile USA services or devices upon the close of this transaction. Their handsets will continue to work, and they can remain on their current rate plans. The transaction merely gives them the highly valuable *option* to take advantage of more advanced service technologies, a broader range of devices, and additional rate plans.

6. Alternative Solutions to the Two Carriers' Capacity Challenges Would Be Far Inferior.

AT&T and T-Mobile USA have thoroughly explored alternatives for relieving their capacity constraints, and each is already aggressively pursuing all steps reasonably available to make more efficient use of its existing spectrum and network. But those steps are costly and prone to lengthy delays, and none of them would come close to providing the benefits and efficiencies of this transaction. As the Commission's staff has recognized, even "substantial investment" in networks is unlikely to prevent spectrum exhaust due to mobile data demand.[43]

a) Adding sites

Although wireless networks can incrementally increase capacity in some circumstances by organically adding cell sites through cell splitting, that approach cannot provide the solution AT&T needs. Hogg Decl. ¶¶ 67-72. With this transaction, AT&T expects to integrate more than **[Begin Confidential Information]** **[End Confidential Information]** T-Mobile USA cell

[43] *FCC Technical Paper No. 6*, at 26; *see also* Federal Communications Commission, *Connecting America: The National Broadband Plan*, at 77 (2010), http://download.broadband.gov/plan/national-broadband-plan.pdf ("*National Broadband Plan*") ("In the absence of sufficient spectrum, network providers must turn to costly alternatives, such as cell splitting, often with diminishing returns.").

sites into the AT&T network. *Id.* ¶ 67. For a variety of reasons discussed below, AT&T simply could not add **[Begin Confidential Information]** **[End Confidential Information]** new sites in anything close to the same period of time, or likely in the same advantageous locations, in the absence of this transaction. *Id.* ¶¶ 69, 72.

To add a site, a provider must locate a suitable and available location, arrange to acquire the site through purchase or lease, comply with regulatory requirements that necessitate extensive studies and consultation, apply for and obtain building permits and zoning approvals, contract with third-party vendors to purchase the needed equipment, construct the site and associated backhaul, and then integrate the site into the network. *Id.* ¶¶ 69-71. This process can literally take years. In the San Francisco/Bay Area market, for example, the zoning process *alone*—only a single step in this long, multi-step process—has taken AT&T an average of **[Begin Confidential Information]** **[End Confidential Information]** to complete. *Id.* ¶ 70.

Despite these obstacles, AT&T completed approximately **[Begin Confidential Information]** **[End Confidential Information]** new cell sites in 2010, which was less than the **[Begin Confidential Information]** **[End Confidential Information]** sites it budgeted for and pursued. Hogg Decl. ¶ 72.[44] Thus, the **[Begin Confidential Information]**

[End Confidential Information] T-Mobile USA sites that AT&T could integrate represent more than *eight years* of new sites based on AT&T's 2010 rate. *Id.* ¶ 67. Nor are the delays inherent in the site addition process likely to diminish in the near future. To the contrary,

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[44] In some areas, AT&T's success rate in adding sites was even worse. In the **[Begin Confidential Information]** **[End Confidential Information]** metropolitan area, for example, AT&T completed only **[Begin Confidential Information]** **[End Confidential Information]** percent of the site additions that were planned that year. Hogg Decl. ¶ 72.

many municipalities face budget deficits and have fewer resources to process tower site applications even as the number of site applications has grown with the rollout of 4G services by multiple providers. *Id.* ¶ 71. At the same time, the pace of those other providers' site additions limits the available pool of engineering, vendor, and other resources AT&T needs in order to add cell sites of its own. *Id.*[45]

Delay is not the only reason that AT&T could not come close to replicating the cell density improvement resulting from this transaction. T-Mobile USA's sites are the product of years of effort to secure the best cell site locations. Some of T-Mobile USA's well-placed sites appear to be in locations where AT&T could not replicate them—for example, because of limited space. Hogg Decl. ¶ 68. Moreover, after years of aggressive cell-splitting activities to improve capacity, it has become increasingly difficult for AT&T to find suitable locations. *Id.* ¶ 69. Finally, adding sites is also extremely costly. Indeed, Commission staff has estimated that it would cost the industry $174 *billion* to build enough cell sites to handle the expected demand growth between now and 2014 and has concluded that adding cell sites is not a feasible alternative to additional spectrum for dealing with growing mobile data demand.[46]

Nor could AT&T simply lease space on these **[Begin Confidential Information]** **[End Confidential Information]** T-Mobile USA sites in the absence of this transaction. Even if T-Mobile USA owned a given cell tower and wished to explore such a leasing arrangement,

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[45] There is no merit to speculation that AT&T could add more sites faster by relying on third-party tower companies. *See* Spencer Ante & Amy Schatz, *Skepticism Greets AT&T Theory*, Wall St. J. (Apr. 4, 2011). AT&T already has pursued that course with vigor, and many of the sites it adds involve third-party tower companies. But such companies often do not have towers in the locations where AT&T faces congestion and needs to add a site. Indeed, in many cases where AT&T works with a tower company, the tower company itself needs to build a new tower, thus encountering many of the same obstacles outlined above.

[46] *FCC Technical Paper No. 6*, at 21.

many of those sites may not have space or the structural reinforcement needed for two carriers' equipment. After this transaction, by contrast, the combined company will integrate the sites into a single network with only one set of equipment and multi-band antennas.

b) Deployment of DAS and Wi-Fi

Nor can outdoor distributed antenna systems and Wi-Fi hotspots (and Hotzones) achieve the same nationwide efficiencies as the merger, even if they are coupled with other available measures to increase efficiency and manage capacity. AT&T's experience is that Wi-Fi provides less meaningful capacity relief than a cell site and, of course, is limited to small areas. Hogg Decl. ¶ 73. Distributed antenna systems likewise provide meaningful traffic offload only in areas with extremely high user densities, such as convention centers, stadiums, and universities. *Id.* And even then, they are extremely expensive to deploy, costing on average **[Begin Confidential Information]** **[End Confidential Information]** more than an equivalent cell split and over **[Begin Confidential Information]** **[End Confidential Information]** more than adding a carrier to an existing cell site. *Id.* Further, deployment of DAS can be subject to permitting and construction delays similar to those affecting new cell site additions. *Id.* At best, both Wi-Fi and DAS offer highly localized solutions for areas much smaller than those served by a cell site and cannot solve the systemic capacity issues that AT&T and T-Mobile USA confront. *Id.*[47]

c) Redeploying existing spectrum

It would also be exceptionally difficult, if not impossible, for AT&T to repurpose its existing spectrum quickly enough to alleviate the capacity crunch it faces. As noted above,

[47] While AT&T also has added femtocells to its networks, these are designed primarily to address in-home coverage issues rather than to increase network capacity and, accordingly, do not constitute a workable solution to capacity problems in most cases. Hogg Decl. ¶ 73.

AT&T must continue to support tens of millions of GSM and UMTS subscribers. These embedded users have handsets that work only in particular bands and with particular technologies, limitations that severely constrain AT&T's ability to repurpose the spectrum those customers use. And existing customers generally will not transition quickly from one technology or frequency band to another, because doing so requires them to give up their existing handsets. Based on AT&T's experience, it can take years for subscribers to migrate to new technologies in volumes sufficient to provide material offload from the legacy network. Hogg Decl. ¶ 27. As discussed, AT&T also cannot use its existing AWS and 700 MHz spectrum to alleviate capacity constraints, since that spectrum is needed for LTE services that AT&T is deploying. Indeed, because LTE is more spectrally efficient than GSM and UMTS, it would be a significantly *less* efficient use of spectrum to divert AWS and 700 MHz spectrum from LTE to these older technologies.

Nor can AT&T address its short-term capacity challenges with the spectrum it is purchasing from Qualcomm. That spectrum is only "unpaired" (one-way). Moore Decl. ¶ 25. Although technological advances will allow unpaired spectrum to be integrated into two-way wireless technologies to supplement downlink capacity, the technical specifications for doing so in LTE will not be developed until 2012, and equipment manufacturers will then need substantial time to design, test, and build the relevant equipment. As a result, this spectrum likely will not be available until 2014 at the earliest.[48]

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[48] Moore Decl. ¶ 25. AT&T's existing WCS spectrum holdings cannot be used for this purpose either, because the technical rules for the WCS band, such as limits on the power spectral density limits, make it infeasible to use that band for broadband service. *See* AT&T Petition for Partial Reconsideration, WT Docket No. 07-293, at 13-20 (filed Sept. 1, 2010). And the spectrum that AT&T acquired in 2010 as a result of divestitures in the Verizon/Alltel transaction primarily expanded AT&T's footprint to cover areas where it previously had not

d) Adding spectrum through purchase or lease

AT&T and T-Mobile USA also have no feasible near-term sources of additional spectrum that would solve the problem. Although the Commission has identified spectrum it hopes to free up for commercial use, the Commission staff has observed that "new spectrum has historically taken between six and thirteen years to make available[.]"[49] That will be too late to solve the provider-specific challenges that AT&T and T-Mobile USA confront today. For example, the broadcast spectrum that the Commission proposes to make available for broadband use through incentive auctions will require passage of new federal legislation, an FCC rulemaking, the occurrence of the auction process itself, clearance of the spectrum, and deployment of the needed equipment. Recent experience teaches that these steps take many years and proceed with extreme unpredictability. Moore Decl. ¶ 23; Larsen Decl. ¶¶ 33-35. AT&T certainly cannot count on this process to resolve its growing capacity constraints today.

Nor can AT&T find an adequate solution by acquiring spectrum that has already been licensed to other mobile providers. AT&T is sometimes able to purchase small blocks of spectrum in selected areas, but that is at most a localized and short-term solution. Moore Decl. ¶ 24. Also, AT&T often cannot feasibly make use of other providers' spectrum because its existing network equipment and customers' handsets will not operate on it. *See id.* ¶ 22; Hogg Decl. ¶ 16 n.4; Carlton Decl. ¶ 33.

For similar reasons, spectrum leased from wholesale providers such as Clearwire or LightSquared cannot address AT&T's mounting capacity constraints. Among other limitations,

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owned a network. Because there was very little overlap, the transaction provided no relief for AT&T's capacity challenges. Hogg Decl. ¶ 33 n.13.

[49] *FCC Technical Paper No. 6*, at 26.

AT&T (like T-Mobile USA) has a large embedded base of subscribers whose existing handsets would not work on those providers' spectrum bands or with their technologies. This transaction presents an efficient solution in part because it *avoids* that problem: AT&T and T-Mobile USA use compatible GSM spectrum that will not require immediate handset replacements for existing subscribers. In contrast, Clearwire or LightSquared spectrum may well offer reasonable solutions for carriers like MetroPCS or Leap, but only because they can put it to a quite different use. Unlike AT&T, which needs additional spectrum to relieve congestion on *existing* service bands serving millions of current customers, MetroPCS and Leap can look to Clearwire and LightSquared to deploy a new generation of service over a new generation of handsets. More generally, as Professor Carlton points out, LightSquared, Clearwire, and the companies that use their spectrum "can 'leapfrog' existing carriers by deploying 'next generation' technologies without needing to dedicate spectrum and network assets to serving existing subscribers." Carlton Decl. ¶ 76; *see also id.* ¶ 106.

7. In Addition To Network-Capacity-Oriented Synergies, the Transaction Will Also Create Substantial Cost Synergies.

AT&T projects that this transaction will generate cost savings and other synergies that ultimately exceed the purchase price of $39 billion, with an annual run rate on the order of $3 billion from year three onward. Moore Decl. ¶ 32. These cost synergies are based on standard discounted cash flow analysis, and are described in greater detail in the attached declaration of AT&T Senior Vice President of Corporate Development Rick Moore.

To take one example, even as AT&T integrates thousands of T-Mobile USA's cell towers to enhance the efficiency of the combined network, it can also decommission thousands of surplus sites, generating substantial costs savings from elimination of leases, utilities,

maintenance, and other site-related expenses. Moore Decl. ¶ 34. AT&T will also be able to reuse equipment from these decommissioned sites to enhance network coverage and performance in other locations, resulting in additional savings.[50] *Id*. Further savings will arise from a reduction in interconnect and toll expenses as a result of switching to AT&T where possible for transport. *Id.*

The combined company will also be able to take advantage of scale efficiencies by, for example, optimizing its retail and distribution network. Moore Decl. ¶ 35. And the company will be able to combine customer support and billing functions to generate additional annual savings. *Id.* ¶ 37. The transaction will further generate purchasing efficiencies when the combined company procures customer equipment such as handsets as well as network equipment and infrastructure. *Id.* ¶¶ 35-36. The transaction will also enable the combined company to re-allocate capital expenditures that the individual companies would have been required to make over the next few years in attempting to address some of their respective capacity issues, including capital to build out infrastructure and acquire spectrum on the secondary market. *Id.* ¶ 36.

Consumers will benefit as the combined company realizes these cost reductions. As Professor Carlton explains, reductions in marginal costs (such as customer acquisition costs) create incentives to expand output and reduce prices to consumers. Carlton Decl. ¶ 67. But that is also true of fixed cost savings in an industry, like this one, that is operating near capacity and faces high costs to expand output. In that situation, all such costs—"including those typically considered 'fixed' in an accounting sense—are properly thought of as variable because they must

[50] AT&T will likely make the remaining equipment and towers (if the company owns them) available for sale to other providers.

be incurred in order to serve additional subscribers." *Id*. As Professor Carlton concludes, the synergies created by combining these two companies will reduce the "fixed costs" of expanding output and will thus increase the combined company's economic *incentives* to expand output, all to the benefit of consumers. *Id.*

Finally, AT&T has a strong track record of realizing synergies from prior transactions. *See* Moore Decl. ¶¶ 38-42. In these prior acquisitions, AT&T not only gained experience in how to integrate operations, but also met or exceeded key targets for synergies and cost savings while delivering significant customer benefits. For example, within just a few years of Cingular's acquisition of AT&T Wireless, the combined company had lowered costs in areas such as network infrastructure, sales and marketing, and billing and information systems; dramatically expanded its 3G footprint; improved Cingular's customer retention; and launched new innovative devices and products. *Id.* ¶ 39. The SBC-AT&T Corp. merger further illustrates AT&T's ability to execute merger integrations successfully. While SBC had estimated in January 2005 that the net present value of merger synergies from that transaction would be $15 billion, it was able to increase that forecast one year later to approximately $18 billion. *Id.* ¶ 40. And from 2006 through 2008, actual synergy savings exceeded expectations in a variety of areas, including network planning and engineering, information technology, and procurement. *Id.* AT&T likewise exceeded forecasted synergy savings in a number of categories in its acquisition of BellSouth. *Id.* ¶ 41.

B. This Transaction Will Strongly Advance the Nation's Broadband and High Tech Goals.

1. This Transaction Gives the Combined Company the Necessary Scale, Scope, Resources, and Spectrum to Deploy LTE to More than 97 Percent of Americans, Thereby Stimulating Economic Growth and Thousands of Jobs.

As a result of this transaction, AT&T can increase its LTE deployment from 80 to more than 97 percent of the U.S. population. That deployment will mark a quantum leap towards meeting the Administration's rural broadband deployment objectives—without any expenditure of public funds.

In his State of the Union address, President Obama noted the strategic importance of broadband in "winning the future" by "encouraging American innovation" and maintaining our global competitiveness.[51] Central to the President's message was the fundamental importance of widespread broadband availability. He vowed to "make it possible for businesses to deploy the next generation of high-speed wireless coverage" throughout America, not only to produce a "faster Internet" and "fewer dropped calls," but also to "connect[] every part of America to the digital age."[52] The benefits of this private investment, he added, will be diverse and immense: "farmers and small business owners will be able to sell their products all over the world," firefighters "can download the design of a burning building onto a handheld device," rural students can "take classes with a digital textbook," and a patient in a remote area "can have face-to-face video chats with her doctor."[53] These private investments, he concluded, "will make

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51 *Obama 2011 State of the Union Address, supra.*

52 *Id.*

53 *Id.*

America a better place to do business and create jobs."[54] In February 2011, the President followed up on this pledge by announcing the Wireless Innovation and Infrastructure Initiative, which takes steps to extend the 4G revolution to rural areas and bring them fully within the 21st century economy.[55]

This Commission has likewise recognized that "[b]ringing ubiquitous and affordable broadband services to rural America will improve the quality of education, healthcare, and public safety in rural America, among other benefits. On a larger scale, ensuring that all Americans, including those in rural areas, have access to such services will help to improve America's economy, its ability to compete internationally, and its unity as a nation."[56]

AT&T's 97 percent LTE deployment will help the U.S. meet these critical priorities. AT&T's current (pre-merger) plans call for deployment of LTE to approximately 80 percent of the U.S. population but no more. *See* Moore Decl. ¶¶ 5, 13. The remaining 20 percent of the population generally lives in less populated areas, including rural and smaller communities, where economies of scale and density are very low and per-customer costs are very high.[57] And in some of these areas, AT&T simply lacks the spectrum necessary to deploy LTE. *See* Section I.A, *supra*. This transaction, however, will give AT&T the scale, scope, resources, and spectrum

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54 *Id.*

55 The White House, *President Obama Details Plan to Win the Future through Expanded Wireless Access* (Feb. 10, 2011), http://www.whitehouse.gov/the-press-office/2011/02/10/president-obama-details-plan-win-future-through-expanded-wireless-access.

56 Federal Communications Commission, *Bringing Broadband to Rural America: Report on Rural Broadband Strategy* at 8, ¶ 15 (May 22, 2009); *accord National Broadband Plan*, at 5, 227, 269.

57 *See* Federal Communications Commission, *OBI Technical Paper No. 1: The Broadband Availability Gap*, at 40 (Apr. 2010), http://download.broadband.gov/plan/the-broadband-availability-gap-obi-technical-paper-no-1.pdf.

it needs to increase its LTE deployment from 80 percent to more than 97 percent of the U.S. population.

This initiative means, in practical terms, that AT&T will provide LTE to approximately 55 million more people than under its current plans and more than an additional million square miles, which equates to more than one-third of the land mass of the contiguous United States. Much of this additional service will be provided in rural areas and will thus give rural residents access to efficient, fast, and reliable broadband connections that they might otherwise lack altogether. And even in locations where another provider has already deployed LTE, AT&T's deployment will provide, at a minimum, key additional competition.

The LTE and other deployment initiatives this transaction makes possible will spur additional broadband investment, jobs, and economic growth worth billions of dollars in all areas of the country. One study concludes that "[a]nnualized investment in 3G wireless and satellite technologies from 2003 to 2009 was $11.6 billion, which corresponds to 168,300 jobs created."[58] Chairman Genachowski has likewise recognized that 4G investment can spur hundreds of thousands of new U.S. jobs.[59] And Lawrence Summers, then head of the President's National Economic Council, stated in 2010 that "[e]ach dollar invested in wireless deployment is estimated to result in as much as $7 to $10 higher GDP," and that as wireless investment grows, "the benefits for job creation and job improvement are likely to be substantial."[60]

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[58] Robert W. Crandall & Hal J. Singer, *The Economic Impact of Broadband Investment*, Broadband for America, at 2 (2010) (emphasis omitted).

[59] *Genachowski CTIA Remarks*, at 9 (citing estimate of the High Tech Spectrum Coalition: "[O]ver the next five years, investments in 4G wireless technologies will create 205,000 US jobs, assuming our spectrum infrastructure can handle 4G demand.").

[60] *Summers Remarks*, *supra*.

This transaction will create precisely those "benefits for job creation and job improvement." In addition, because AT&T is the only unionized major wireless company, this transaction will bring jobs with union wages and benefits. That is one reason why this transaction has drawn strong support from the Communications Workers of America and the AFL-CIO.[61] And the success of AT&T's best-in-class supplier diversity program,[62] along with the benefits of LTE for communities of color (discussed below), are key reasons why civil rights groups including the NAACP and the Hispanic Institute have highlighted the transaction's potential to significantly expand the opportunities for minority consumers and businesses to participate in our country's broadband economy.[63]

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[61] *See* CWA, *AT&T/T-Mobile Deal Will Benefit Workers and Build Out Broadband* (Mar. 24, 2011) ("AT&T's acquisition of T-Mobile USA is good news. AT&T will build out broadband to provide service to 95 percent of the country and workers at T-Mobile will benefit from a management record of neutrality in organizing. The merger of AT&T and T-Mobile spectrum will improve AT&T's network and quality, along with the job security of CWA members."), http://www.cwa-union.org/news/entry/att_t-mobile_deal_will_benefit_workers_and_build_out_broadband; *see also Statement by AFL-CIO President Richard Trumka on Announced Acquisition of T-Mobile USA by AT&T* (Mar. 22, 2011), www.speedmatters.org.

[62] *See* AT&T's Global Supplier Diversity Website, http://www.attsuppliers.com/sd/. *See also* AT&T Receives High Marks from Diversity Inc. (Mar. 7, 2011), http://www.att.com/gen/press-room?pid=19272&cdvn=news& newsarticleid=31668&mapcode=corporate|community.

[63] For example, the NAACP states: "AT&T's acquisition of T-Mobile has the potential to benefit consumers, communities and workers alike. AT&T has scored among the highest ranked in the telecommunications industry for its commitment to diversity in terms of procurement, philanthropy, promotion and hiring among other criterion at the federal, state and local levels . . . . We are hopeful that this acquisition will further advance increased access to affordable and sustainable wireless broadband services and in turn stimulate job creation and civic engagement throughout our country." Letter from Hilary O. Shelton, Director, Washington Bureau and Senior Vice President for Advocacy and Policy, NAACP, to Marlene Dortch, FCC, at 1 (Apr. 18, 2011); *The Hispanic Institute Announces Support for Proposed Merger of AT&T and T-Mobile* (Mar. 21, 2011) ("The proposed merger of AT&T and T-Mobile will move us closer to universal mobile broadband deployment. When we consider how essential mobile technology is to empowering communities, we conclude that this proposal is good for Hispanic America."), http://www.thehispanicinstitute.net/node/3690.

This more than 97 percent LTE deployment will further create long-term benefits for the affected communities that far transcend the immediate economic stimulus. LTE will bring especially significant benefits to residents of rural areas and smaller communities, where the benefits of real-time video and similar capabilities are most urgently needed to fill gaps in physical infrastructure for healthcare, education, and other social needs. For example, LTE's uniquely low latency rate provides better support for delay-sensitive online applications such as distance learning (which involves real time interaction between students and teachers), video conferencing, remote medical monitoring, real-time patient examinations by doctors in multiple locations, and complex gaming systems played simultaneously by thousands of users. *See, e.g.*, Donovan Decl. ¶ 29.

In addition, LTE's state-of-the-art broadband performance will create a virtuous cycle of investment and innovation in cloud computing. With increased spectrum and higher bandwidth speeds, more information and processing power can be transferred to the "cloud"—*i.e.*, to Internet-based servers running sophisticated programs that end users can use on demand through their broadband connections. *See* Donovan Decl. ¶¶ 6, 30-32. As a result, wireless devices will become dramatically more useful to consumers even as—with the transfer of many computing responsibilities to the cloud—those devices become thinner, lighter, and able to support far longer battery life. These advances can also facilitate embedding wireless connectivity in a wide variety of consumer and business devices, with usage and other capabilities monitored and controlled from the cloud. Cloud computing depends, however, on rapid transfers of data between wireless devices and the cloud. Because LTE is uniquely efficient in handling those data transfers, broader LTE coverage will support the shift towards cloud-based services for business and consumers and ensure in particular that rural areas are not left behind. As

Chairman Genachowski recently observed, "[a] thriving global cloud computing industry, built on ubiquitous broadband, can be as beneficial for economic growth in the 21st century as electricity was in the 20th."[64]

AT&T's massive LTE deployment will also help close the digital divide. As a group of sixteen prominent civil rights organizations has explained in filings with the Commission, "[d]ue in part to the relative affordability of wireless offerings, wireless broadband has been a real success story for minorities."[65] Indeed, according to numerous studies, "wireless is the only broadband technology for which minority adoption and use currently indexes at higher levels than for White Americans."[66] A report by the Pew Internet & American Life Project, for example, found that "African Americans are the most active users of the mobile internet—and their use of it is also growing the fastest. This means the digital divide between African Americans and white Americans diminishes when mobile use is taken into account."[67] The Pew

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[64] Remarks of FCC Chairman Julius Genachowski, *The Cloud: Unleashing Global Opportunities*, Aspen IDEA Project, at 8 (Mar. 24, 2011), http://hraunfoss.fcc.gov/edocs_public/attachmatch/ DOC-305399A1.pdf.

[65] Comments of the National Organizations, GN Docket No. 09-191, at 10 (Jan. 14, 2010) (including joint comments from ASPIRA Association; Black College Communications Association; Hispanic Institute, Hispanic Technology and Telecommunications Partnership, Labor Council for Latin American Advancement; Latinos in Information Sciences and Technology Association; Lawyers' Committee for Civil Rights Under Law, League of United Latin American Citizens; MANA, A National Latina Organization; National Association of Black County Officials; National Black Caucus of State Legislators; National Conference of Black Mayors; The National Coalition on Black Civic Participation-Black Women's Roundtable; National Organization of Black Elected Legislative Women; National Puerto Rican Coalition; United States Hispanic Chamber of Commerce).

[66] *Id*. at 9-12.

[67] John Horrigan, *Pew Internet & American Life Project: Wireless Internet Use*, at 4 (July 2009), http://www.pewinternet.org/~/media//Files/Reports/2009/Wireless-Internet-Use-With-Topline.pdf.

report also found similar trends among Hispanic users of mobile broadband services.[68] As Commissioner Clyburn recently pointed out, the African American and Hispanic communities have "excelled" in their adoption of mobile broadband services, and both groups "take advantage of a much wider array of their phones' data functions than their white counterparts."[69]

AT&T's LTE initiative will thus be a key part of keeping these and other minority groups on the leading edge of the broadband revolution. Because LTE technology, unlike its predecessors, operates on a par with some of today's wireline broadband platforms, LTE can play a particularly important role in the advancement of minority communities. That is why the Hispanic Institute, consistent with the experience of other minority advocates, notes that "mobile broadband access has become a key resource to help many Hispanics succeed and thrive in today's economy. From improving health care to increasing educational opportunities and access to government resources, wireless devices, services and applications offer Hispanics a new route to take a full advantage of many life-enhancing resources."[70] The National Coalition on Black Civic Participation has similarly pointed out that the wider availability of wireless broadband services will enhance entrepreneurial opportunities for minority- and women-owned businesses.[71]

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68 *Id.* at 18.

69 Remarks of FCC Commissioner Mignon L. Clyburn, National Conference for Media Reform, Boston, MA (Apr. 8, 2011), http://www.fcc.gov/Daily_Releases/Daily_Business/2011/db0408/DOC-305663A1.pdf.

70 The Hispanic Institute & Mobile Future, *Hispanic Broadband Access: Making the Most of the Mobile, Connected Future*, at 4 (Sept. 15, 2009), http://www.thehispanicinstitute.net/files/u2/Hispanics_and_Broadband_Access_0.pdf.

71 Letter from Joycelyn Tate, Telecommunications Policy Advisor, National Coalition of Black Civic Participation – Black Women's Roundtable, to Marlene Dortch, FCC, GN 09-51 (Feb. 25, 2010).

In light of all these many benefits that mobile broadband holds for minorities, leading civil rights organizations have recognized the importance of "encourag[ing] investment" in wireless broadband networks and services so that "future generations of Americans, across every demographic" can participate fully in our digital society.[72] By building out LTE to more than 97 percent of the U.S. population, AT&T will be bringing that vision a big step closer to reality.

In sum, the benefits of this deployment will not end once the LTE platform is deployed. Investment in broadband infrastructure generates dynamic economic and social value that can dramatically improve consumer welfare for years to come. LTE service will provide millions of Americans with better healthcare, greater educational and economic opportunities, and stronger engagement in civic life. As the Commission has recognized, ubiquitous, dependable and affordable broadband has become a "foundation for economic growth, job creation, global competitiveness and a better way of life."[73] This transaction will help achieve that national priority.

2. The Transaction Will Help Preserve America's Global Leadership in Mobile Broadband Innovation.

As the National Broadband Plan explains, a core Administration objective is to keep America "lead[ing] the world in mobile innovation, with the fastest and most extensive wireless networks of any nation."[74] The U.S. leads innovation in areas throughout the mobile broadband ecosystem, from networks to operating systems to mobile applications. That leadership arises

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[72] *See, e.g.*, Minority Media and Telecommunications Council Reply Comments, GN Docket No. 09-157, at 3 (Nov. 5, 2009).

[73] *National Broadband Plan*, at xi.

[74] *Id.* at xiv.

from a complex, virtuous cycle of innovation, in which network providers play a critical role. This transaction will help maintain that global leadership.

AT&T, in particular, has long played a central role in mobile broadband innovation. AT&T Labs is a world-class research institution that supports more than a thousand scientists and engineers, and AT&T earned more than 1,000 patents in 2010 alone. Donovan Decl. ¶ 5. Its innovations have spanned the entire wireless ecosystem from network standards to speech-recognition software. To take just one example, AT&T is a world leader in the deployment of wireless broadband networks using UMTS standards. *See id.* ¶ 19.

In this and many other respects, the innovations of wireless providers in general and AT&T in particular have triggered broader ecosystem innovations, responses, and further innovations. To win customers, wireless providers are constantly innovating to improve their mobile platforms, which, in turn, prompts others to deploy ever more innovative devices and applications. As customers adopt new devices and applications, demand for wireless service increases, thus spurring network operators to enhance their networks still further. Improved networks spur more improved devices and applications, which in turn spur still-better networks, and so on in a "virtuous cycle" of innovation. *See id.* ¶14.

Again, however, "there's a catch. . . . [W]hile American ingenuity and our appetite for wireless technology is limitless, spectrum is not. And the coming spectrum crunch threatens American leadership in mobile and the benefits it can deliver to our country."[75] As discussed, that spectrum crunch is hitting AT&T harder and sooner than the industry at large. And because AT&T plays a key role in supporting the cycle of mobile broadband innovation in the United States, its capacity problems could have ripple effects throughout the broadband ecosystem. By

[75] *Genachowski CTIA Remarks* at 5-6.

efficiently addressing those constraints before they prevent AT&T from helping support the next generation of innovative mobile services and applications, this transaction will be good not only for AT&T and its customers, but for America's high tech sector as a whole. Donovan Decl. ¶¶ 12-16.

C. The Transaction Will Enhance Public Safety.

Disaster preparedness has become a national imperative,[76] and AT&T has responded with best-in-class preparedness capabilities.[77] Over the last decade, AT&T has devoted unparalleled resources to America's need for effective communications in emergencies, including mobile command centers, portable cell sites known as Cells on Wheels (COWs) or Cells on Light Trucks (COLTs), a fleet of mobile generators, and mechanisms for linking mobile cell sites to satellites when landline connections go down.[78] These resources are pre-positioned around the nation and can be deployed on short notice to areas struck by emergencies. AT&T's disaster preparedness teams also have highly specialized capabilities to restore communications in the event of incidents involving chemical, biological, radiological, and other hazardous materials.

AT&T's response to Hurricane Ike in 2008 illustrates its emergency-preparedness capabilities.[79] When Ike struck Galveston, AT&T deployed 500 portable generators to power its cell sites and set up five mobile cell sites in the area. AT&T doubled the capacity of its 3G network in the Galveston area during the hurricane to ensure that emergency personnel had

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[76] *See* The White House, *The Federal Response to Hurricane Katrina: Lessons Learned*, at 3 (2006), *available at* http://www.whitehouse.gov/reports/katrina-lessons-learned.pdf.

[77] *See* AT&T, *Network Disaster Recovery*, http://www.corp.att.com/ndr/.

[78] *See* AT&T, *Network Disaster Recovery, Deployment History*, http://www.corp.att.com/ndr/deployment1.html.

[79] *See* AT&T, *Network Disaster Recovery, Deployments: Hurricane Ike – Galveston Island*, http://www.corp.att.com/ndr/deployment_2008_09_galveston.html.

reliable connectivity, and emergency personnel, Red Cross relief workers, and insurance claims adjusters could thus connect their laptops to AT&T's 3G network for data services. AT&T also dedicated a team of its employees to travel around the area with emergency personnel teams to ensure that they had the communications tools needed to respond effectively to situations as they developed. In total, AT&T deployed more than 3000 technicians and 200 construction contractors to restore communications to the Galveston area.

This transaction will enable AT&T to build on its strong track record for disaster preparedness by expanding the infrastructure and spectrum resources from which it can draw during emergencies. T-Mobile USA also has an excellent track record of disaster recovery and response over many years, as demonstrated during Hurricane Katrina in 2005.[80] T-Mobile USA additionally has significant disaster response equipment deployed across the nation, including a large fleet of mobile generators and mobile cell site equipment. AT&T's and T-Mobile USA's combined emergency-preparedness initiatives will provide customers with more robust disaster recovery capabilities than they would receive in the absence of this transaction.

II. THE TRANSACTION WILL PRESERVE AND PROMOTE COMPETITION.

The U.S. wireless marketplace is extremely competitive. By freeing the applicants from their output-suppressing capacity constraints, this transaction will leave the marketplace more dynamic and competitive than before, and the beneficiaries will be American consumers.

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[80] *See* Press Release, T-Mobile USA, *T-Mobile Gulf Coast Wireless Network Coverage at or Near Normal Levels* (Sept. 7, 2005), http://newsroom.t-mobile.com/articles/t-mobile-restore-hurricane-Katrina-1; Press Release, T-Mobile USA, *T-Mobile Store Lets Katrina Victims Place Free Phone Calls* (Sept. 15, 2005), http://www.mobiledia.com/news/36374.html; Ed Oswald, *T-Mobile Opens Wi-Fi to Katrina Victims*, Betanews (Aug. 31, 2005), http://www.betanews.com/article/TMobile-Opens-WiFi-to-Katrina-Victims/1125506464.

A. The U.S. Wireless Marketplace Is Exceptionally Dynamic and Competitive.

By a broad range of metrics, the mobile marketplace ranks among the most dynamic and competitive sectors of the American economy:

First, industry output has been exploding. As discussed in Section I.A above, American consumption of wireless network capacity has increased many times over since 2007, and will increase many times over again by 2015, all at an accelerating pace.

Second, just as *quantity* has increased, so too has the paradigm-shattering *dynamism* of wireless services. As the Chairman observes: "In just a matter of years, those brick [1G] phones have evolved into 4-ounce mini-computer smartphones" with "more computing power than NASA's lunar module"; mobile broadband applications rank among "the most remarkable forces for economic opportunity and quality of life that we've ever seen"; "[r]obust networks and powerful devices are allowing us to do all kinds of things we could barely have imagined a few years ago"; and "[i]t's hard to imagine an industry that's produced more game-changers than the wireless industry."[81]

Third, wireless prices have been falling across the board for many years, amid "industry consolidation" that enabled providers to "exploit economies of scale" and thereby "offer more wireless services for similar or lower prices."[82] For example, the average revenue per voice minute has fallen from approximately 41 cents in June 1996 to less than a nickel in June 2010:

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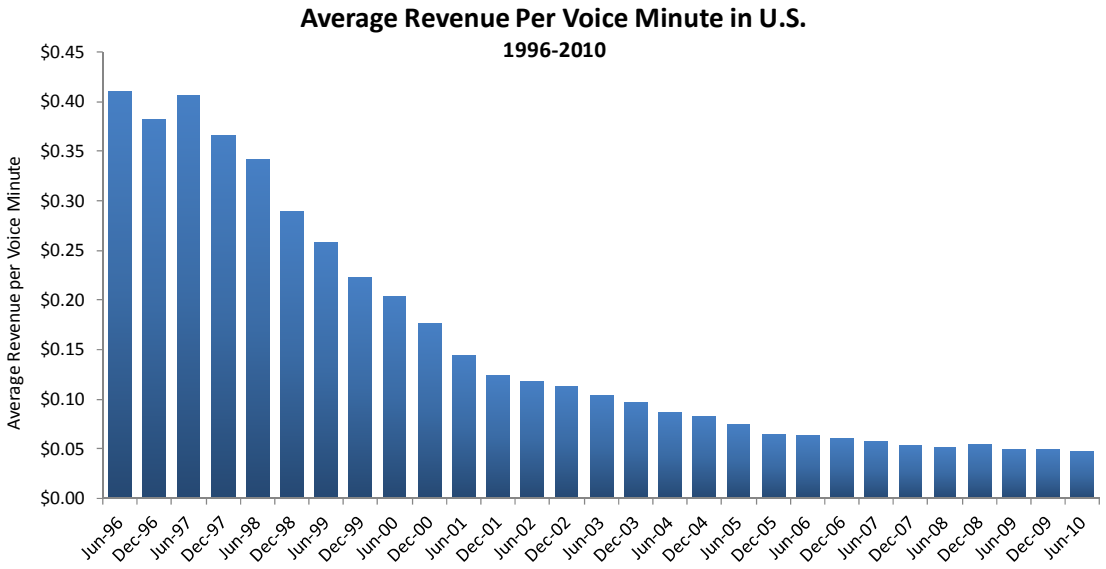
[81] *Genachowski CTIA Remarks*, at 2, 4.

[82] GAO, *Telecommunications: Enhanced Data Collection Could Help FCC Better Monitor Competition in the Wireless Industry*, at 24 (July 2010) (*"GAO 2010 Report"*); *see* Carlton Decl. ¶ 15.



Source: Figures based on application of FCC methodology to CTIA data; FCC, *Fourteenth CMRS Competition Report,* Table 19, pp.112-114; CTIA, *CTIA's Wireless Industry Indices Mid-Year 2010 Results,* November 2010: Table 34, p. 94; Table 35, p. 95; Table 52, pp. 121-122; Table 78, pp. 187-88; Table 86, pp. 204-205.

As the GAO confirmed last year, "the overall average price (adjusted for inflation) for wireless services declined each year from 1999 to 2008," and "the average price for wireless service in 2009 was approximately 50 percent of the price in 1999."[83] Average industry revenue per text message fell even faster—by more than 70 percent between 2005 and 2008 (from $0.037 to $0.011).[84] And the quantity-adjusted price of a wireless broadband plan, measured by average revenue per megabit, has plummeted most dramatically of all. For example, AT&T's average revenue for one megabyte of data service has dropped almost **[Begin Confidential Information]** **[End Confidential Information]** percent since 2007 (Carlton Decl. ¶ 17):

83 *GAO 2010 Report*, at 24.

84 *Fourteenth Wireless Report*, 25 FCC Rcd at 11532 ¶ 192.

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Fourth, providers are not resting on today's successes, but are constantly investing in advanced network infrastructure to support tomorrow's high-bandwidth services. For example, AT&T invested approximately *$21.1 billion* between 2008 and 2010 to upgrade and expand its wireless network. Carlton Decl. ¶ 136. Similarly, other major wireless providers—from Verizon to MetroPCS to Leap to Clearwire—have invested billions of dollars in capital upgrades over the past several years, amid the worst recession in decades. This continued and increasing investment underscores the dynamism and competitiveness of the U.S. wireless marketplace. Indeed, this sector has been one of the few bright spots in a still-challenged economy.

Fifth, wireless providers are not only spending billions to improve service; they are also vigorously advertising those improvements to differentiate themselves in the marketplace and win customers. As everyone who watches television or reads a newspaper is aware, wireless providers of all stripes are engaged in unremitting advertising campaigns, touting their network

quality, high speeds, devices, and attractive pricing plans. Indeed, except for the automotive industry, the telecommunications sector (wireline and wireless) outspends every other on advertising.[85] And "wireless service providers" in particular "spend more on advertising than firms in many other industries."[86]

Sixth, competition is both fierce and multi-dimensional, as providers try to win customers with the most attractive combinations of price, service quality, speeds, devices, and operating systems. In the next section, we discuss in greater detail how network service providers compete along these various dimensions. Yet handset and operating system competition further underscores the dynamism and competitiveness of the mobile broadband ecosystem. Wireless providers offer consumers an ever-expanding array of handset options to win and keep their business, and U.S. consumers can now choose among *more than 600* handsets produced by dozens of independent handset manufacturers, including Apple, Dell, HTC, Kyocera, LG, Motorola, Nokia, Palm, Pantech, RIM, Samsung, Sharp, and Sony Ericcson.[87] These handsets have widely varying features to accommodate all tastes, including appealing form factors, high-resolution color screens, user-friendly interfaces, simple-to-use features, high-quality cameras, Bluetooth and Wi-Fi connectivity, and the ability to run hundreds of thousands of applications written by third parties.

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85 *See Kantar Media Reports U.S. Advertising Expenditures Increased 6.5 Percent in 2010* (Mar. 17, 2011), http://kantarmediana.com/intelligence/press/us-advertising-expenditures-increased-65-percent-2010.

86 *Fourteenth Wireless Report*, 25 FCC Rcd at 11492 ¶ 129.

87 *See* CTIA, *The United States and World Wireless Markets: Competition and Innovation are Driving Wireless Value in the U.S.*, at 11 (May 2009), attached to Letter from Christopher Guttman-McCabe, Vice President of Regulatory Affairs, CTIA – The Wireless Association, to Marlene Dortch, FCC, GN Docket No. 09-51 (May 12, 2009).

Wireless providers also compete vigorously to offer a diverse selection of operating systems, including Android, Windows Mobile, BlackBerry OS, Apple iOS, Nokia Symbian, and Palm OS. This intense competition is perhaps best illustrated by the rapid ascent of Google's Android operating system. Although it was formally introduced just over three years ago, Android has now become the "most popular smartphone operating system in the United States."[88] Android's success arises both from its innovativeness and from Google's parallel development of the Android Market, which now boasts more than 150,000 Android-compatible apps.[89] Android's extraordinarily rapid growth is also due to the fierce rivalry among wireless service providers, which have added a host of Android-based handsets to their device portfolios and aggressively marketed them to consumers. Indeed, AT&T alone plans to launch twelve new Android devices in 2011.[90]

In short, competition among service providers, handset manufacturers, and operating system developers is strong and mutually reinforcing. All of these firms are constantly creating new services and products—and forming new strategic partnerships and alliances to market those products and services—to keep ahead of their competitors and deliver the most compelling products to consumers.

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[88] Ian Paul, *Android Edges RIM, Apple as Most Popular Smartphone OS*, PC World (Mar. 4, 2011) (citing market analysis by Nielsen), http://www.pcworld.com/article/221358/android_edges_rim_apple_as_most_popular_smartphone_os.html.

[89] Andrew Kameka, *Android has 150k apps, 350k daily activations, and more notes from Eric Schmidt's MWC keynote*, Androinica (Feb. 15, 2011), http://androinica.com/2011/02/android-has-150k-apps-350k-daily-activations-and-more-notes-from-eric-schmidts-mwc-keynote/.

[90] Press Release, *AT&T Announces Plans to Deliver Nation's Most Advanced Mobile Broadband Experience* (Jan. 5, 2011), http://www.att.com/gen/press-room?pid=18885&cdvn=news&newsarticleid=31477&mapcode=wireless-networks-general|consumer.

B. The Marketplace for Wireless Services Will Remain Highly Competitive Following This Transaction.

As indicated by all of these market characteristics—falling prices, accelerating output, technological dynamism, surging investment, ubiquitous advertising wars, and multi-dimensional competition—the U.S. wireless marketplace ranks among the most competitive in the U.S. economy. It will remain so after this merger. We discuss that issue in extensive detail below, but several points warrant emphasis at the outset.

First, approximately three-quarters of Americans live in areas where they may choose among *at least five* facilities-based wireless providers.[91] That figure, which the Commission calculated last year, does not include mobile virtual network operators ("MVNOs") such as TracFone. Nor does it include new facilities-based entrants such as LightSquared, which has struck deals with Best Buy and others to use its substantial spectrum holdings to serve potentially millions of customers.

Second, T-Mobile USA and AT&T are not close competitors, and other providers already fill—or could easily move to fill—the competitive role T-Mobile USA occupies today. For example, Sprint has re-emerged with a combination of first-to-market 4G services, attractive devices, and aggressive pricing. MetroPCS and Leap offer inexpensive, no-contract service with nationwide coverage; have rapidly expanded into markets covering (between them) more than 200 million people; and have won dramatic gains in total subscribership. *See* Carlton Decl. ¶ 102; Christopher Decl. ¶¶ 60-62. According to AT&T's estimates, MetroPCS has now surpassed T-Mobile USA in subscribership in many major markets, including **[Begin Confidential Information]** **[End Confidential**

[91] *Fourteenth Wireless Report*, 25 FCC Rcd at 11448-49 ¶¶ 42-45.

Information]. *See* Christopher Decl. ¶ 61. These new mavericks not only appeal to the value-conscious consumers that have long constituted T-Mobile USA's base, but have aggressively rolled out new smartphone services. For example, the first LTE provider in the United States was not Verizon, but MetroPCS.

In contrast, T-Mobile USA is—in the words of DT Senior Vice President Thorsten Langheim—"struggling to remain a strong competitor in the wireless marketplace. Despite marketing efforts to improve its standing, T-Mobile USA has steadily lost market share . . . over the past two years." Langheim Decl. ¶ 11. T-Mobile USA has faltered because, among its other challenges, it occupies an uncomfortable position between higher-end providers and value competitors. Christopher Decl. ¶ 46. On the one hand, it has been undersold by MetroPCS, Leap, and others in the provision of budget-oriented services. *Id*. And on the other hand, it "lacks a clear path to deployment of LTE that is necessary for it to compete robustly in the U.S. longer term," particularly for high-end mobile broadband services. Langheim Decl. ¶ 11. In Professor Carlton's words, "T-Mobile's competitive position is probably best summarized in J.P. Morgan's recent comment that T-Mobile is 'struggling for relevance.'"[92] For all of these reasons, it is not a significant competitive constraint on AT&T. *See* Christopher Decl. ¶¶ 23-27.

Third, as Professor Carlton further explains in his attached declaration, an economically sensible way to promote greater output, higher quality, and lower prices in capacity-constrained industries such as this one is to permit an efficient capacity-enhancing combination. Carlton Decl. ¶ 158. Blocking such combinations would have the opposite effects: lower output, worse quality, and higher prices. As Chairman Genachowski recently observed, "[i]f we do nothing in

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[92] Carlton Decl. ¶ 130 (quoting J.P. Morgan, North America Equity Research, *U.S. Telecom Services & Towers*, at 18 (Jan. 13, 2011) ("*J.P. Morgan January 2011 Analysis*")).

the face of the looming spectrum crunch, many consumers will face higher prices—as the market is forced to respond to supply and demand[.]"[93] Although the Chairman was addressing the need to free up more spectrum through auctions in the long term, his reasoning applies equally to this transaction, which, as discussed, creates the functional equivalent of more spectrum.

1. The Commission Should Adhere to Its Current Market-Definition Conclusions, but the Existing Screens Should Be Modified to Reflect New Sources of Commercially Available Spectrum.

The Commission begins its competitive analysis of wireless transactions by defining the appropriate product market, geographic markets, and market participants. As to the first issue, the Commission "treat[s] the provision of mobile broadband services using more recent and advanced networks (*e.g.*, 3G, 4G) and the provision of mobile voice and data services over earlier generations of wireless networks as part of a combined mobile telephony/broadband services market, rather than separate markets," now that the industry is "transitioning from the provision of interconnected mobile voice and add-on mobile data services over legacy wireless networks to the provision of mobile voice and data services over wireless broadband networks."[94]

Second, the Commission has repeatedly concluded that the geographic market is local rather than national and consists of CMAs or, alternatively, "Component Economic Areas ("CEAs").[95] As the Commission has explained, "the geographic market is the area within which

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93 *Genachowski CTIA Remarks*, at 9.

94 *Verizon/ALLTEL Order*, 23 FCC Rcd at 17470 ¶ 47; *accord* Memorandum Opinion and Order, *Applications of AT&T Wireless Services, Inc. and Cingular Wireless Corporation for Consent to Transfer Control of Licenses and* Authorizations, 19 FCC Rcd 21522, 21562-63 ¶ 89 (2004) ("*Cingular/AT&T Wireless Order*").

95 See *Verizon/ALLTEL Order*, 23 FCC Rcd at 17471 ¶ 49; Memorandum Opinion and Order and Declaratory Ruling, *Applications of Cellco Partnership D/B/A Verizon Wireless and*

a consumer is most likely to shop for mobile telephony/broadband services," and "[f]or most individuals, this market will be a local area, as opposed to a larger regional or nationwide area."[96] The Department of Justice has likewise concluded that mobile services are offered in "numerous *local* geographic markets," given that, among other considerations, customers generally choose among providers that market services "where they live, work, and travel on a regular basis" and "[t]he number and identity of . . . providers varies among geographic areas[.]"[97]

AT&T's own market research confirms these conclusions. The great majority of AT&T's new customers—some **[Begin Confidential Information] [End Confidential Information]** percent—purchased their wireless service locally, either through a company-owned store, local outlets of chain stores such as Radio Shack, Best Buy, Target, AT&T agent stores, or other local retail stores. *See* Christopher Decl. ¶ 12. Independent studies reach similar conclusions about the industry at large: local sales (at a store or kiosk) account for

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Rural Cellular Corporation for Consent to Transfer Control of Licenses, Authorizations, and Spectrum Manager Leases and Petitions for Declaratory Ruling, 23 FCC Rcd 12463, 12485 ¶ 41 (2008) ("*Verizon/RCC Order*"); Memorandum Opinion and Order, *Applications of AT&T Inc. and Dobson Communic'ns Corporation for Consent to Transfer Control of Licenses and Authorizations*, 22 FCC Rcd 20295, 20310 ¶ 25 (2007) ("*AT&T/Dobson Order*"); Memorandum Opinion and Order, *Application of Great Western Cellular Partners, LLC and Alltel Communic'ns, Inc. for Consent to transfer Control of License*, 21 FCC Rcd 11526, 11545-49 ¶¶ 35-43 (2006) ("*Midwest Wireless Order*"); Memorandum Opinion and Order, *Applications of Western Wireless Corporation and Alltel Corporation for Consent to Transfer Control of Licenses and Authorizations*, 20 FCC Rcd 13053, 13072-75 ¶¶ 44-51 ("*Western Wireless Order*"); Memorandum Opinion and Order, *Applications Nextel Communic'ns, Inc. and Sprint Corporation for Consent to Transfer Control of Licenses and Authorizations*, 20 FCC Rcd 13991-95 ¶¶ 57, 63-67 (2005) ("*Sprint/Nextel Order*"); *Cingular/AT&T Wireless Order* at 21567-69 ¶¶ 104-112.

[96] *Verizon/ALLTEL Order*, 23 FCC Rcd at 17472 ¶ 52.

[97] Complaint, *United States v. AT&T Inc.*, Civ. No. 1:09-cv-01932-JDB, at ¶ 15 (D.D.C. filed Oct. 13, 2009) (emphasis added).

approximately **[Begin Confidential Information]** **[End Confidential Information]** percent of industry-wide total sales and, indeed, approximately **[Begin Confidential Information]** **[End Confidential Information]** percent of MetroPCS's sales. *Id.*.

Further underscoring the local nature of this marketplace, AT&T has tailored its sales operations to respond quickly and distinctively to local market conditions. AT&T Mobility's Chief Marketing Officer, David Christopher, explains:

> AT&T has divided the country into twenty-seven separate geographic regions, each led by a vice president/general manager ("VP/GM") who is responsible for operations of the [AT&T] stores, our relationships with AT&T's local dealer agents at the local level, and all other sales activities within their respective markets. In fact, the annual performance of these VP/GMs is evaluated, in part, by the profits and losses associated with all sales activity within their markets. They strive to meet unique local customer demand by working with our headquarters marketing team to run local advertising pointing out the advantages of AT&T service in a specific local area, by direct marketing campaigns, and by offering local promotions on handsets and peripheral devices. To further support this effort, our direct mail direct response . . . and online marketing and sales efforts are capable of making targeted offers to customers in specific local market areas.

Id. ¶ 13. Similarly, because T-Mobile USA's own experience confirms that customers prefer to make purchasing decisions locally, it recently reorganized its sales staff by local region to address local market conditions most effectively. In any event, as Professor Carlton concludes, this transaction will create such output-expanding, pro-consumer synergies that it would warrant approval even if competition were (improperly) analyzed at the national level. Carlton Decl. ¶¶ 8, 12.

Third, the Commission has concluded that the market participants for purposes of its competitive analysis include "facilities-based" entities providing mobile telephony/broadband

services.[98] Those participants include every provider that serves customers within a given geographic market, irrespective of how many other geographic markets that provider also serves. As discussed below, a number of major U.S. providers are called "regional" in the narrow sense that they have networks and recruit customers in only a subset of the nation's hundreds of geographic markets. Key providers in this category have nonetheless entered into wholesale roaming agreements throughout other markets in order to offer *nationwide* service plans: *i.e.*, seamless coverage in most or all population centers throughout the United States, generally without retail roaming fees. *See* Carlton Decl. ¶¶ 9, 102, 104, 113, 115; Christopher Decl. ¶¶ 8, 63. These providers compete in the same *product* market as carriers that market nationally, even though they compete in only some of the local *geographic* markets. *See* Carlton Decl. ¶¶ 112-115; Christopher Decl. ¶ 9.[99]

The Commission next applies a two-part initial "screen" to separate those local markets where, without further analysis, it is clear that the transaction would result in no potential competitive harm, from those local markets where further competitive analysis is required to determine whether the transaction would promote or harm consumer welfare.

HHI Screen. The first part of the screen considers changes in market concentration in the provision of mobile telephony/broadband services as a result of the proposed transaction, and is based on the size of the post-transaction Herfindahl-Hirschman Index ("HHI") of market concentration and the change in the HHI. Under the analysis used in recent Commission orders,

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98 *See, e.g., Verizon /ALLTEL Order*, 23 FCC Rcd at 17480-81 ¶ 71.

99 *See also Cingular/AT&T Wireless Order*, 19 FCC Rcd at 21564 ¶ 94 (including within relevant product market all firms "able to offer nationwide service," including "nationwide carriers" and "regional firms," but excluding providers "unable to offer national mobile telephony services").

a market is subject to further scrutiny if, based on the NRUF data, its post-transaction HHI (1) would be both greater than 2800 and increase by at least 100, or (2) would increase by at least 250.[100] As discussed in detail below, this merger, even in the markets flagged by the HHI screen, poses no substantial competitive concern because, in addition to the merger's output-enhancing effect, the combined company will face vigorous competition from diverse providers and, in any event, T-Mobile USA is not a particularly close competitor to AT&T.

Spectrum screen. The second part of the market-by-market screen examines the input market for spectrum available for the provision of mobile telephony/broadband services. In past transactions—which (as discussed below) predated the deployment of new spectrum for mobile broadband purposes—the Commission designed the spectrum screen to include spectrum bands designated for cellular, PCS, Specialized Mobile Radio ("SMR"), and 700 MHz services, as well as AWS-1 and 55.5 MHz of Broadband Radio Service ("BRS") spectrum where available. The screen ranges from 95 MHz to 145 MHz, depending on the availability of AWS-1 and BRS.[101] If the Commission used this approach here, despite its obsolescence, 202 CMAs would be flagged by the spectrum screen and subject to further analysis.[102] Spectrum aggregation data is provided in Appendix A. Again, this screen is only the starting point in the Commission's analysis, and the remainder of that analysis confirms that the overwhelming majority of the markets at issue will retain both several strong competitors—indeed, at least four in more than 80

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[100] *See, e.g.*, *Verizon /ALLTEL Order*, 23 FCC Rcd at 17483 ¶ 78.

[101] *Id.*

[102] The Commission has asked AT&T in pending spectrum-transfer proceedings to provide data concerning its holdings of the 25 MHz of WCS spectrum, which a recent Commission order intended to make usable for mobile broadband services. See Report and Order and Second Report and Order, *Amendment of Part 27 of the Comm'n's Rules To Govern the Operation of Wireless Commc'ns Servs. in the 2.3 GHz Band*, 25 FCC Rcd 11710 (2010) (recons. filed). Those data are included in Appendix A.

percent of these CMAs—and ample spectrum resources to support further growth. Appendices B and C provide further details on competitive conditions in these CMAs.

In any event, the current spectrum screen substantially overstates potential threats to competition because it excludes much of the spectrum currently available for mobile telephony and broadband services. The Commission should now update this analysis in two respects. First, it should include 90 MHz of MSS/ATC spectrum within the screen because, as the Commission itself found just this month, MSS/ATC providers will soon "provide mobile services similar to those provided by [other] mobile providers" and should thus be considered "in the context of our existing competitive analysis framework for mobile telephony/broadband services."[103] Indeed, LightSquared plans to begin the rollout of wholesale mobile broadband service using MSS/ATC spectrum in 2011, as soon as the Commission resolves GPS interference issues, and its network is expected to encompass 100 million Americans by year-end 2012, 145 million by year-end 2013, and 260 million by year-end 2015.[104] Second, the Commission should include *all* 194 MHz of BRS/EBS spectrum (not just the 55.5 MHz it has considered before) because the BRS/EBS transition is complete in most areas of the country, and because Clearwire and its partners (including Sprint and Time Warner Cable) are making widespread use of WiMAX service throughout the country, now passing more than 100 million people.

In short, these broader spectrum categories easily "meet the criteria for suitable spectrum within two years" and are thus appropriately considered "a relevant input" for purposes of the

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[103] Report and Order, *Fixed and Mobile Servs. in the Mobile Satellite Service Bands*, FCC No. 11-57, ET Docket No. 10-142, at ¶ 23 (Apr. 6, 2011).

[104] LightSquared, *Nationwide LTE Broadband Network*, http://www.lightsquared.com/what-we-do/network/.

Commission's spectrum screen.[105] AT&T has addressed these points in detail in its public interest statement in the AT&T-Qualcomm proceeding and incorporates that discussion by reference here.[106]

2. The Combined Company Will Face Strong Competition From Many Sources.

Whatever the results of the initial screens, the Commission's merger analysis ultimately asks whether a transaction will give rise to a substantial prospect of either anticompetitive coordination or anticompetitive unilateral effects. The nature and extent of competition in U.S. wireless markets foreclose either concern here, as discussed below. We begin by describing the strong competitors that the combined company will continue to face after this transaction is complete. These include not only providers that market service to customers living in most U.S. markets, but also "regional" providers that market only where they operate networks. Again, providers in *both* categories offer their customers *nationwide* service plans.

Verizon Wireless is the nation's largest wireless provider with a leading reputation for high-quality network performance, and it competes with AT&T in almost every local market. It has an exceedingly robust spectrum position. In addition to its other 700 MHz band holdings, Verizon Wireless has 22 MHz of upper 700 MHz band spectrum nationwide for its ongoing LTE deployment.

Verizon Wireless often targets AT&T in its commercials and asserts that Verizon's network is superior to AT&T's more congested counterpart. Christopher Decl. ¶ 28. Verizon is

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105 *Verizon/ALLTEL Order*, 23 FCC Rcd at 17477 ¶ 62.

106 Public Interest Statement, *Application of AT&T Mobility Spectrum LLC and Qualcomm Inc. for Consent to Assign Eleven Lower 700 MHz Band Licenses*, WT Docket No. 11-18, at 21-28 (Jan. 13, 2011).

using its nationwide 700 MHz footprint to aggressively deploy 4G LTE, which it says will cover two-thirds of Americans by mid-2012.[107] Verizon also states that it will offer a suite of 10 devices for its 4G LTE network that will be available by mid-2011.[108] Verizon claims to face no systemic constraints on its network capacity. Indeed, in the wake of this transaction's announcement, Verizon Wireless's CEO reaffirmed that his company is "extremely confident" it has the "spectrum position" it needs.[109]

Sprint has reversed recent trends and, in 2010, achieved successes that CEO Dan Hesse called "unprecedented in the history of the U.S. wireless industry."[110] Sprint added nearly 1.8 million net subscribers in 2010, including nearly 1.1 million during the fourth quarter of 2010 alone, for a total of approximately 50 million.[111] Along with Verizon Wireless and U.S. Cellular, Sprint fared well in Consumer Reports's recent survey of customer satisfaction, and it is now rapidly increasing market share with its 4G service. *See* Carlton Decl. ¶¶ 96-100; Christopher Decl. ¶ 30. Sprint's success contrasts sharply with T-Mobile USA's own recent performance:

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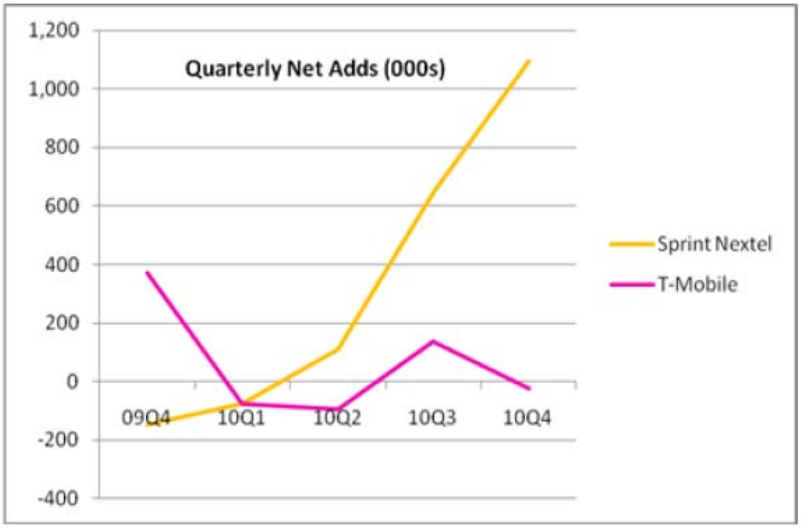
[107] Press Release, Verizon Wireless, *Verizon Wireless Unveils Suite of 4G LTE Smartphones, Tablets, a Mi-Fi, Hotspot and Notebooks* (Jan. 6, 2011), http://news.vzw.com/news/2011/01/pr2011-01-06n.html.

[108] *Id.*

[109] *Verizon and Sprint react to US mega deal*, Mobile Business Briefing, Mar. 22, 2011 (quoting CEO Dan Mead), http://www.mobilebusinessbriefing.com/article/verizon-and-sprint-react-to-us-mega-deal. As Verizon Wireless's CTO added: "We added enormous capacity to the network in one fell swoop. It is there waiting for us to grow into it." *Report: Verizon to Offer Unlimited iPhone Plans*, DailyTech (Jan. 10, 2011) (quoting Anthony J. Melone), http://www.dailytech.com/Report+Verizon+to+Offer+Unlimited+iPhone+Plans/article20614.htm.

[110] Press Release, *Sprint Nextel Reports Fourth Quarter and Full Year 2010 Results*, at 2 (Feb. 10, 2011), http://newsroom.sprint.com/article_display.cfm?article_id=1796.

[111] *Id.* at 1, 11.



Sprint's resurgence is attributable to several factors. First, it was the first to market with a 4G product. In partnership with Clearwire (in which it has a majority ownership stake), Sprint is aggressively rolling out its 4G/WiMAX network, which now reaches well more than 100 million people.[112] Sprint touted these leading-edge network capabilities to consumers in aggressive marketing campaigns throughout 2010, vigorously promoting "the First 4G Phone."[113] And Sprint appears to have delivered on its network performance promises to customers, **[Begin Confidential Information]**

[End Confidential Information]. Christopher Decl. ¶ 30. Indeed, Sprint CEO Dan Hesse has taken aim at AT&T's HSPA+ products by touting Sprint's services as "4G, not faux G."[114]

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112 Sprint recently reached a new wholesale agreement with Clearwire for access to Clearwire's 4G network. *See* Roger Cheng, *Sprint to Pump $1 Billion Into Clearwire*, Wall St. J. (Apr. 19, 2011). According to Clearwire's interim Chief Executive, John Stanton, the agreement reaffirms the companies' relationship, as well as the strength of their combined spectrum position. *Id.*

113 *E.g.*, Sprint, *Sprint HTC EVO™ 4G*, http://now.sprint.com/firsts/evo4g/#/evo4g/.

114 Roger Cheng, *Sprint CEO Touts 4G Devices, "Not Faux G,"* WSJ Blog (Mar. 22, 2011), http://blogs.wsj.com/digits/2011/03/22/sprint-ceo-touts-4g-devices-not-faux-g/.

Second, Sprint has achieved this early 4G success in part because of its exceptional spectrum position, which is far stronger than AT&T's today. As Hesse explains, "[w]hen you combine Sprint's spectrum position with Clearwire's spectrum position it put[s] us in the strongest place for the future."[115] He added: "We have the spectrum resources where we could add LTE if we choose to do that, on top of the WiMAX network. The beauty of having a lot of spectrum is we have a lot of flexibility."[116] A senior Sprint executive recently announced that Sprint might well use that flexibility to "deploy LTE as part of its Network Vision network modernization project . . . , with nationwide LTE coverage by year-end 2013."[117]

Third, Sprint has accompanied this strong network performance with its highly popular suite of award-winning Android handsets, including the HTC EVO 4G, HTC EVO Shift 4G, and Samsung Epic 4G. Christopher Decl. ¶ 34. Sprint is also reportedly gearing up to include eighteen 4G-enabled devices within its portfolio by the end of this year. *Id.*

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[115] *Hesse Keynote*, *supra*. Clearwire has an average spectrum position of approximately 140 MHz across its national spectrum footprint and of approximately 160 MHz across the 100 largest markets. Clearwire Corporation, Annual Report (2010 Form 10-K), at 3 (Feb. 22, 2011). Combined with its own spectrum, this gives Sprint access to an average of more than 190 MHz nationwide, *Fourteenth Wireless Report*, 25 FCC Rcd at 11569, Table 26 (showing Sprint with average holdings of 52.5 MHz) and more than 260 MHz in some markets. *See, e.g.*, Public Interest Statement, *Sprint Nextel Corporation and Clearwire Corporation*, WT Docket 08-94, Appx. D, at 48, 52 (June 1, 2008) (showing that, in Dallas County, Texas, Clearwire has 186 MHz of 2.5 GHz spectrum and Sprint has 77.75 MHz of non-2.5 GHz spectrum).

[116] *Sprint's 4G Move*, *supra*; *see also* Marguerite Reardon, *CTIA Day 1: Where's T-Mobile; talk of spectrum crunch*, CNET News (Mar. 22, 2011), http://reviews.cnet.com/8301-12261_7-20046096-10356022.html#ixzz1IfWvLnt8 (quoting Sprint's Senior Vice President of Networks, Bob Azzi: "[w]e are well positioned with Clearwire in terms of spectrum[.]"); Scott Cendrowski, *Why Sprint stock can double*, CNNMoney.com (Mar. 25, 2011) (quoting Greenlight Capital's David Einhorn: because "Sprint has more than three times the spectrum for 4G than Verizon or AT&T," it could have "a huge advantage going forward"), http:// money.cnn.com/ 2011/03/24/pf/sprint_stock_comeback.fortune/?section=magazines_fortune.

[117] Sue Marek, *Sprint could deploy LTE nationwide by year-end 2013*, FierceWireless (Mar. 2, 2011), http://www.fiercewireless.com/story/sprint-could-deploy-lte-nationwide-year-end-2013/2011-03-02.

Fourth, Sprint has lured subscribers away from its rivals not only with faster data speeds, but also with aggressively priced unlimited data plans. For example, Sprint targeted AT&T's iPhone users when highlighting a substantial price difference between AT&T's plans and Sprint's $69.99 *Everything* unlimited data plan. Christopher Decl. ¶¶ 41-42. Overall, Sprint's strategy appears to have succeeded. In every month since October 2010, **[Begin Confidential Information]**

[End Confidential Information]. *Id.* ¶ 43.

MetroPCS and ***Leap*** (discussed below) have now become the industry's leading "maverick[s]," a term that does not apply to providers that, like T-Mobile USA, are losing share. *See* Carlton Decl. ¶ 154. MetroPCS and Leap each offer unlimited ("all you can eat") voice and data plans to value-oriented customers at low rates and on a no-contract basis. They are taking an "increasing percentage" of subscribers from "the postpaid contract world,"[118] prompting other major providers, including AT&T, to make competitive responses. *See* Christopher Decl. ¶¶ 48-49, 59-62. Indeed, MetroPCS and Leap are now mentioned in the same breath with AT&T, Verizon Wireless, Sprint, and T-Mobile USA.[119] And in a growing number of markets, these providers—and MetroPCS in particular—are estimated to have surpassed T-Mobile USA in both

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[118] Final Transcript, *PCS—MetroPCS Communications, Inc. at Morgan Stanley Technology, Media & Telecom Conference*, at 8 (Mar. 3, 2011) ("*Metro PCS Morgan Stanley Conference Transcript*") (MetroPCS CFO Braxton Carter: "And we have seen [an] increasing percentage of our gross adds coming from the lower part of the postpaid contract world. I think, Tom on our year-end call mentioned roughly a third of our customers are coming from that. And I think it's a natural evolution."); *see also* Carlton Decl. ¶ 109.

[119] For example, Sprint CFO Bob Brust recently remarked: "Retail is a tough place. I mean, we have got a *lot of retail competition* out there, and for [Clearwire] to jump in to that may not be the easiest thing in the world. You've got *Verizon, and AT&T and us and T-Mobile, and Leap and Metro and this, that, and everything else*, so that's a long putt." Final Transcript, S—Sprint Nextel Corporation at Bank of America Merrill Lynch Media, Communications & Entertainment Conference, at 12 (Sept. 15, 2010) (emphasis added).

subscriber share and competitive significance. They can quickly fill any market gap T-Mobile USA leaves upon the completion of this transaction.

Since 2002, MetroPCS has grown from roughly 500,000 subscribers to approximately 8.1 million subscribers today—a sixteen-fold increase in nine years. *See* Christopher Decl. ¶ 60. In September 2008, MetroPCS signed a long-term mutual roaming agreement with Leap and now offers service for a flat monthly fee, without retail roaming charges, in areas covering approximately 90 percent of the U.S. population.[120] In the words of CFO Braxton Carter, MetroPCS has "a nationwide footprint . . . that really puts us on par from a footprint standpoint on a combined network that is *actually a tad bit larger than the Sprint network*":[121]

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[120] Carlton Decl. ¶ 104; Press Release, *Leap Wireless International, Inc. and MetroPCS Communications, Inc. Enter into National Roaming Agreement and Spectrum Exchange Agreement and Settle Litigation* (Sept. 29, 2008), http://phx.corporate-ir.net/phoenix.zhtml?c=191722&p=irol-newsArticle&ID=1203113&highlight=; *see* MetroPCS Coverage Map, http://www.metropcs.com/coverage; Metro USA FAQs, http:// www.metropcs.com/plans/metrousa/faq.aspx; MetroPCS Rate Plans, http://www.metropcs.com/ plans/default.aspx?tab=family.

[121] Final Transcript, *PCS—MetroPCS Communications, Inc. at Raymond James Institutional Investors Conference*, at 1 (Mar. 7, 2011) (emphasis added). MetroPCS's own facilities cover approximately 100 million people. *See Metro PCS-Transcript Morgan Stanley Conference* at 8.

MetroPCS's success is equally striking when one considers its share of subscribers in the particular local markets it has entered. According to AT&T's estimates, MetroPCS has won approximately a **[Begin Confidential Information]** **[End Confidential Information]** percent share of the Miami market and double-digit shares of such major markets as **[Begin Confidential Information]**

[End Confidential Information]. Christopher Decl. ¶ 61.[122] And it is rapidly expanding into new markets, including New York, Los Angeles, Boston, and Philadelphia. *Id.* ¶¶ 54, 61. AT&T's estimates further indicate that MetroPCS's share exceeds that of T-Mobile USA in many markets, including **[Begin Confidential Information]**

[End Confidential Information]. *Id.* ¶ 61.

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[122] The market-share discussion in this section reflect a provider's share of subscribers within the relevant "designated market areas" ("DMAs").

MetroPCS has achieved this success because of, among other considerations, its low prices and formidable local distribution network. *See id.* ¶¶ 13, 61.

Although MetroPCS has traditionally focused on selling inexpensive voice plans to value-oriented customers, it has now aggressively entered the 4G race; indeed, it was the first provider to offer a commercial LTE service. It now offers LTE in at least the following markets: Atlanta, Jacksonville, Miami, Orlando, Boston, Dallas-Fort Worth, Detroit, Las Vegas, Los Angeles, New York City, Philadelphia, Sacramento, and San Francisco. Christopher Decl. ¶ 54. According to MetroPCS CEO Roger Linquist, the company "will finish 'phase one' of its LTE buildout by the first quarter of [2011], and will then cover most all of the carrier's customers with the 4G technology . . . . '[P]hase two' of MetroPCS' LTE buildout will be completed by the end of next year, and will involve putting LTE onto all of the carrier's 11,000 cell sites."[123]

MetroPCS recently rolled out new smartphone plans that provide access to its 4G network, which one analyst has called "the best value for data at the high-end."[124] In CFO Carter's words, "[t]here is a tsunami of Androids coming through[,]" driving Metro's "heavy users to . . . higher ARPU rate plans."[125] He added in early March 2011 that, even though "[t]he Androids have been out a little while longer than two months now, . . . a third of our sales [have been] the Androids handsets" so far this year.[126] CEO Linquist recently reaffirmed his

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[123] Mike Dano, *MetroPCS details LTE buildout plans for 2011, open to LightSquared*, FierceWireless (Sept. 22, 2010), http://www.fiercewireless.com/story/metroPCS-details-lte-buildout-plans-2011-open-LightSquared/2010-09-22#ixzz1HungmW5B.

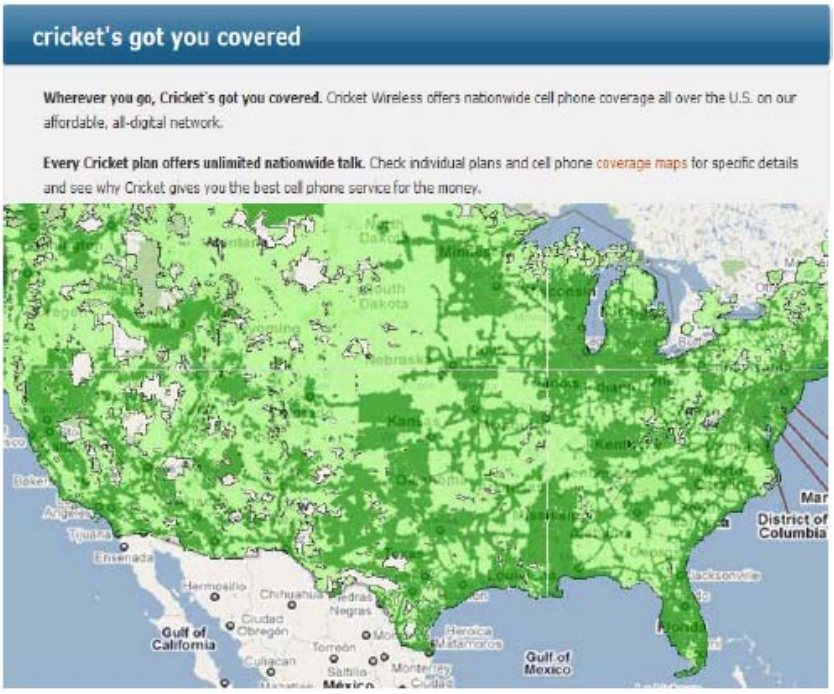
[124] Carlton Decl. ¶ 107 (quoting Deutsche Bank Analyst Report, *MetroPCS Comm. Increasing 4Q10 Net Adds on Positive Channel Checks* (Jan. 4, 2011) ("*Deutsche Bank Jan. 4, 2011 Analyst Report*)).

[125] *Metro PCS Morgan Stanley Conference Transcript*, at 2.

[126] *Id.* at 3.

company's commitment to this smartphone segment, observing that the bar and clam phones are "going the way of the dinosaurs."[127] And because most of MetroPCS's smartphone customers will use spectrally efficient LTE services, the company has the spectrum resources it needs to provide high-quality service to its growing 4G customer base, as MetroPCS told the Commission earlier this year.[128]

Leap, which operates under the brand name "Cricket," markets all-you-can-eat plans to customers in 135 CMAs covering 102 million people, has spectrum in hundreds of additional CMAs, and has announced a variety of potential expansion plans. Carlton Decl. ¶ 108. Like MetroPCS, with which it has a comprehensive long-term roaming agreement, Leap offers nationwide service:



127 Final Transcript, *PCS – MetroPCS Communciations, Inc. at Credit Suisse Group Convergence Conference*, at 2 (Mar. 9, 2011).

128 *See* Letter from Carl Northrop, Counsel to MetroPCS, to Chairman Genachowski, GN Docket No. 09-191, at 6-7 (Feb. 14, 2011).

See Christopher Decl. ¶ 52. Leap has expanded its subscriber base from 1.47 million to 5.5 million in seven years. Christopher Decl. ¶ 62.[129] According to AT&T estimates, Leap has achieved a strong presence in such markets as **[Begin Confidential Information]**

[End Confidential Information]. Carlton Decl. ¶ 108. In **[Begin Confidential Information]**

[End Confidential Information], Leap's shares are estimated to exceed T-Mobile USA's. *See id.*

Leap has traditionally served value-oriented customers and continues targeting its advertising campaigns at consumers seeking lower-priced alternatives to AT&T and Verizon:

Like MetroPCS, Leap has also recently branched out into smartphone services. Leap offers 3G service in all of its markets to approximately 92 million covered POPs, and its MVNO arrangement with Sprint expands 3G coverage to over 280 million POPs.[130] Ten percent of Leap's customer base had already moved to smartphones by year-end 2010. Smartphones—including Android, Windows, and Blackberry devices—now account for 40% of Leap's new

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[129] *See* Leap Wireless International, Inc., Annual Report (2010 10-K), at 48 (Feb. 25, 2011) ("*Leap 2010 10-K*"); Leap Wireless International, Inc., Annual Report (2004 10-K) at 32 (May 16, 2005).

[130] *See* Press Release, *Cricket Announces Launch of Nationwide 3G Data Roaming* (Oct. 19, 2010), http://www.mycricket.com/press/press-release/Cricket-Announces-Launch-of-Nationwide-3G-Data-Roaming.

handset sales.[131] CEO Doug Hutcheson explains: "Our business progress demonstrates how data services are increasingly important to our customers, as evidenced by our customers' significant uptake of smartphones and data-focused, higher-ARPU service plans."[132] He adds: "We have now got the devices, the service plans, and the nationwide 3G coverage our customers want. . . . The result is a significant increase in customer lifetime value which validates that we're making the right investments in the right places."[133] As with its other services, Leap emphasizes value in promoting its products against their more expensive AT&T and Verizon counterparts—advertising, for example, "All the BlackBerry" at "Half the Cost of AT&T and Verizon" with "No Signed Contracts" and "No Fees."[134]

Finally, Leap has begun LTE testing and, in March 2011, accelerated its 4G deployment plans by reaching a major spectrum arrangement with LightSquared to "supplement the LTE coverage that Cricket plans to deploy."[135] Leap currently plans to launch a commercial 4G trial in late 2011.[136]

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131 Mike Dano, *Leap plans Wi-Fi-only ViewSonic Android tablet, more Android smartphones*, Fierce Wireless (Mar. 24, 2011), http://www.fiercewireless.com/ctialive/story/leap-plans-wi-fi-only-viewsonic-android-tablet-more-android-smartphones/2011-03-24.

132 Press Release, *Cricket Enters into 4G Roaming Agreement with LightSquared* (Mar. 22, 2011), http://phx.corporate-ir.net/phoenix.zhtml?c=191722&p=irol-newsArticle&ID=1541451&highlight= ("*Leap-LightSquared Press Release*").

133 LEAP – Q4 2010 Leap Wireless International Earnings Conference Call, at 2 (Feb. 22, 2011).

134 BlackBerry® Curve™ 8530 | Cricket Wireless, http://www.mycricket.com/bundles/curve?CMP=AFC-Google09.

135 *Leap-LightSquared Press Release.*

136 *Leap 2010 10-K*, at 3.

***U.S. Cellular*.** This highly successful provider serves approximately 6.1 million customers in 26 U.S. states.[137] Like the other providers discussed above, it offers nationwide coverage:

According to AT&T's internal estimates, U.S. Cellular has double-digit and sometimes leading shares of many markets in which T-Mobile USA and AT&T also compete, including **[Begin Confidential Information]**

[End Confidential Information]. Christopher Decl. ¶ 65. U.S. Cellular provides a range of 2G and 3G services and offers its customers nationwide 3G data roaming. It also offers a range of state-of-the-art smartphones, including the BlackBerry Bold and a variety of Android phones.[138] In November 2010, U.S. Cellular announced that it

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137 United States Cellular Corporation, Annual Report (2010 10-K), at 1 (Feb. 25, 2011), http://phx.corporate-ir.net/phoenix.zhtml? c=106793&p=irol-sec.

138 U.S. Cellular, *Phones*, http://www.uscellular.com/uscellular/cell-phones/showPhones.jsp.

would launch an LTE test market in late 2011 and was planning for full-scale LTE deployment in 2012.[139]

Strong additional competition is also provided by more regional competitors offering nationwide service plans. These regional competitors include, among many others:

Cellular South serves approximately 880,000 subscribers in at least six states: Mississippi, Alabama, Tennessee, Florida, Louisiana, and Arkansas. Carlton Decl. ¶ 114. In February 2011, it launched a "nationwide talk unlimited plan" for $59.99. CellSouth's website has a page designed specifically to attract customers away from AT&T, advertising: "From coast to coast, we've handpicked the best networks to give you better coverage in far more places than AT&T," and "Our Smartphone Unlimited Plan is a first-of-its-kind value! Get unlimited talk, text, email, and web at a price that saves you over $40/month compared to AT&T or Verizon."[140] And its marketing materials further tout CellSouth's "[n]ationwide [d]ata [c]overage," most of it (the areas colored orange) in 3G:

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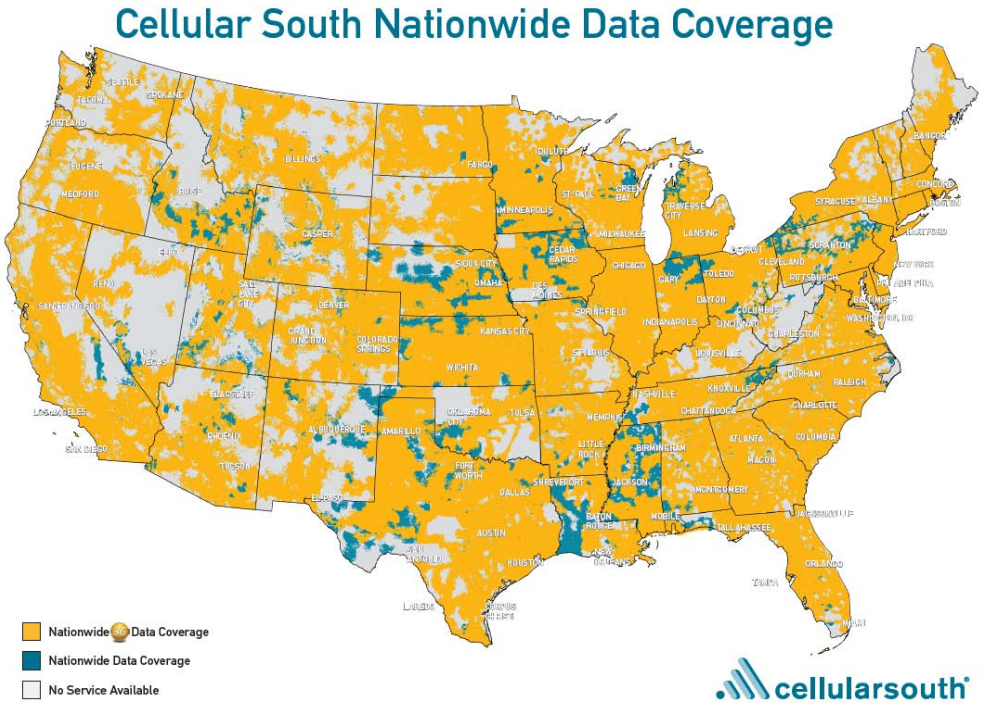
139 Mike Dano, *U.S. Cellular plans LTE test, vendor selection next year*, Fierce Wireless (Nov. 10, 2010), http://www.fiercewireless.com/story/us-cellular-plans-lte-test-vendor-selection-next-year/2010-11-10.

140 *Why Cellular South*, http://www.cellularsouth.com/DiscoverCenter/why-cs/att.jsp.



Similarly, ***Allied Wireless***—a successor to Alltel—serves more than 800,000 subscribers in Georgia, North Carolina, South Carolina, Illinois, Ohio, and Idaho.[141] ***Cincinnati Bell***, a significant competitor in southwestern Ohio, has an estimated market share **[Begin Confidential Information]** **[End Confidential Information]**. Christopher Decl. ¶ 67. ***Cox Communications*** is aggressively promoting its "Unbelievably Fair" (SM) wireless plans to its existing cable TV subscribers in a growing number of markets, including parts of California, Virginia, Oklahoma, and Nebraska. Cox will soon expand into Cleveland and parts of New England and "plans to launch wireless service across 50 percent of its cable footprint by year-end."[142] Although Cox launched in

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141 Allied Wireless Communications Corp., *About Us, Company Overview*, http://www.awcc.com/index.php?id=2.

142 Phil Goldstein, *Cox to expand wireless to 50% of footprint by year-end*, FierceWireless (Mar. 29, 2011), http://www.fiercewireless.com/story/cox-expand-wireless-50-footprint-year-end/2011-03-29.

existing markets through the use of Sprint's spectrum, it is also conducting trials of 4G LTE technology on its own AWS and 700 MHz spectrum, for which it spent more than half a billion dollars at auction.[143]

Finally, in addition to these retail competitors, additional providers are using strong spectrum positions to deploy 4G technology and offer nationwide wholesale capacity to existing competitors and new entrants. These include:

Clearwire, owned by a consortium of Sprint, Comcast, Time Warner Cable, Intel, Google, and Bright House Networks, is the nation's largest holder of spectrum. Using spectrum in the 2.5-2.6 GHz bands, Clearwire is both a retailer of 4G data services (under the "Clear" brand), with more than a million retail customers, and a supplier of wholesale inputs to 4G WiMAX retail providers such as Sprint, Time Warner Cable, and Comcast.[144] It also recently struck a wholesale wireless deal with Best Buy, under which the retailer will use Clearwire's spectrum to market 4G services ("Best Buy Connect") for $45 per month to customers at Best

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[143] *See id.*; Press Release, *Cox Successfully Demonstrates the Delivery of Voice Calling, High Definition Video Via 4G Wireless Technology* (Jan. 25, 2010), http://cox.mediaroom.com/index.php?s=43&item=469.

[144] For example, Time Warner resells Clearwire's 4G service in several markets, including New York City. Michelle Maisto, *Sprint, Clearwire, Time Warner to Bring WiMax 4G to NYC*, eWeek.com (Oct. 18, 2010), http://www.eweek.com/c/a/Mobile-and-Wireless/Sprint-Clearwire-Time-Warner-to-Bring-WiMax-4G-to-NYC-869670. Comcast resells Clearwire's 4G service in numerous cities. Press Release, *Comcast Begins National Rollout of High-Speed Wireless Data Service* (June 29, 2009) ("Comcast's 4G service will be provided via the Clearwire network, and its 3G service will be provided by Sprint's nationwide 3G network."), http://www.comcast.com/About/PressRelease/ PressReleaseDetail.ashx?PRID=887; Devin Coldewey, *Comcast to piggyback on Clearwire and Sprint networks and offer mobile broadband*, CrunchGear (June 29, 2009), http://www.crunchgear.com/2009/06/29/comcast-to-piggyback-on-clearwire-and-sprint-networks-and-offer-mobile-broadband.

Buy's retail outlets nationwide,[145] and a new wholesale agreement with Sprint that, according to Clearwire's CEO, "provides us with the capital to operate efficiently over the next couple of years" and "to plan for our expansion."[146] Clearwire is also conducting LTE trials, and CTO John Saw reports that those trials are producing "mind blowing" results, including "60-90 Mbps of user data rate while you're driving [at] fifty miles an hour."[147]

LightSquared—the successor to SkyTerra—will begin deploying a nationwide 4G LTE network in the second half of 2011 (upon resolution of GPS interference issues) and "could vigorously compete with AT&T and Verizon in the market for 4G LTE service."[148] It expects to reach 100 million people by year-end 2012, 145 million by year-end 2013, and 260 million by year-end 2015.[149] LightSquared has both strong financial backing from Harbinger Capital Partners and, in its words, "owns valuable high quality spectrum assets, including 59 MHz of nationwide ubiquitous spectrum in an advantageous frequency position."[150] As discussed, LightSquared has entered into a long-term 4G roaming agreement with Leap. It also recently announced an agreement to lease spectrum to Open Range, a wireless broadband provider in

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145 Phil Goldstein, *Best Buy kickstarts Clearwire MVNO service for $45 per month*, FierceWireless (Mar. 29, 2011), http://www.fiercewireless.com/story/best-buy-kickstarts-clearwire-mvno-service-45-month/2011-03-29.

146 *See* Roger Cheng, *Sprint to Pump $1 Billion Into Clearwire*, Wall St. J. (Apr. 19, 2011) (quoting interim CEO John Stanton).

147 Karl Bode, *Clearwire: LTE Trial Results "Mind Blowing*," DSL Reports (Mar. 23, 2011), http://www.dslreports.com/shownews/Clearwire-LTE-Trial-Results-Mind-Blowing-113342.

148 Paul Kapustka, *LightSquared Poised to Build Nationwide 4G Network*, PCWorld (Apr. 14, 2011), http://www.pcworld.com/article/225282/lightsquared_poised_to_build_nationwide_4g_network.html.

149 LightSquared, *Nationwide LTE Broadband Network*, http://www.lightsquared.com/what-we-do/network/.

150 Our Investors – LightSquared, http://www.lightsquared.com/about-us/our-investor/.

rural communities.[151] And like Clearwire, it also has entered into a wholesale agreement with Best Buy. CEO Sanjiv Ahuja recently disclosed that the company is negotiating spectrum contracts with 15 additional companies.[152]

The arrangements that spectrum wholesalers (such as Clearwire and LightSquared) have struck with retailers (like Best Buy) and cable companies (like Comcast and Time Warner Cable) illustrate the growing competitive role of MVNOs in the mobile marketplace. *See generally* Carlton Decl. ¶¶ 117-119. In the U.S., an increasing number of non-facilities-based MVNOs offer service to tens of millions of subscribers.[153] While MVNOs generally compete directly with facilities-based providers on price and differentiate themselves through branding, recent market developments make them much more significant as competitive threats.[154] Globally, moreover, MVNOs are already recognized as competitors to facilities-based providers. For example, in its recent T-Mobile/Orange decision, the European Commission took MVNOs into account when analyzing the state of competition in the mobile communications market.[155] Under the circumstances, the FCC, too, should account for MVNOs within its competitive analysis.

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151 Press Release, *LightSquared and Open Range Partner to Expand Deployment of Nation's First 4G LTE Wireless Broadband and Satellite Network to Rural American Communities* (Mar. 11, 2011), http://www.lightsquared.com/press-room/press-releases/lightsquared-and-open-range-2/.

152 Phil Goldstein, *LightSquared CEO: We're in contract negotiations with 15 companies*, FierceWireless (Mar. 28, 2011), http://www.fiercewireless.com/story/lightsquared-ceo-were-contracts-talks-15-companies/2011-03-28.

153 Letter from Christopher Guttman-McCabe, Vice President of Regulatory Affairs, CTIA – The Wireless Association, to Marlene Dortch, Secretary, FCC, WT Docket No. 09-66, GN Docket No. 09-157, GN Docket No. 09-51, at 2 (April 29, 2010).

154 *See id.*

155 *Case No. COMP/M.5650 – T-Mobile/Orange*, EUR-Lex 32010M5650, at 9 (Mar. 1, 2010), http://ec.europa.eu/competition/mergers/cases/decisions/M5650_20100301_20212_247214_EN.pdf.

3. The Transaction Will Not Harm Competition.

The Commission analyzes horizontal mergers to determine whether they will create one of two types of anticompetitive harm—either "coordinated interaction" or "unilateral effects."[156] This transaction presents neither concern.

a) The transaction poses no prospect of anticompetitive coordination.

This merger presents no plausible basis for concern about anticompetitive coordination. Such concerns typically arise in markets with commodity products, limited (and highly transparent) dimensions of competition, limited growth, and few or no "disruptive" players. *See* Carlton Decl. ¶¶ 146-148.[157] As Professor Carlton discusses in his attached declaration, wireless markets have none of those features.

First, wireless markets are characterized by many heterogeneous firms with many different service plans and diverse market positions. These providers compete on multiple dimensions: not only on absolute price levels, but also on highly variable price structures (larger vs. smaller buckets, wireless-to-wireless minutes free, etc.), service quality (speed, reliability, network coverage, etc.), operating systems, and devices. *See* Carlton Decl. ¶¶ 149-152. Indeed, as the popularity of the iPhone and Android platforms reveals, wireless providers now compete on innovation as well. *See* Donovan Decl. ¶¶ 4, 14. By itself, the complexity and non-

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[156] "Unilateral effects are those that result when a merged firm finds it profitable to alter its behavior by increasing prices or reducing output," whereas "[c]oordinated interaction consists of actions by a group of firms that are profitable for each of the firms involved only because the other firms react by accommodating these actions rather than attempting to undercut them." *Verizon/ALLTEL Order*, 23 FCC Rcd at 17484 ¶ 82 nn.298, 299.

[157] *See also Sprint/Nextel Order*, 20 FCC Rcd at 13995 ¶ 70 (factors include "the number of firms, transparency of information, firm and product homogeneity, and the presence of mavericks"); *Cingular/AT&T Wireless Order*, 19 FCC Rcd at 21580-86 ¶¶ 150-164.

transparency of this competitive landscape would present formidable obstacles to any effective coordination effort. *See* Carlton Decl. ¶¶ 149-152.

Second, wireless markets are characterized by both strong demand and rapid technological flux. Those conditions would make coordination among firms formidably difficult, given that every provider has strong individual incentives to be an early provider of new services and to serve rapidly growing demand. *See* Carlton Decl. ¶ 151.

Third, wireless markets are highly prone to disruption by mavericks. For example, upstarts such as MetroPCS and Leap have succeeded—as shown by their dramatic subscriber growth—because they have effectively distinguished themselves from Verizon, AT&T, and others on (for example) the basis of price. And Sprint can claim to have added nearly two million net subscribers in 2010 because it effectively marketed its value propositions plus its groundbreaking first-in-time 4G service and devices. Such widespread differentiation among providers and services would further impede any coordination effort. *See* Carlton Decl. ¶¶ 148-152.

Finally, even by itself, the geographically local nature of wireless markets would also preclude any coordination arrangement. Local markets vary tremendously in the number and identity of competitors, as discussed above. Major providers would find it difficult, if not impossible, to "coordinate" their competitive activities without triggering disruptive responses from various upstarts in local markets. *See* Carlton Decl. ¶ 152.

b) *The transaction poses no prospect of anticompetitive unilateral effects.*

There is also no basis for concern that the transaction will present unilateral anticompetitive effects—*i.e.*, "increas[ed] prices or reduc[ed] output" as compared to the

marketplace in the absence of the transactions.[158] Such concerns are most substantial when (1) the pre-merger companies are not capacity constrained and thus, in the absence of the merger, would find it profitable to add more customers at existing price levels, and (2) the merging brands are close substitutes and exert strong mutual competitive pressure. Carlton Decl. ¶¶ 137-140. Neither condition is present here, and typical "unilateral effects" concerns are thus inapplicable. *Id.*

First, the transaction will produce *greater* output and *lower* prices than would exist in the absence of the transaction precisely because it will enable these two companies to meet otherwise intractable capacity constraints. Carlton Decl. ¶ 133. Firms like AT&T that are operating at or near capacity have little or no incentive to cut prices in order to attract new subscribers. Instead, even in highly competitive markets, such firms have the incentive to ration available capacity through a variety of means, including the use of usage-sensitive pricing to discourage high customer demand for available capacity. *See* Christopher Decl. ¶ 4. For example, AT&T instituted tiered pricing for its smartphone services in 2010 to help promote that capacity-conserving objective. *Id.* Alternatively, a provider facing severe capacity constraints could throttle back on high usage or simply allow its network to become increasingly congested.[159] In practical effect, either outcome would raise the quality-adjusted price of service.

In these circumstances, the capacity increases created by this highly synergistic transaction can only benefit consumers. As Professor Carlton explains, those increases "will lower the cost of serving additional subscribers and thus create incentives to expand output and

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158 *Verizon/ALLTEL Order*, 23 FCC Rcd at 17484 ¶ 82 n.298.

159 *See generally* Brennon Slattery, *T-Mobile Unlimited Data Plan Includes Throttling*, PC World (Apr. 13, 2011), http://www.pcworld.com/article/225012/tmobile_unlimited_data_plan_includes_ throttling.html.

lower prices relative to the levels expected in the absence of the transaction." Carlton Decl. ¶ 134. This is "especially" true "in light of the large projected increases in demand for data services[.]" *Id.*[160] And the transaction will benefit consumers by creating incentives for greater innovation, greater output, and lower prices than would occur in the absence of this transaction. *See* Christopher Decl. ¶¶ 79-80; Carlton Decl. ¶ 134. In particular, it will "enable AT&T to bring to market a broader range of products and services in a more timely, efficient, and competitive manner," thereby "challeng[ing AT&T's] competitors to compete on the quality and pricing of their service offerings" as well. Christopher Decl. ¶ 80.

In any event, even apart from these considerations, the transaction presents few concerns about unilateral anticompetitive effects because, as discussed, T-Mobile USA does not exert strong competitive pressure on AT&T and the two brands serve substantially different groups of subscribers. Christopher Decl. ¶ 27; Carlton Decl. ¶ 149. Verizon is AT&T's "next closest" competitor, followed by Sprint, while MetroPCS, Leap, and other regional providers are increasing competitive threats. While AT&T tracks T-Mobile USA's activities (along with those of other providers), it does not view T-Mobile USA as a close competitor, let alone as a major competitive threat. Christopher Decl. ¶ 27. Indeed, **[Begin Confidential Information]**

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[160] As Professor Carlton further explains (Decl. at ¶¶ 141-143), the "upward pricing pressure" ("UPP") analysis reflected in the new DoJ/FTC Horizontal Merger Guidelines is designed for markets where firms do not confront long-term capacity constraints that deprive them of normal incentives to win more customers by lowering prices. That analysis is thus an inappropriate means of evaluating the proposed merger, given the severe capacity constraints facing AT&T and T-Mobile USA and the ability of the two companies to increase their capacity and output through merger synergies." *See also* Jonathan B. Baker, *Merger Simulation in an Administrative Context*, at 5 n.8 (Feb. 22, 2011) ("In practice, unilateral effects most commonly arise from mergers among firms that sell differentiated products without binding capacity constraints."), http://ssrn.com/abstract=1790943.

[End Confidential Information]. Christopher Decl. ¶ 23.

The two companies are positioned very differently in the marketplace. For example, T-Mobile USA focuses on a **[Begin Confidential Information]**

[End Confidential Information] than AT&T. Carlton Decl. ¶ 89 & Table 2, ¶ 125. In a recent survey, T-Mobile USA subscribers were substantially **[Begin Confidential Information]**

[End Confidential Information].[161] Data usage also accounts for a far lower percentage of T-Mobile USA's revenues than AT&T's, and T-Mobile USA has a far higher share of non-contract subscribers. *See* Carlton Decl. ¶ 89 & Table 2, ¶ 125.

MetroPCS, Leap, and other value providers increasingly target the same value-conscious consumers as T-Mobile USA. Christopher Decl. ¶ 46; Carlton Decl. ¶ 89 & Table 2. And they are doing so more successfully because they tend to offer lower prices than T-Mobile USA for value-oriented services. Christopher Decl. ¶ 46. For example, as MetroPCS told the Commission earlier this year, "MetroPCS' most expensive all-inclusive plan . . . is priced well below the unlimited voice and data offerings of all of MetroPCS' major competitors," and it cited T-Mobile USA's comparable plan in particular as one of the "substantially more expensive" alternatives.[162]

In short, MetroPCS, Leap, and others can fill any gap T-Mobile USA might leave in the competition for value-conscious consumers when the transaction is completed. Indeed, as

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161 *See* Nielsen, *Q4 2010 Q4 Mobile Insights: National Report*, at 68-69.

162 *MetroPCS Feb. 14, 2011 Letter* at 12 and n.42.

discussed above, MetroPCS and Leap have *already* overtaken T-Mobile USA in a growing number of markets. This trend is likely to continue. "[A] significant driver of . . . new customers [for MetroPCS] is an influx of former contract customers . . . . '[T]hese consumers, who are typically no longer on contract, are porting their numbers to [MetroPCS] once they recognize the value proposition offered by unlimited month-to-month usage and near-nationwide coverage for an all-in flat rate. . . . . [One-third] of its gross adds were former post paid subs, and . . . this share could increase as [MetroPCS] rolls out new attractive handsets.'"[163]

The threat of new entry further minimizes any concern about unilateral effects. For example, LightSquared's recent wholesale deal with Best Buy shows the potential for new retail competition, and LightSquared has sufficient spectrum to wholesale to additional providers such as Wal-Mart or Amazon.[164] Similarly, cable companies such as Cox and Time Warner Cable both have spectrum in their own right and have entered arrangements with wholesalers such as Clearwire.[165] The cable companies, which can easily exploit their longstanding access to millions of cable television subscribers, could also expand their offerings to respond to any opportunity in a market segment now served by T-Mobile USA. *See* Carlton Decl. ¶ 120.

More generally, this transaction will not eliminate a major competitive force from the marketplace. T-Mobile USA is now "struggling for relevance" in this increasingly competitive

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[163] Carlton Decl. ¶ 110 (quoting *Deutsche Bank Jan. 4, 2011 Analyst Report* at 4).

[164] *See* David Goldman, *LightSquared's big gamble: A brand-new wireless network*, CNNMoney.com (July 21, 2010), http://money.cnn.com/2010/07/21/technology/ LightSquared_wireless_network/ index.htm.

[165] SpectrumCo, a consortium of investors including Comcast and Time Warner Cable (but no longer Cox), holds AWS licenses for 20 MHz of spectrum covering over 80% of the continental U.S. and Hawaii. *See, e.g.*, Time Warner Cable, Inc., Annual Report (2010 10-K) at 15 (Feb. 18, 2011). That spectrum is also a key source of potential new wireless entry. *See* Carlton Decl. ¶ 120.

market.[166] In particular, its "pricing strategy is exposed at the low-end to challengers, such as Leap and Metro, while high ARPU [subscribers] are targeted by AT&T and Verizon's higher quality positioning."[167] While Sprint has turned itself around within the past two years, and while industry upstarts MetroPCS and Leap have grown with astonishing rapidity, T-Mobile USA's percentage of subscribers nationwide has declined since 2009:

[Begin Confidential Information]

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Carlton Decl. ¶ 126. T-Mobile USA had its worst decline ever in the fourth quarter of 2010, when it suffered a net loss of 23,000 total customers and a net loss of 318,000 contract customers.[168] "T-Mobile USA's high total churn, 3.4% at the end of Q3 2010[,] is significantly

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166 Carlton Decl. ¶ 130 (quoting *J.P. Morgan Jan. 2011 Analysis*, at 18).

167 Carlton Decl. ¶ 130 (quoting Morgan Stanley, *Deutsche Telekom, US Options—No Easy Way Out*, at 3 (Jan. 10, 2011)).

168 Peter Pachal, *Why Is T-Mobile Losing Customers?*, PCMag.com (Feb 25, 2011), http://www.pcmag.com/article2/0,2817,2380949,00.asp.

higher when compared to national carriers such as Verizon Wireless and AT&T. This can be attributed to its customer base, which is more value oriented and now overwhelmingly skewed towards prepaid for net additions."[169] As DT's Thorsten Langheim notes, T-Mobile USA is "struggling to remain a strong competitor in the wireless marketplace." Langheim Decl. ¶ 11.

As an independent company, T-Mobile USA would also have decreasing significance in the higher end of the market because T-Mobile USA has no clear path to deploy LTE. *See* Section I.A, *supra.* And any potential LTE product T-Mobile USA could potentially deploy would be subject to substantial spectrum limitations and capital-financing challenges. *See id.* As discussed, DT has turned increasing attention to its European operations at the expense of its American subsidiary and, in January 2011, announced that T-Mobile USA can no longer rely on its parent for investment support and must instead "fund its future itself."[170]

This transaction also will not harm competition for business customers because AT&T and T-Mobile USA are not frequent or close competitors in that space. *See* Christopher Decl. ¶¶ 25-26. AT&T offers a sophisticated suite of wireless business applications and services, and it focuses on offering an integrated value proposition that includes wireline services like VPN as well as wireless. Verizon and Sprint are AT&T's primary competitors for those opportunities. In contrast, T-Mobile USA has a more limited offering, since it sells more basic wireless services and has no wireline operations. In short, T-Mobile USA is not a significant player in this customer segment, and where it does appear, there are other, stronger competitors involved as well.

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[169] Carlton Decl. ¶ 122 n.181 (quoting Current Analysis, *Company Assessment: T-Mobile USA*, at 5 (Jan. 18, 2011)).

[170] Jan. 20, 2011 DT Analyst Briefing (Deutsche Telekom CEO Rene Obermann).

For all of these reasons, while consumers will benefit tremendously from the integration of these two companies' networks, the elimination of T-Mobile USA as a standalone provider will not substantially reduce competition in any relevant market.

Finally, an international perspective is instructive. The U.S. marketplace is substantially less concentrated than its foreign counterparts, which themselves remain competitive, and it also differs from them in its "large number of regional and local mobile operators" offering nationwide service.[171] As the Commission has observed, "each market [in Western Europe and Japan] tends to be dominated by the top two competitors, which have a combined market share ranging from approximately 70-72 percent in Germany and Italy to approximately 77-78 percent in France, Finland, and Japan."[172] As foreign regulators have recognized, consumers benefit when providers have the scope and scale they need to provide high-quality, cutting-edge services despite escalating wireless broadband usage. This Commission should not hobble the U.S. broadband marketplace with artificial constraints on these operating efficiencies.

RELATED GOVERNMENTAL FILINGS

The Department of Justice will conduct its own review of the competitive aspects of this transaction pursuant to the Hart-Scott-Rodino Antitrust Improvements Act of 1976[173] and the rules promulgated thereunder. The Applicants have submitted a notification form and an associated documentary appendix to the Department and the Federal Trade Commission, and they fully expect that this review will confirm that the transaction does not raise any competitive issues.

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171 *Fourteenth Wireless Report*, 25 FCC Rcd at 11621 ¶ 365 n.981.

172 *Id.* at 11622 ¶ 367; *see id.* at 11621 ¶ 365.

173 15 U.S.C. § 18a.

MISCELLANEOUS REGULATORY ISSUES

In addition to seeking the Commission's approval of the assignments and transfer of control of the authorizations and spectrum leases covered in these applications, the applicants also request approval for the additional authorizations described below.

A. After-Acquired Authorizations

The list of call signs and file numbers included in each application is intended to include all of the licenses, authorizations, and spectrum leases held by the respective licensees or lessees that are subject to the transaction. However, T-Mobile USA licensees or lessees may now have on file, and may hereafter file, additional requests for authorizations for new or modified facilities that may be granted, or it may enter into new spectrum leases before the Commission takes action on these Applications. Accordingly, the applicants request that any Commission approval of the applications filed for this transaction include authority for AT&T to acquire control of: (1) any authorization issued to T-Mobile USA or its subsidiaries while this transaction is pending before the Commission and the period required for consummation of the transaction;[174] (2) any construction permits held by T-Mobile USA or its subsidiaries that mature into licenses after closing; (3) any applications or lease notifications that are pending at the time of consummation; and (4) any leases of spectrum into which T-Mobile USA or its subsidiaries enter as lessees while this transaction is pending before the Commission and the period required

[174] In particular, the applicants request that any Commission approval of the applications include authority for AT&T to acquire control of spectrum acquired by T-Mobile USA from Sprint in a recent transaction. The Commission consented to T-Mobile USA's acquisition of a partitioned/disaggregated portion of Sprint call sign KNLF215, and the parties consummated the transaction, but inadvertently failed to file a notice of consummation. The relevant application, ULS File No. 0004141100, is currently in a dismissal status, and T-Mobile USA and Sprint have pending before the Commission a petition for reinstatement of this and a related application assigning spectrum to Sprint.

for consummation of the transaction. Such action would be consistent with prior decisions of the Commission.[175] Moreover, because AT&T is acquiring T-Mobile USA and all of its FCC authorizations, AT&T requests that Commission approval include any authorizations that may have been inadvertently omitted.

B. Trafficking

To the extent any authorizations for unconstructed systems are covered by this transaction, these authorizations are merely incidental, with no separate payment being made for any individual authorization or facility. Accordingly, there is no reason to review the transaction from a trafficking perspective.[176]

C. Blanket Exemption to Cut-Off Rules

Pursuant to Sections 1.927(h), 1.929(a)(2), and 1.933(b) of the Commission's Rules,[177] to the extent necessary,[178] the applicants request a blanket exemption from any applicable cut-off

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[175] *See, e.g.*, *AT&T/Verizon Order*, 25 FCC Rcd at 8773 ¶ 165; *AT&T/Centennial Order*, 24 FCC Rcd at 13981 ¶ 170; Memorandum Opinion and Order, *SBC Communic'ns Inc. and AT&T Corp. Applications for Approval of Transfer of Control*, 20 FCC Rcd 18290, 18392 ¶ 212 (2005); *Cingular/AT&T Wireless Order*, 19 FCC Rcd at 21626 ¶ 275; Memorandum Opinion and Order, *Applications for Consent to the Transfer of Control of Licenses and Section 214 Authorizations from S. New Eng. Telecoms. Corp. to SBC Commc'ns, Inc.*, 13 FCC Rcd 21292, 21317 ¶ 49 (1998); Memorandum Opinion and Order, *Applications of NYNEX Corp. and Bell Atl. Corp.*, 12 FCC Rcd 19985, 20097-98 ¶¶ 246-56 (1997) ("*NYNEX/Bell Atlantic Order*"); Memorandum Opinion and Order, *Applications of Pac. Telesis Group and SBC Commc'ns, Inc.*, 12 FCC Rcd 2624, 2665 ¶ 93 (1997); Memorandum Opinion and Order, *Applications of Craig O. McCaw and Am. Tel. & Tel. Co.*, 9 FCC Rcd 5836, 5909 ¶ 137 n.300 (1994) ("*McCaw/AT&T Order*"), *aff'd sub nom. SBC Commc'ns Inc. v. FCC*, 56 F.3d 1484 (D.C. Cir. 1995), *recons. in part*, 10 FCC Rcd 11786 (1995).

[176] *See* 47 C.F.R. § 1.948(i) (noting that the Commission *may* request additional information regarding trafficking if it appears that a transaction involves unconstructed authorizations that were obtained for the principal purpose of speculation); *id.* § 101.55(c)-(d) (permitting transfers of unconstructed microwave facilities that are "incidental to a sale of other facilities or merger of interests").

[177] 47 C.F.R. §§ 1.927(h), 1.929(a)(2), 1.933(b).

rules in cases where the licensees in this transaction file amendments to pending applications in order to reflect consummation of the proposed transaction. This exemption is requested to prevent amendments to pending applications that report the change in ultimate ownership of the licenses involved in these applications from being treated as major amendments. The nature of the proposed transaction demonstrates that the ownership changes would not be made for the acquisition of any particular pending application, but as part of a larger transaction undertaken for an independent and legitimate business purpose. Grant of this request would be consistent with prior Commission decisions that have routinely granted a blanket exemption in cases involving multiple-license transactions, such as this one.[179]

D. Unjust Enrichment

No unjust enrichment concerns are implicated by this transaction. Although the applicants are filing a Form 603 to transfer control of T-Mobile USA's interest in a designated entity, Cook Inlet/VS GSM VII PCS, LLC ("Cook Inlet VII"), that interest already is held by a

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[178] With respect to cut-off rules under Sections 1.927(h) and 1.929(a)(2), the Commission previously has found that the public notice announcing the transaction will provide adequate notice to the public with respect to the licenses involved, including for any license modifications pending. In such cases, it determined that a blanket exemption of the cut-off rules was unnecessary. *See* Memorandum Opinion and Order, *Applications of Ameritech Corp. and GTE Consumer Services Inc. for Consent to Transfer Control of Licenses and Authorizations*, 15 FCC Rcd 6667, 6668 ¶ 2 n.6 (1999); Memorandum Opinion and Order, *Applications of Comcast Cellular Holdings, Co. and SBC Communic'ns Inc.*, 14 FCC Rcd 10604, 10605, ¶ 2 n.3 (1999).

[179] *See, e.g.*, Memorandum Opinion and Order, *Applications of PacifiCorp Holdings, Inc., and Century Tel. Enters., Inc. for Consent to Transfer Control of Pac. Telecom, Inc., a Subsidiary of PacifiCorp Holdings, Inc.*, 13 FCC Rcd 8891, 8915-16, ¶ 47 (1997); *NYNEX/Bell Atlantic Order* , 12 FCC Rcd at 20091-92 ¶ 234; *McCaw/AT&T Order*, 9 FCC Rcd at ¶ 137 n.300.

non-designated entity—T-Mobile USA.[180] The applicants are filing the Stock Purchase Agreement and related materials.

Several of T-Mobile USA's authorizations originally were subject to the Commission's installment payment plan. For all of these authorizations, however, the installment payment obligations have been paid in full.[181]

E. Environmental Impact

As required by Section 1.923(e) of the Commission's rules,[182] the applicants state that the transfer of control of licenses and leases involved in this transaction will not have a significant environmental effect, as defined by Section 1.1307 of the Commission's rules.[183] A transfer of control of licenses and leases does not involve any engineering changes and, therefore, cannot have a significant environmental impact.

CONCLUSION

AT&T's acquisition of T-Mobile USA from DT will serve the public interest. The Commission should expeditiously grant the applications to transfer control of T-Mobile USA's FCC authorizations to AT&T.

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[180] T-Mobile USA's interest in Cook Inlet VII is non-controlling by definition. Otherwise, Cook Inlet VII would not have qualified to bid on and hold its licenses as a designated entity. *See* 47 C.F.R. § 1.2110; Fifth Report and Order, *Amendment of Part 1 of the Comm'n's Rules – Competitive Bidding Procedures*, 15 FCC Rcd 15293, 15323-28 ¶¶ 58-69 (2000) ("We will adopt as our general attribution rule a 'controlling interest' standard for determining which applicants qualify as small businesses.") (subsequent history omitted).

[181] *See* ULS File Nos. 0004669383, 0004673673, 0004673727, 0004673730, and 0004673732. The application to transfer control of licenses held by Iowa Wireless Services Holding Corporation also involves spectrum originally subject to the Commission's installment payment program. This application is being filed manually and as such a file number has not yet been assigned.

[182] 47 C.F.R. § 1.923(e).

[183] *Id.* § 1.1307.

The declarations and appendices attached to this document may be found in the Commission's Electronic Comment Filing System in WT Docket No. 11-65.

Second Signature of Transferor

The internal governance policies of transferor, Deutsche Telekom AG ("DT"), require the signatures of two legal representatives of DT to legally bind the company. Wolfgang Kopf, Senior Vice President – Public and Regulatory Affairs, is signing this FCC application form on behalf of DT. Because the form provides for only one transferor signature, the Applicants have attached this exhibit so as to include a second "CERTIFICATION" section for the transferor containing the certification and signature of Volker Stapper, Vice President International Competition and Media Policy.

CERTIFICATION

26. Printed Name of Assignor/Transferor Deutsche Telekom AG	**29. Printed Name of Assignee / Transferee**
27. Title (Office Held by Person Signing) Vice President International Competition and Media Policy	**30. Title (Office Held by Person Signing)**
28. Signature (Enter the name of the person who will sign the paper version of this form for retention in their files) Volker Stapper	**31. Signature (Enter the name of the person who will sign the paper version of this form for retention in their files)**
WILLFUL FALSE STATEMENTS MADE ON THIS FORM ARE PUNISHABLE BY FINE AND / OR IMPRISONMENT (U.S. Code, Title 18, Section 1001), AND/OR REVOCATION OF ANY STATION AUTHORIZATION (U.S. Code, Title 47, Section 312(a)(1)), AND/OR FORFEITURE (U.S. Code, Title 47, Section 503).	