

AT&T Talks Of Spectrum Shortage But Has Plenty: http://www.huffingtonpost.com/2011/03/22/att-tmobile-deal-spectrum_n_838911.html

The then Cingular justified their acquisition of then ATT because they needed the spectrum because they had to run four different networks: Analog, TDMA, GSM and UTMS. So what's their excuse this time? Actually "The Phone Company" has always wanted a monopoly on wireless spectrum from back when cellular was just an idea. We knew that one wireless carrier was not enough, so the FCC gave us two, which we learned was not enough to create competition. Now we are going back to three and soon only two again.

Speaking to investors and journalists after the deal was announced, Stephenson said several times that the company's mobile data volumes have increased 80-fold over four years ? since the launch of the iPhone. But he also said he expects data volumes to grow eight to 10 times over the next five years, a much lower rate.

AT&T and its chief competitor, Verizon Wireless, have healthy spectrum holdings, thanks in large part to a government auction of old TV airwaves in 2008.

Sprint Nextel Corp., the No. 3 wireless provider, has huge amounts of spectrum available to it through a partnership with Clearwire Corp., of which it also owns the majority. That spectrum, too, is largely unused, but some technical considerations make it more difficult to exploit than Verizon's and AT&T's holdings.

AT&T has enough airwaves that it agreed to transfer some of its spectrum holdings to T-Mobile USA, along with a \$3 billion breakup fee, if the deal is blocked by regulators.

Even if the deal doesn't increase the amount of spectrum available to U.S. phone users, there are some gains to be expected in terms of the amount of data and the number of calls that can be carried.

That's because combining the spectrum holdings of AT&T and T-Mobile would let AT&T make better, more efficient use of T-Mobile's holdings.

Today, if AT&T's data network is overloaded in an area, the traffic doesn't move over to T-Mobile's network, even if there's spare capacity there. But that would happen after the two companies combine, resulting in better utilization.

But the logical extension of that argument is that we could make even better use of the airwaves if we had only one wireless company in the nation ? a monopoly. The economics of the business already point in that direction: The No. 3 and 4 carriers, T-Mobile and Sprint, have been struggling for years against the industry leaders, AT&T and Verizon Wireless.

Sincerely,

Mr. Maneesh Pangasa
3562 South 18th Avenue
Yuma AZ 85365-3937
(928) 446-8999