

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

In the Matter of )  
 )  
The State of Wireless Competition ) WT Docket No. 11-186  
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**COMMENTS OF SPRINT NEXTEL CORPORATION**

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Sprint Nextel Corporation ("Sprint") submits these comments in response to the Commission's request for "input and data on mobile wireless competition" as part of the preparation of its Sixteenth Annual Report on the State of Mobile Wireless Competition.<sup>1</sup>

**I. SUMMARY AND INTRODUCTION**

In these comments, Sprint focuses on two areas. First, Sprint describes a number of important trends that have characterized the mobile wireless industry over the last several years. Second, Sprint makes several recommendations to the Commission on how the FCC should consider spectrum inputs in the context of mobile wireless competition.

**Industry Trends:** The 2010-2011 period in mobile wireless has been characterized by network upgrades, product innovations, improved environmental stewardship, and consumer value. Sprint and other mobile wireless carriers have and are continuing to deploy 4G networks and make major upgrades to 3G networks in hundreds of communities nationwide. Sprint alone has introduced dozens of 4G capable devices

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<sup>1</sup> See Public Notice, *Wireless Telecommunications Bureau Seeks Comment on the State of Mobile Wireless Competition*, WT Docket No.11-186 (June 30, 2010) ("Public Notice").

including the first 4G capable and industry leading smartphones, tablets, mobile hotspots, notebooks and netbooks.

Sprint is also engaged in an unprecedented network technology upgrade called “Network Vision.” Network Vision is Sprint’s initiative to consolidate multiple network technologies and frequency bands into one seamless network with the goal of increasing efficiency and enhancing network coverage, call quality, and data speeds for customers across the United States. Sprint has already made significant progress in implementing Network Vision.

Sprint has aggressively pushed its already industry-leading environmental stewardship efforts to become one of the most “green” companies in the United States. As a combined result of its carbon footprint reduction efforts, renewable energy commitment, cell-phone recycling program, environmental management system, and other environmental efforts, this year Sprint earned the number 3 spot on Newsweek’s 2011 Green Rankings. This is the second straight year that Sprint has ranked in the top 10, up from number 6 last year and number 15 in 2009.

Sprint has also continued to lead the industry in customer value and innovation. October 14, 2011, Sprint became the only U.S. carrier to offer new and existing customers the iPhone experience with unlimited data plans. Sprint recorded its best ever day of sales for a device family in Sprint’s history. Sprint introduced mobile broadband plans offering 20 percent more data than AT&T’s and Verizon’s similar plans, and become the first carrier to launch Google Wallet.

**Spectrum Considerations:** As the Commission considers how spectrum relates to competition in the mobile wireless industry, the Commission should consider the actual market value of the spectrum bands used to provide mobile service. The different

characteristics of high and low-frequency spectrum result in vastly different values. Market evidence shows, for example, that the industry value of 700 MHz band spectrum may be eighteen times higher than 2.5 GHz spectrum. The Commission should also act now to prevent owners of that high-valued 700 MHz spectrum from excluding potential new entrants and roaming partners from accessing the band by requiring that band owners provide for interoperability across the entire band.

## **II. TRENDS AND DEVELOPMENTS IN THE MOBILE WIRELESS INDUSTRY IN 2011**

The Commission seeks comment on “trends and developments that have occurred during 2010 or 2011” and “[i]n particular, we seek information on events or developments that arose after release of the *Fifteenth Report*.”<sup>2</sup> Sprint discussed below a number of trends and developments that reflect the state of competition in the mobile wireless industry during the past year and, in particular, since the Commission released its *Fifteenth Report*.<sup>3</sup>

### **A. Wireless Carriers Have Rapidly Deployed 4G Mobile Broadband Networks and Introduced 4G Capable Devices**

Last year, Sprint postulated that the deployment and adoption of fourth-generation wireless technologies would revolutionize the wireless broadband market.<sup>4</sup> Since making that statement, Sprint has lead the way in bringing 4G services to market. Sprint, through agreements with Clearwire, has expanded the reach of its 4G service offerings and

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<sup>2</sup> Public Notice at 2.

<sup>3</sup> Implementation of Section 6002(b) of the Omnibus Budget Reconciliation Act of 1993, Annual Report and Analysis of Competitive Market Conditions with Respect to Mobile Wireless, including Commercial Mobile Services, WT Docket No. 10-133, *Fifteenth Report*, 26 FCC Rcd 9664 (2011) (*Fifteenth Report*).

<sup>4</sup> Comments of Sprint Nextel Corporation, WT Docket No. 10-133 at 1 (filed July 30, 2010).

introduced a wide array of innovative, iconic 4G enabled devices. Other carriers have followed suit, introducing 4G networks of their own or upgrading their existing 3G networks with technologies capable of achieving similar speeds.

As the first national wireless carrier to test, launch and market 4G technology, Sprint made history by launching 4G in Baltimore in September 2008.<sup>5</sup> By the close of 2010, Sprint offered 4G service in 71 markets in 28 states, and offered 15 4G capable devices for consumers and business, including three phones, a 4G netbook and notebook, numerous USB modems and several mobile hotspots and routers.<sup>6</sup>

Sprint's 4G momentum has continued into 2011 as Sprint has introduced a plethora of second-generation, industry-leading 4G capable devices including the HTC EVO Shift 4G and MiFi 3G/4G Mobile Hotspot,<sup>7</sup> the Blackberry 4G PlayBook,<sup>8</sup> the Overdrive Pro 3G/4G Mobile Hotspot,<sup>9</sup> the first pure 4G Google device, the Google/Samsung Nexus S 4G,<sup>10</sup> the country's first 4G glasses-free 3D display device the

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<sup>5</sup> Sprint News Release, *Sprint Extends 4G Leadership with Nation's First 3G/4G Dual-Mode Mobile Broadband Service* (December 17, 2008), available at [http://newsroom.sprint.com/article\\_display.cfm?article\\_id=798](http://newsroom.sprint.com/article_display.cfm?article_id=798).

<sup>6</sup> Sprint News Release, *Sprint's 4G Leadership Extends into 2011 with Introduction of Second Generation of Industry-Leading 4G-Capable Devices* (January 4, 2011), available at: [http://newsroom.sprint.com/article\\_display.cfm?article\\_id=1758](http://newsroom.sprint.com/article_display.cfm?article_id=1758).

<sup>7</sup> *Id.*

<sup>8</sup> Sprint News Release, *BlackBerry 4G PlayBook Coming to the Sprint 4G Network* (January 6, 2011), available at: <http://newsroom.sprint.com/news/blackberry-4g-playbook-coming-to-the-sprint-4g-network.htm>.

<sup>9</sup> Sprint News Release, *Overdrive™ Pro 3G/4G Mobile Hotspot by Sierra Wireless, Exclusively from Sprint, Delivers 4G Speeds to Millions of Wi-Fi Enabled Devices* (March 17, 2011), available at: [http://newsroom.sprint.com/article\\_display.cfm?article\\_id=1827](http://newsroom.sprint.com/article_display.cfm?article_id=1827).

<sup>10</sup> Sprint News Release, *First Pure Google 4G Device with Android 2.3 in the U.S., Nexus S 4G from Google and Samsung, Coming to Sprint this Spring* (March 21, 2011), available at: [http://newsroom.sprint.com/article\\_display.cfm?article\\_id=1831](http://newsroom.sprint.com/article_display.cfm?article_id=1831).

HTC EVO 3D,<sup>11</sup> the first 4G tablet in the market the HTC EVO View 4G,<sup>12</sup> Sprint's first international GSM capable 4G android phone the Motorola Photon 4G,<sup>13</sup> the industry's first dual-mode 3G/4G mobile broadband card, the Merlin CC208 3G/4G 2-in-1 Card,<sup>14</sup> the first of the Samsung Galaxy S II handsets available in the U.S., the Epic 4G Touch,<sup>15</sup> and first EVO family member touting world phone capabilities, the HTC EVO Design 4G.<sup>16</sup>

In January 2011, Sprint became the first national wireless carrier in the U.S. to offer international 4G roaming, inking roaming deals with carriers in Jamaica and Taiwan.<sup>17</sup> Sprint also became the first U.S. wireless carrier to make 4G available to wholesale customers, provide 4G network resale opportunities and award winning dual

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<sup>11</sup> Sprint News Release, *Sprint Introduces America's First 4G "Glasses-Free" Device with QHD 3D Display, HTC EVO 3D, Coming This Summer* (March 22, 2011), available at: [http://newsroom.sprint.com/article\\_display.cfm?article\\_id=1838](http://newsroom.sprint.com/article_display.cfm?article_id=1838).

<sup>12</sup> Sprint News Release, *Two Newest Members of the Award-Winning HTC EVO Family, HTC EVO 3D and HTC EVO View 4G, Make Debut Exclusively from Sprint on June 24* (June 6, 2011), available at: [http://newsroom.sprint.com/article\\_display.cfm?article\\_id=1931](http://newsroom.sprint.com/article_display.cfm?article_id=1931).

<sup>13</sup> Sprint News Release, *Motorola Photon 4G fact sheet* (June 9, 2011), available at: <http://newsroom.sprint.com/news/motorola-photon-4g-fact-sheet.htm>.

<sup>14</sup> Sprint News Release, *Merlin™ CC208 3G/4G 2-in-1 Card by Novatel Wireless fact sheet* (August 21, 2011), available at: <http://newsroom.sprint.com/news/merlin-cc208-3g-4g-2-in-1-card-by-novatel-wireless.htm>.

<sup>15</sup> Sprint News Release, *Sprint First U.S. Carrier to Debut Galaxy S II with Samsung Epic 4G Touch* (August 30, 2011), available at: <http://newsroom.sprint.com/news/sprint-first-us-carrier-to-debut-galaxy-s-ii-with-samsung-epic-4g-touch.htm>.

<sup>16</sup> Sprint News Release, *Sprint Expands Award-Winning HTC EVO Family with HTC EVO Design 4G, First EVO with World Phone Capabilities* (October 19, 2011), available at: [http://newsroom.sprint.com/article\\_display.cfm?article\\_id=2077](http://newsroom.sprint.com/article_display.cfm?article_id=2077).

<sup>17</sup> Sprint News Release, *Sprint Becomes First National Wireless Carrier in U.S. to Offer International 4G Roaming* (January 21, 2011), available at: [http://newsroom.sprint.com/article\\_display.cfm?article\\_id=1785](http://newsroom.sprint.com/article_display.cfm?article_id=1785).

mode devices to Sprint resellers.<sup>18</sup> In another first for Sprint, Sprint also offers its wholesale customers 4G Fixed Business Access, a business grade solution that offers high availability, secure connectivity that can turn any area into an instant office and can help enterprises stay connected during wireline outages.<sup>19</sup> The product allows Sprint's wholesale customers to offer faster, improved access and enhanced connectivity options at reduced costs for their small business customers.

Other wireless carriers have followed Sprint's lead into 4G, rolling out networks and service in late 2010 and 2011. Verizon launched 4G service on December 5, 2010, and has continued to expand the reach of its 4G network in 2011.<sup>20</sup> In October 10, 2011, Verizon announced it was adding its first 4G device with a physical QWERTY keyboard, to its device lineup.<sup>21</sup> Verizon currently sells sixteen 4G enabled devices.<sup>22</sup>

AT&T followed suit in the fall of 2011, launching its first 4G LTE service in 5 cities on September 19, 2011, and introducing four 4G LTE compatible devices. On

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<sup>18</sup> Sprint News Release, *Another Industry First: Sprint Becomes First U.S. Wireless Carrier to Make 4G Available to Wholesale Customers* (August 2, 2011), available at: [http://newsroom.sprint.com/article\\_display.cfm?article\\_id=1996](http://newsroom.sprint.com/article_display.cfm?article_id=1996).

<sup>19</sup> Sprint News Release, *Sprint Delivers 4G Fixed Business Access to Wholesale Customers* (November 21, 2011), available at: [http://newsroom.sprint.com/article\\_display.cfm?article\\_id=2112](http://newsroom.sprint.com/article_display.cfm?article_id=2112).

<sup>20</sup> Verizon News Center, *LTE Information Center*, available at: <http://news.verizonwireless.com/LTE/Overview.html>.

<sup>21</sup> Verizon News Release, *First 4G LTE Smartphone With QWERTY Keyboard For Verizon Wireless: The Samsung Stratosphere* (October 10, 2010), available at: <http://news.verizonwireless.com/news/2011/10/pr2011-10-07e.html>.

<sup>22</sup> CED Magazine, *Verizon LTE to Light Up in 14 Cities, Expand in 4* (November 16, 2011), available at: <http://www.cedmagazine.com/news/2011/11/verizon-lte-to-light-up-in-14-cities-expand-in-4>.

October 31, 2011, AT&T announced the November 6, 2011, availability of AT&T's first 4G LTE smartphones.<sup>23</sup>

T-Mobile adopted a different strategy, upgrading its existing GSM based 3G network with speed-enhancing HSPA+ technologies. By the end of August 2010, T-Mobile had upgraded 55 major markets to HSPA+21 and announced its intention to implement HSPA+42 to more than 200 million people in 2011.<sup>24</sup> T-Mobile has continued to execute its aggressive upgrade campaign. In November 2011, T-Mobile announced that it had upgraded 208 markets reaching more than 200 million people to HSPA+21, 163 markets covering nearly 180 million people to HSPA+42, and now boasts a portfolio of over 25 HSPA+ capable devices.<sup>25</sup> According to T-Mobile, T-Mobile has observed download speeds approaching 8Mbps with peak speeds of 20Mbps on T-Mobile's HSPA+42 capable smartphones.<sup>26</sup>

**B. Sprint is Deploying “Network Vision” a State of the Art Multi-Band Network Reconfiguration that will Enhance Spectrum Efficiency, Customer Experience, and Environmental Sustainability**

Sprint is continuing to invest in groundbreaking network innovation in 2011 with Sprint's “Network Vision.” Network Vision is Sprint's initiative to consolidate multiple

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<sup>23</sup> AT&T New Release, *First LTE Smartphones for AT&T Customers Available Nationwide Nov. 6* (October 31, 2011), available at: <http://www.att.com/gen/press-room?pid=21882&cdvn=news&newsarticleid=33192&mapcode=wireless-networks-generalconsumer>.

<sup>24</sup> T-Mobile News Release, *T-Mobile Announces Continued Expansion of HSPA+ Network* (August 31, 2010) available at: <http://newsroom.t-mobile.com/articles/August-HSPA-network-Expansion>.

<sup>25</sup> T-Mobile News Release, *America's Largest 4G Network Expands to Cover More Locations* (November 16, 2011), available at: <http://newsroom.t-mobile.com/articles/new-4g-markets-nov2011>.

<sup>26</sup> See, <http://t-mobile-coverage.t-mobile.com/4g-wireless-technology> (last accessed on November 21, 2011).

network technologies into one seamless network with the goal of increasing efficiency and enhancing network coverage, call quality, and data speeds for customers across the United States. Network Vision will also reduce energy costs and other operating expenses through increased efficiency and the eventual reduction in the total number of cell sites Sprint requires.

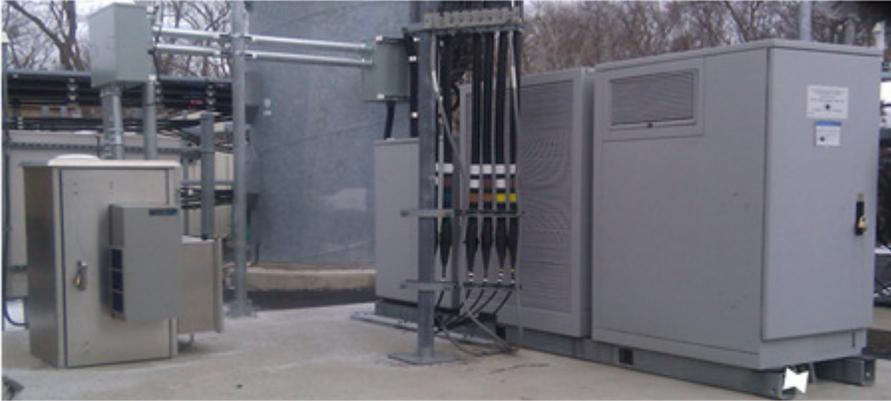
Sprint expects that its Network Vision deployment will provide significant economic benefit to Sprint. Sprint will invest an incremental \$4 billion to \$5 billion in the network under Network Vision and expects Network Vision to deliver \$10 billion to \$11 billion in net economic value to the company between 2011 and 2017.<sup>27</sup>

Today, Sprint uses separate equipment to deploy services on 800 MHz and 1.9 GHz spectrum. Through Network Vision Sprint will install new network equipment and software that will permit Sprint to operate on multiple spectrum bands on a single, multimode base station. The new equipment also makes it easy to accommodate additional spectrum bands.

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<sup>27</sup> Sprint News Release, *Sprint Accelerates Deployment of Network Vision and Announces National Rollout of 4G LTE* (October 7, 2011), available at: [http://newsroom.sprint.com/article\\_display.cfm?article\\_id=2064](http://newsroom.sprint.com/article_display.cfm?article_id=2064).

*Individual 3G and 4G base stations today*



*Network Vision multi-mode base station*



With Network Vision, Sprint will make substantial changes to the cell sites that power its wireless network. The top image shows Sprint's existing base stations, which require single, refrigerator-sized cabinets for each technology. Large black coaxial cables must run from each cabinet to the top of the cell tower, which has an inherent loss of signal. Network Vision multi-mode base station require less space. Other advantages include replacing coaxial cables with fiber that does not cause signal loss and improved remote radio heads that replace existing, less efficient radios.

Sprint has made significant progress in its Network Vision deployment to date including the rollout and successful testing and trialing of multimode technology and the

launch of Sprint Direct Connect on Sprint's CDMA network.<sup>28</sup> As a result of the success and the progress made so far, on Oct. 7, 2011, Sprint announced its plans to accelerate deployment of Network Vision. Sprint is now projecting completing its Network Vision deployment by the end of 2013 – two years sooner than originally scheduled.<sup>29</sup>

Sprint also announced its intention to begin a rapid national rollout of LTE on its 1900MHz spectrum. Sprint plans to launch 4G LTE on its 1900MHz spectrum by midyear 2012 and complete the network build-out by the end of 2013.<sup>30</sup> By the conclusion of 2013, Sprint's 4G coverage footprint is expected to cover more than 250 million people.<sup>31</sup> Sprint expects to launch CDMA-LTE devices by mid-2012, with approximately 15 devices coming throughout the year – including handsets, tablets and data cards. Sprint will also continue selling CDMA-WiMAX 4G devices, like the Samsung Galaxy S II Epic 4G Touch and Nexus S 4G in 2012.<sup>32</sup>

### **C. Sprint Continued to Lead the Industry in Environmental Responsibility and Stewardship**

Sprint is committed to being a corporate leader in sustainability. In 2008, Sprint became the first wireless provider in the United States to establish a clear environmental vision by publishing a set of long-term environmental goals.<sup>33</sup> Sprint already leads the

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<sup>28</sup> Sprint News Release, *Sprint Accelerates Deployment of Network Vision and Announces National Rollout of 4G LTE* (October 7, 2011), available at: [http://newsroom.sprint.com/article\\_display.cfm?article\\_id=2064](http://newsroom.sprint.com/article_display.cfm?article_id=2064).

<sup>29</sup> *Id.*

<sup>30</sup> *Id.*

<sup>31</sup> *Id.*

<sup>32</sup> *Id.*

<sup>33</sup> Sprint News Release, *Sprint Announces Environmental Leadership Priorities and is Being Recognized by the EPA for Its Goal to Reduce Greenhouse Gas Emissions by 15 Percent*

industry through its commitment to an absolute reduction in its greenhouse gas emissions,<sup>34</sup> commitment to renewable energy,<sup>35</sup> and its aggressive cell-phone recycling efforts.<sup>36</sup> These efforts are bolstered by a strong environmental management system,<sup>37</sup> strong policies and practices for managing our use of natural resources,<sup>38</sup> and environmentally responsible building practices.<sup>39</sup>

On October 11, 2011, Sprint announced new climate protection commitments with the World Wildlife Fund's Climate Savers program.<sup>40</sup> Sprint became the First Climate Savers partner in the United States to commit to addressing all scopes of greenhouse gas emissions. Sprints commitments include:

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(October 2, 2008), available at: [http://newsroom.sprint.com/article\\_display.cfm?article\\_id=748](http://newsroom.sprint.com/article_display.cfm?article_id=748). By 2017, Sprint will, (1) reduce our greenhouse gas emissions by 20 percent by 2017, (2) secure 10 percent of Sprint's energy from renewable sources (3) reduce our electric energy consumption 15% (4) reduce operational waste-to-landfill by 30% (5) reduce our use of paper by 40% (6) send for reuse or recycle all of our Network and IT e-waste (7) ensure that 90% of our suppliers, based on spend, meet our social and environmental criteria (8) achieve a 90 percent device collection rate (measured as the number of total devices collected divided by the number of devices sold). See, <http://www.sprint.com/responsibility/ouoperations/index.html> (last visited on November 21, 2011).

<sup>34</sup> See, [http://www.sprint.com/responsibility/ouoperations/climate\\_change/greenhouse-gas-emissions.html](http://www.sprint.com/responsibility/ouoperations/climate_change/greenhouse-gas-emissions.html) (last visited on November 21, 2011).

<sup>35</sup> See, [http://www.sprint.com/responsibility/ouoperations/climate\\_change/renewable-energy.html](http://www.sprint.com/responsibility/ouoperations/climate_change/renewable-energy.html) (last visited on November 21, 2011).

<sup>36</sup> See, [http://www.sprint.com/responsibility/communities\\_across/index.html](http://www.sprint.com/responsibility/communities_across/index.html) (last visited on November 21, 2011).

<sup>37</sup> See, <http://www.sprint.com/responsibility/ouoperations/environmentalpolicy.html> (last visited on November 21, 2011).

<sup>38</sup> See, <http://www.sprint.com/responsibility/ouoperations/environmentalpolicystatement.html> (last visited on November 21, 2011).

<sup>39</sup> See, <http://www.sprint.com/responsibility/ouoperations/greenfacilities.html> (last visited on November 21, 2011).

<sup>40</sup> Sprint News Release, *Sprint Announces New Climate Protection Commitments* (October 11, 2011), available at [http://newsroom.sprint.com/article\\_display.cfm?article\\_id=2069](http://newsroom.sprint.com/article_display.cfm?article_id=2069).

- Reducing Sprint’s own greenhouse gas emissions by an absolute 20 percent by 2017 as compared with 2007
- Partnering with device manufacturers and suppliers to measure, report and reduce their emissions
- Identifying opportunities to reduce emissions associated with customers charging their mobile devices
- Identifying opportunities for Sprint to help other companies reduce their emissions, particularly through our machine-to-machine partnerships.<sup>41</sup>

Sprint also has a considerable renewable energy strategy, which includes wind, solar, hydrogen fuel cells and geothermal power. Wind power provided more than 93 percent of the electrical energy needed for Sprint’s Overland Park, Kansas, headquarters campus in 2010.<sup>42</sup> This wind power purchase provided a reduction of 78,173 metric tons of CO<sub>2</sub> equivalents in 2010, and according to the EPA GHG equivalencies calculator, is the equivalent of:

- Taking 15,328 passenger cars off the road for one year.
- Consuming 181,798 fewer barrels of oil a year.
- The electricity used in 9,747 households each year.
- Preserving 774 acres of forest from deforestation.<sup>43</sup>

In early 2010, Sprint became the first major U.S. wireless provider to “buy back” mobile devices from any carrier in-store and was the first to offer customers the option of receiving an instant credit.<sup>44</sup> Sprint offers a cash incentive of up to \$350 through the Sprint Buyback Program for customers who recycle their eligible wireless devices. The devices collected are then reused or recycled responsibly, a significant benefit to

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<sup>41</sup> *Id.*

<sup>42</sup> See, [http://www.sprint.com/responsibility/ouoperations/climate\\_change/renewable-energy.html](http://www.sprint.com/responsibility/ouoperations/climate_change/renewable-energy.html) (last visited on November 21, 2011).

<sup>43</sup> *Id.*

<sup>44</sup> Sprint News Release, *Through Phone Recycling Efforts, Sprint and its Customers Find Financial Benefit in Environmental Good* (November 15, 2011), available at: [http://newsroom.sprint.com/article\\_display.cfm?article\\_id=2108](http://newsroom.sprint.com/article_display.cfm?article_id=2108).

customers as the cost of mobile devices continues to climb and a benefit to wireless providers like Sprint looking for cost efficiencies and ways to reduce the effects of e-waste. Through the company's Project Connect and Sprint Buyback programs, Sprint has kept more than 26 million devices out of the waste stream and landfills.<sup>45</sup>

Sprint's green effort with respect to handsets also extends to working with manufactures to build sustainable products. Building on Sprint's reputation to offer sustainable devices and accessories, Sprint initiated a relationship with Underwriters Laboratory Environment to develop a sustainability standard for mobile devices. The Samsung Replenish, exclusive to Sprint and developed in collaboration with Samsung Telecommunications America, was the first device to receive the certification under UL Environment's interim standard.<sup>46</sup> The Samsung Replenish, which is 82 percent recyclable and has an optional solar battery charger, is the fourth eco-friendly device to be added to Sprint's growing portfolio of green products and is Sprint's first environmentally preferable Android Smartphone. On November 15, 2011, Sprint was honored the 12th Annual Global Green Sustainable Design Awards the "Product Design" award for the Samsung Replenish.<sup>47</sup>

Sprint's leadership on environmental sustainability has not gone unnoticed. On October 17, 2011, Sprint earned the number 3 spot on Newsweek's 2011 Green

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<sup>45</sup> *Id.*

<sup>46</sup> Sprint News Release, *Sprint Honored at 12th Annual Global Green Sustainable Design Awards for Samsung Replenish* (November 15, 2011), available at: [http://newsroom.sprint.com/article\\_display.cfm?article\\_id=2109](http://newsroom.sprint.com/article_display.cfm?article_id=2109).

<sup>47</sup> *Id.*

Rankings.<sup>48</sup> This is the second straight year that Sprint has ranked in the top 10, up from number 6 last year and number 15 in 2009. Sprint's efforts to reduce its carbon footprint, support device recycling programs, and bring more sustainable mobile devices and emerging technologies to market helped place Sprint among the greenest companies in the United States.

#### **D. Sprint Offers Consumers Industry Leading Innovation and Value**

Sprint is continuing to push forward on its mission to provide consumers with innovative and iconic devices and service plans that offer consumers the best value. Building on its success with industry-first 4G smartphones, on October 14, 2011, Sprint began selling iPhone 4S and iPhone 4 in Sprint retail stores nationwide. Sprint is the only U.S. carrier to offer new and existing customers the iPhone experience with unlimited data plans starting at just \$79.99 per month.<sup>49</sup> Unsurprisingly given the combination of an iconic device with an unlimited plan, Sprint recorded its best ever day of sales in retail, web, and telesales for a device family in Sprint history, reaching this milestone by 1:00 pm ET.<sup>50</sup> The response by current and new Sprint customers confirms Sprint's view that smartphone customers desire truly unlimited data pricing plans.

Sprint is also shaking up the competition by offering laptop and tablet users more bandwidth for less. Sprint offers consumers mobile broadband plans with 20 percent more

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<sup>48</sup> Sprint New Release, *Sprint Moves up Three Spots to No. 3 in Newsweek Green Rankings* (October 17, 2011), available at: [http://newsroom.sprint.com/article\\_display.cfm?article\\_id=2074](http://newsroom.sprint.com/article_display.cfm?article_id=2074). See also <http://www.thedailybeast.com/newsweek/features/green-rankings/2011/us.html> (last visited on December 1, 2011).

<sup>49</sup> Sprint News Release, *Sprint Statement on Launch Day Sales of iPhone 4S and iPhone 4* (October 14, 2011), available at: [http://newsroom.sprint.com/article\\_display.cfm?article\\_id=2073](http://newsroom.sprint.com/article_display.cfm?article_id=2073).

<sup>50</sup> *Id.*

data than AT&T's and Verizon's similar plans. Two plans, priced at \$49.99 per month for 6GB of combined on-network 3G/4G data usage (as compared to Verizon's and AT&T's 5GB plans) and \$79.99 per month for 12GB (as compared to Verizon's 10GB plan), are compatible with all mobile broadband devices sold by Sprint, including tablets, dedicated mobile hotspot devices, USB modems, netbooks, and notebooks. Sprint also has a plan specifically for tablets and dedicated mobile hotspot devices priced at \$34.99 per month for 3GB of 3G/4G data usage and a plan for tablets only priced at \$19.99 per month for 1 GB of 3G/4G data usage.<sup>51</sup>

Sprint has also partnered with Google to become the first carrier to launch Google Wallet. Google Wallet is an application that uses near field communications technology to make paying by phone easy. Currently available with the Nexus S 4G, Sprint customers can simply tap pay and save money and time when they shop. Google Wallet works currently with the fast growing MasterCardPayPass network accepted at 124,000 merchants nationally.

### **III. THE COMMISSION SHOULD TAKE INTO ACCOUNT THE MARKET VALUE OF DIFFERENT SPECTRUM BANDS AND POTENTIAL BALKANIZATION OF THE 700 MHZ BAND IN CONSIDERING THE IMPACT OF SPECTRUM ON COMPETITION**

In the Public Notice, the Commission asks for feedback on how it should analyze the spectrum holdings of mobile wireless service providers and the competitive effects of spectrum holdings.<sup>52</sup> In particular the Commission asks how it should assess the ways

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<sup>51</sup> Sprint News Release, *Sprint Launches New 3G/4G Mobile Broadband Plans, Delivering More Data at a Lower Price Than Competitors* (November 14, 2011), available at: [http://newsroom.sprint.com/article\\_display.cfm?article\\_id=2105](http://newsroom.sprint.com/article_display.cfm?article_id=2105).

<sup>52</sup> Public Notice at 12.

spectrum holding affect the structure conduct and performance of the mobile wireless industry, how certain frequencies are used or underused, and how the use of different frequency bands affects competition in the industry.<sup>53</sup>

**A. All Spectrum is not Created Equal: The Commission Should Take Into Account the Actual Value of Various Spectrum Bands in Considering Competition**

Spectrum is not just about quantity. Quality counts, too. Lower frequency spectrum travels farther and penetrates walls and other obstacles better than higher frequency spectrum; therefore, lower-frequency spectrum tends to be worth a lot more than higher-frequency spectrum. Spectrum in the 2.5 GHz band, for example, propagates much less favorably through walls and over long distances than AT&T's low-frequency 700 MHz spectrum holdings. The different characteristics of high and low-frequency spectrum are reflected in the values carriers assign to these frequencies.

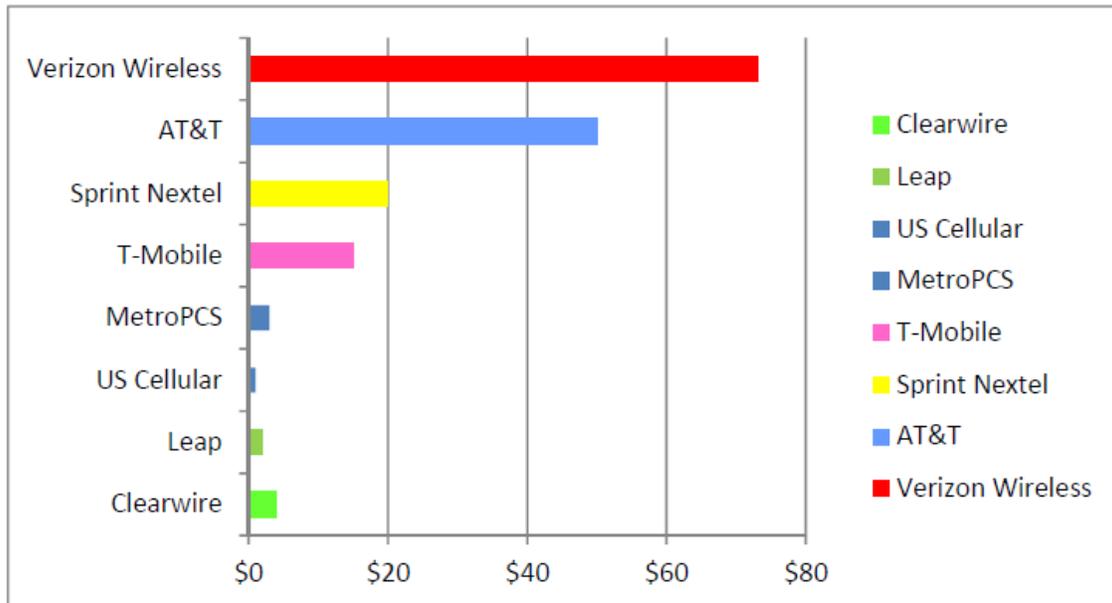
To provide some sense of just how great the difference in value between 2.5 GHz spectrum and 700 MHz spectrum is, consider this: AT&T paid eighteen times as much per unit (MHz-POP) for its low-frequency 700 MHz band spectrum in a 2008 FCC auction than it received for selling its high-frequency 2.5 GHz band spectrum in 2007. The high value of AT&T's spectrum holdings is also reflected in the book values listed in carrier U.S. Securities and Exchange Commission (SEC) filings: AT&T has assigned a book value of \$52 billion to its spectrum holdings, compared to the \$20 billion in book value set forth in Sprint's financial reports. Indeed, based on public statements and submissions to the SEC, AT&T and Verizon already control two-thirds of the total book value of all spectrum in the United States. Indeed, if AT&T were to eventually acquire

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<sup>53</sup> Public Notice at 13.

T-Mobile's spectrum, AT&T and Verizon's share would increase to 82 percent of the total.<sup>54</sup> By comparison, Sprint's share is 11% of the total book value and Clearwire's is just 2%.

**2010 Book Values of Spectrum by Carrier in Billions\***



\* Verizon Communications Inc., Annual Report (Form 10-K), at Exhibit 13 (Feb. 28, 2011); AT&T Inc., Annual Report (Form 10-K), at 60 (March 1, 2011); Sprint Nextel Corp., Annual Report (Form 10-K), at F-16 (Feb. 24, 2011); T-Mobile USA, "T-Mobile USA Reports Third Quarter 2010 Results," Press Release, at 11, Nov. 4, 2010, *available at*: [http://www.t-mobile.com/Cms/Files/Published/0000BDF20016F5DD010312E2BDE4AE9B/56\\_57114502E70FF3012B59F6EC3E60E2/file/TMUSQ32010PressReleaseFinal11.pdf](http://www.t-mobile.com/Cms/Files/Published/0000BDF20016F5DD010312E2BDE4AE9B/56_57114502E70FF3012B59F6EC3E60E2/file/TMUSQ32010PressReleaseFinal11.pdf) (last visited Dec. 2, 2011); MetroPCS Communications, Inc., Annual Report (Form 10-K), at F-2 (March 1, 2011); LEAP Wireless International, Inc., Annual Report (Form 10-K), at 88 (Feb. 25, 2011); Clearwire Corp., Annual Report (Form 10-K), at 50 (Feb. 22, 2011); United States Cellular Corp. (d/b/a "U.S. Cellular"), Annual Report (Form 10-K), at S-5 (Feb. 25, 2011); Deutsche Telekom, Annual Report 2010, at 163, *available at*: [http://www.download-telekom.de/dt/StaticPage/98/66/44/DTAG\\_GB10\\_E\\_Gesamt\\_1.3.11.pdf\\_986644.pdf](http://www.download-telekom.de/dt/StaticPage/98/66/44/DTAG_GB10_E_Gesamt_1.3.11.pdf_986644.pdf) (last visited Dec. 2, 2011). Although T-Mobile USA does not file annual reports with the US SEC, Deutsche Telekom offered a valuation of its license holdings in a press release and, although the press release does not explicitly state that the valuation is a "book value," the 2010 Deutsche Telekom annual report states that "FCC licenses [] are carried at cost."

<sup>54</sup> At the request of AT&T and T-Mobile, the Commission has dismissed AT&T's and T-Mobile's merger applications. *See Applications of AT&T Inc. and Deutsche Telekom AG for Consent to Assign or Transfer Control of Licenses and Authorizations*, Order, WT Docket No. 11-65, DA 11-1955 (released November 29, 2011). The Commission has also released the Commission staff's report determining that the merger is not in the public interest. Nevertheless, AT&T has stated that it will continue to pursue the proposed merger. *See AT&T Public Policy Blog, AT&T and Deutsche Telekom Continue to Pursue Sale of DT's Wireless Assets* (November 24, 2011), *available at*: <http://attpublicpolicy.com/wireless/att-and-deutsche-telekom-continue-to-pursue-sale-of-dts-u-s-wireless-assets/>. Sprint will not repeat its arguments here, but continues to view the proposed merger as a threat to competition.

## **B. The Commission Should Ensure Interoperability across the 700 MHz Band**

In its Public Notice, the Commission asked for comment on how the licensing of spectrum in the 700MHz band affects the ability of potential entrants to access spectrum and how the licensing of these two bands has affected competition.<sup>55</sup> The Commission should act expeditiously to ensure interoperability across the entire 700MHz band. Interoperability is essential to ensure that potential entrants and roaming carriers are not excluded from the band and that first responders and consumers will have access to affordable 700MHz capable devices.

Presently, AT&T and Verizon have convinced the international standards bodies to create separate “boutique” or “designer” “band classes” unique to their particular 700MHz spectrum holdings. These band classes tie a particular spectrum block to a particular carrier nationwide for the first time in the history of wireless Communications in the United States. This would give AT&T and Verizon their own exclusive band classes for their subscriber devices, thereby enabling AT&T and Verizon to deny any other 700 MHz operators – including public safety broadband networks – the lower device costs driven by AT&T’s and Verizon’s enormous scale purchasing power.

A failure to ensure interoperability would have significant anticompetitive effects. “One-off” devices for smaller local and regional 700 MHz carriers’ spectrum would cost more than AT&T and Verizon handsets. They’d cost even more with additional chips that can operate on AT&T and Verizon’s boutique band classes necessary to provide the voice and data roaming essential to compete with the national carriers. Public safety first responders would pay higher prices for broadband communications devices than

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<sup>55</sup> Public Notice at 13.

comparable commercial devices. Public safety would pay even more for devices with AT&T and Verizon's boutique chipsets to have backup access to their networks in emergencies.

The Commission should give serious consideration to the anticompetitive effects permitting AT&T and Verizon to balkanize the 700MHz band would have on the wireless industry. It is crucial that the Commission act now to ensure interoperability across the 700MHz band if the Commission is to achieve its goals for the 700MHz band.

Respectfully submitted,

SPRINT NEXTEL CORPORATION

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