

Keep blocking the AT&T T-Mobile merger whether the Qualcomm transaction is approved or not. If Qualcomm deal is approved it should only be done conditionally with long term regulatory conditions that can't expire. For AT&T's re-merger with Bell South (after SBC Communications re-merger) Net Neutrality rules were mandated -- stating AT&T had to comply with them for 2 years without any lobbying on the issue permitted. After those 2 years though they've been able to lobby. Stand up to telecom lobbyists. Politics should have nothing to do with merger denial.

AT&T awfully picky about the spectrum it claims to need

AT&T's merger with T-Mobile may be on hiatus, but Ma Bell hopes to secure a consolation prize. The Federal Communications Commission is set to approve its purchase of Qualcomm's 700 MHz Flo TV spectrum, allowing AT&T to build a more powerful LTE network. But the commission may impose restrictions on the band to make it easier for small operators to roam on AT&T's network and get a hold of the choicest new 4G smartphones. AT&T isn't happy about those restrictions and is threatening to scrap the deal if they're imposed. For an operator that claims to be facing a spectrum crunch, AT&T is awfully finicky about the spectrum it's buying.

Here's the breakdown: AT&T wants to use new LTE-Advanced techniques to incorporate Qualcomm's spectrum into a new super-downlink carrier. The end result of that upgrade would be a 4G network that packs an enormous downstream punch while maintaining the usual high-capacity uplink of LTE -- perfect for the new streaming and download-intensive apps emerging on smartphones today. But in order to build that network AT&T needs to customize a 700 MHz band plan, which wouldn't just impact its own spectrum, but every other regional and rural operator with a license in the lower 700 MHz.

Those operators, led by the Rural Cellular Association and regional providers Vulcan Wireless and C Spire, protested AT&T's plans to the FCC (here's the RCA filing), claiming AT&T's "boutique" band plan would effectively isolate them in 700 MHz and force them to change their own LTE-network configurations to accommodate AT&T's funky super-LTE scheme. They claimed this would have three big consequences:

Handset makers would build devices specifically for AT&T band scheme, shutting small operators off from the latest and greatest devices such as the iPhone. While AT&T has the pull to get Apple to make devices for its unique network configuration, C Spire and Vulcan don't.

The configuration would prevent any kind of meaningful roaming agreements over LTE. If AT&T phones don't work on the regional operators networks and vice versa, carriers become further isolated. LTE is already a global mishmash incompatible frequencies. This would make that fragmentation worse.

AT&T is seeking to change what frequencies go up to the tower and what frequencies come down from it, resulting in all operators in the lower 700 MHz giving up a portion of their spectrum to

accommodate AT&T's network plans.

The regional operators not only want AT&T to stop messing with 700 MHz band plan, they want the FCC to impose mandatory interoperability in the lower 700 MHz as a condition of the Qualcomm deal, so any future iPhone or a Galaxy running on AT&T's LTE network can work on their networks as well.

AT&T is fighting back. In its own filing with the FCC, AT&T said to implement such an interoperability requirement would cost it enormous investment in its infrastructure, beyond the \$1 billion to \$2 billion cost of the super-LTE upgrade, as well as hike up the cost of handsets for its consumers.

Furthermore AT&T said it would have to upgrade its LTE networks in the 15 markets it has launched in so far and would be forced to delay future LTE expansion. Vulcan Wireless and RCA members conducted a study disputing AT&T claims of cost increases and delays, and AT&T is disputing that study.

The really clincher, however, is at the end of AT&T's filing:

[An] imposition of an interoperability commitment like that proposed by Vulcan Wireless and other A block licensees would be a materially adverse regulatory condition on this transaction that would result in an AT&T decision to abandon the transaction.

If AT&T doesn't get its way it will give up on the spectrum ? that's an awfully bold statement for an operator that has claimed consistently since March it needs loads of new frequencies in order to launch 4G and provide affordable mobile data services to its customers. AT&T is willing to invest \$39 billion in buying T-Mobile to consolidate its LTE spectrum position. That's \$39 billion before it forks over billions to actually build the LTE network itself. Interoperability may impose additional deployment costs on AT&T ? which no operator wants to incur ? but threatening to walk away from the deal may not be the best strategy. An operator claiming to be so desperate for bandwidth can't afford to be so choosy.