



# Capacity & Spectrum Status

**Presented to the FCC**

*January 26, 2012*



## ATN Introduction

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ATN and its subsidiaries serve some of the most rural markets with wireless and broadband services:

**Allied Wireless Comm. Corp. (“AWCC”, d/b/a Alltel):**

- Retail mobile communications provider operating in 6 States (GA/SC/NC/IL/OH/ID) & 26 CMA’s
- 3G EvDO

**Comment Wireless, LLC:**

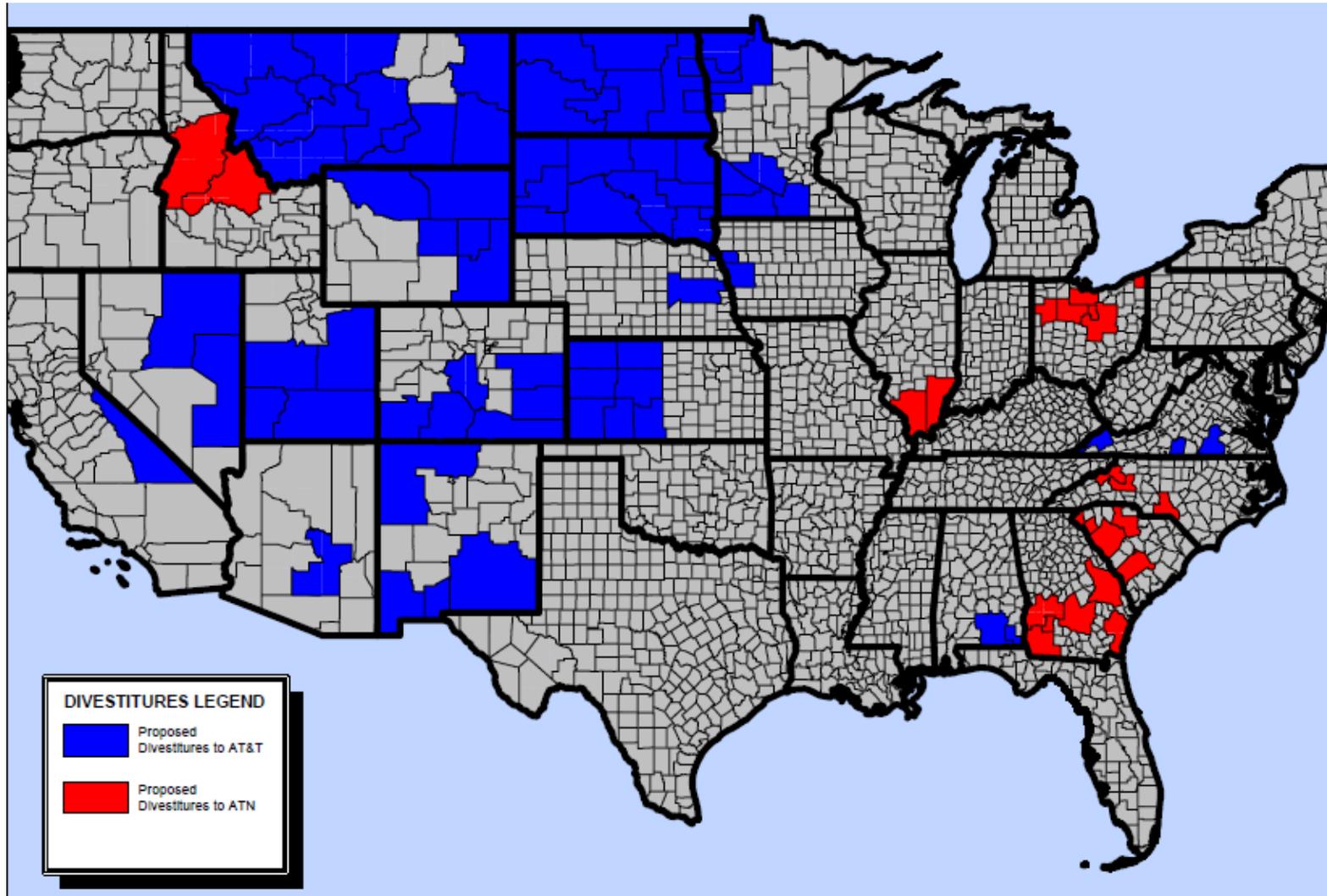
- A provider of wholesale & resale in the southwestern US, including Navajo Tribal lands

**Choice Communications, LLC:**

- A wireless retail provider of fixed and mobile service in the USVI

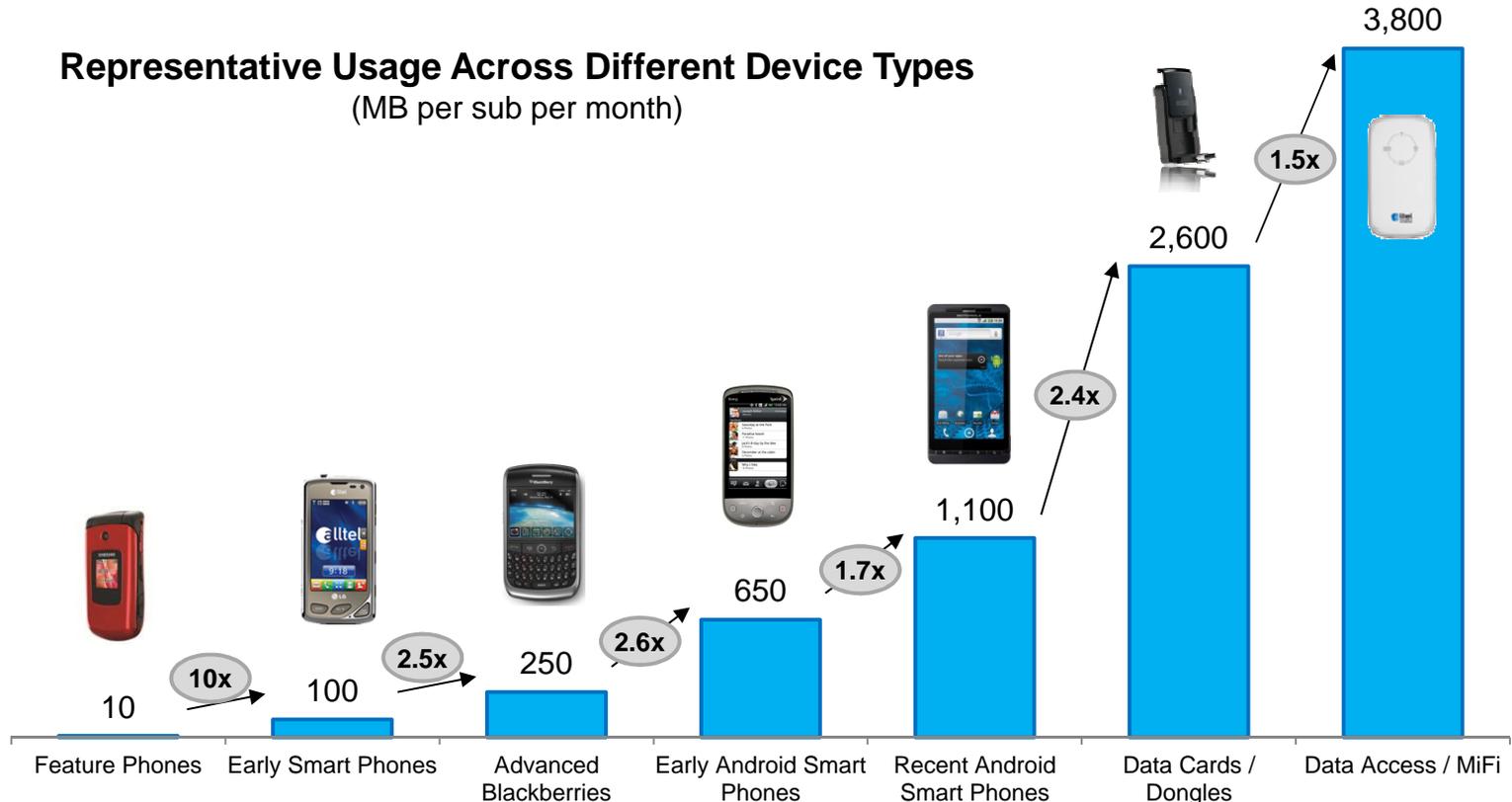


# Alltel Divested Properties



# Device Evolution & Capacity Impact

Representative Usage Across Different Device Types  
(MB per sub per month)



Sales Environment

2008:

80%

15%

5%

2010:

55%

35%

10%

Now:

40%

50%

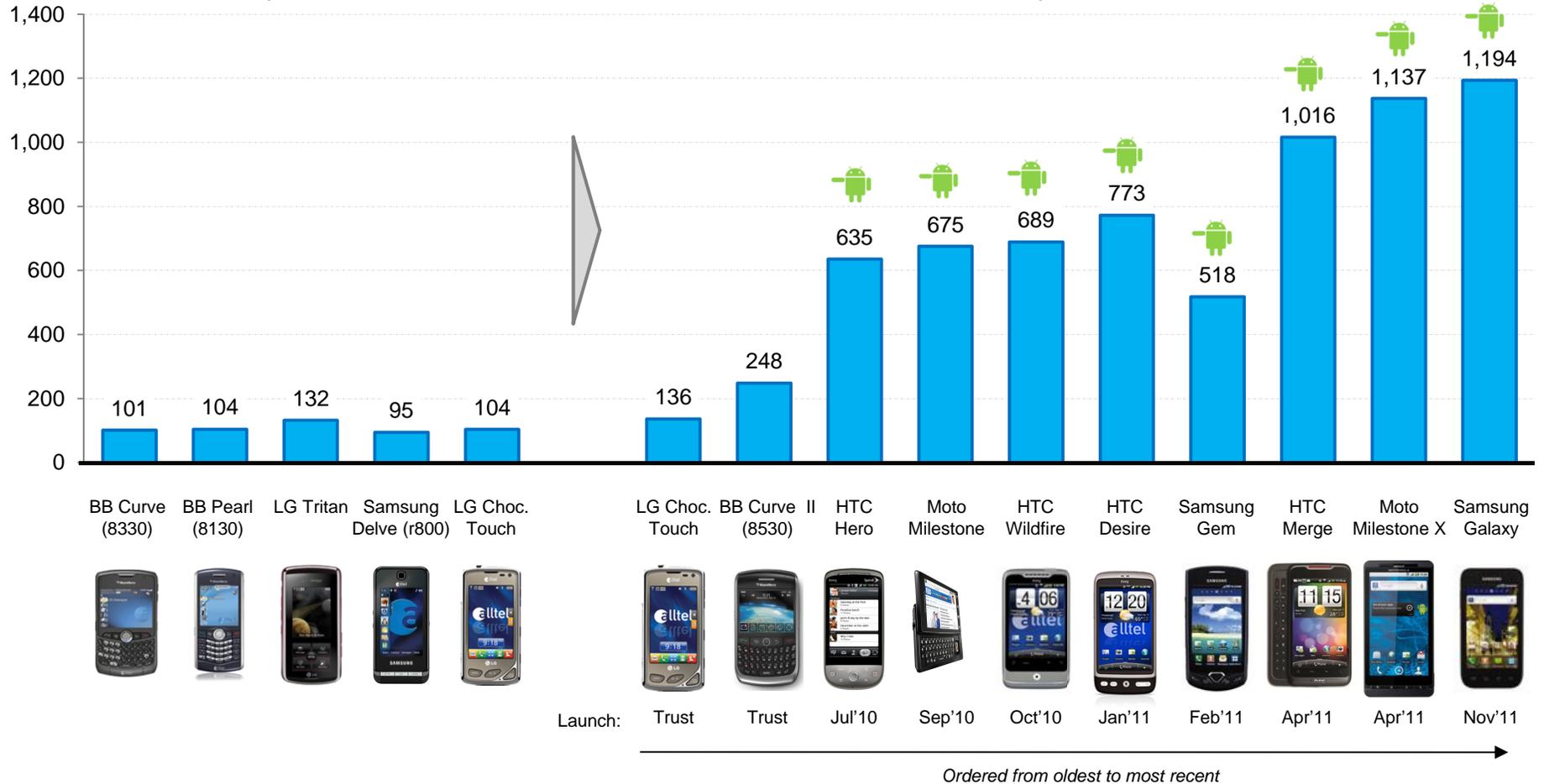
10%



# Smartphones – Specific Device Examples

**Dec'09: Top 5 Smart Phones in Base and Usage**  
(Usage in MB / Sub / Month)

**Dec'11: Top 10 Smart Phones in Base and Usage**  
(Usage in MB / Sub / Month)

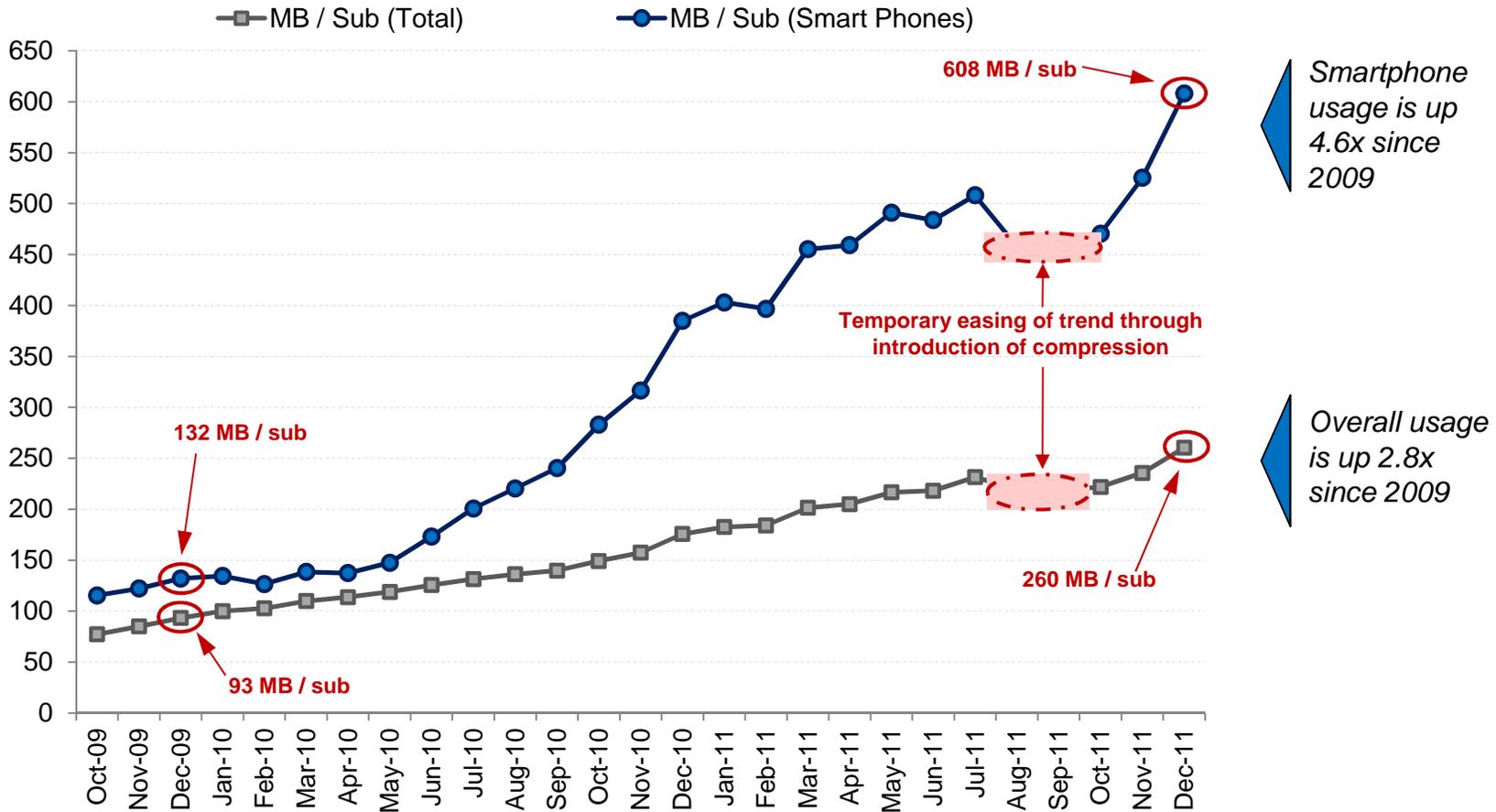


**Sources:** Alltel "analytical sandbox" (WOPR) for Dec'09; Compass and AAA data from Alltel "analytical sandboxes" (Gattica for devices / Artichoke for AAA usage) for Dec'11



# Smartphone Data Usage vs. Average Usage

Usage per Sub in Total and for Smart Phones



Smartphone usage is up 4.6x since 2009

Overall usage is up 2.8x since 2009

Source: WOPR for pre-conversion data; Compass and AAA data from Alltel "analytical sandboxes" (Gattica for devices / Artichoke for AAA usage) for post-conversion data; note that usage per data card has been maintained flat at ~2.0GB per month to eliminate anomalous impact of uneconomic data card adds under Trust



# Customers are Increasingly Reaching for Smartphones

**% of Postpay Base and HS Sales on Data-Centric Device**  
(Gross Adds + Upgrades, includes smart phones and data cards)



Currently at 42% of postpaid subscribers, data-centric devices are on a trajectory to surpass 50% of that base.

Sources: Alltel "analytical sandbox" (WOPR) through Jul'11; Compass and Alltel "analytical sandbox" (Gattica) for Aug'11 forward



# The Importance of Spectrum

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***AWCC's need for spectrum is driven by three main issues:***

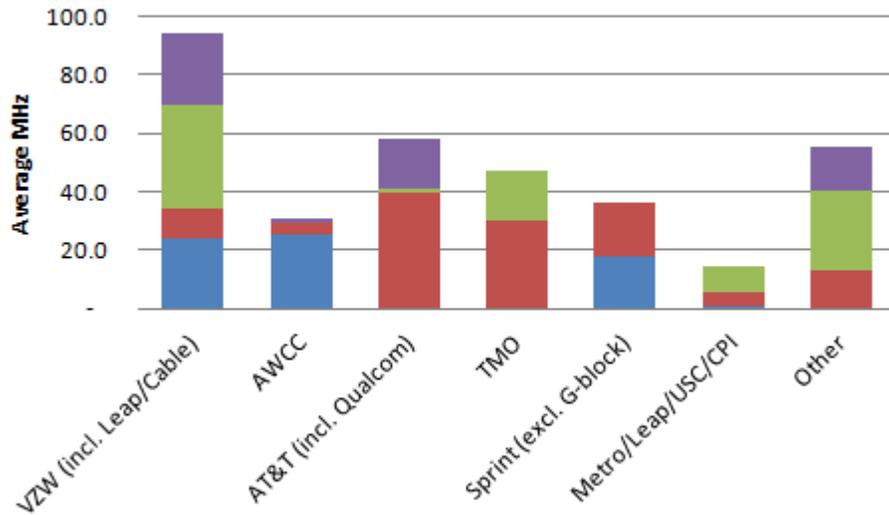
- **Capacity**
  - Increased data usage is driving capacity constraints
  - Scale driven industry forces efficiency to be competitive
  
- **Footprint Expansion**
  - Uneven contour leads to higher off-net roaming than the competition
  
- **4G Relevance**
  - AWCC has virtually no usable, industry acceptable 4G spectrum today
  - Strategic need for 4G path

***AWCC customers have the same expectations on devices & services as those served by other carriers ...***



# AWCC Spectrum Landscape Post VZW Deals

## MHz by Carrier in AWCC Footprint



**Only bands with known LTE deployment plans**

- VZW holds a leading market share in AWCC markets.
- Most high-frequency providers (AT&T/TMO/Sprint/Leap/Metro) have only limited geographical deployment of mobile service in AWCC footprint.
- Other (*non-operational*) holds 21% of 4G spectrum, and 16% of all spectrum.

## Average MHz in AWCC Footprint

	Total	Cell / iDen	PCS	AWS	700	
Verizon	76.7	24.0	9.2	19.6	23.8	
Leap-VZW	1.5	-	0.8	0.7	-	
SpectrumCo	16.3	-	-	15.5	0.8	<= Incl. Cox
<b>Net VZW</b>	<b>94.5</b>	<b>24.0</b>	<b>10.0</b>	<b>35.7</b>	<b>24.7</b>	
AT&T	57.7	-	39.8	1.0	16.9	<= Incl. Qualcomm
T-Mobile	47.1	-	29.8	17.3	-	
Sprint	36.3	18.0	18.3	-	-	<= Excl. CLWR / G-block
AWCC	30.6	25.0	4.4	-	1.3	
CPI (IL-9)	0.8	0.8	-	-	-	
USCC	3.3	0.1	0.5	2.7	-	
Leap	7.8	-	3.2	4.5	-	
Metro	2.5	-	0.5	2.0	-	
Other	55.3	-	13.3	26.8	15.2	
<b>TOTAL</b>	<b>336.0</b>	<b>68.0</b>	<b>120.0</b>	<b>90.0</b>	<b>58.0</b>	

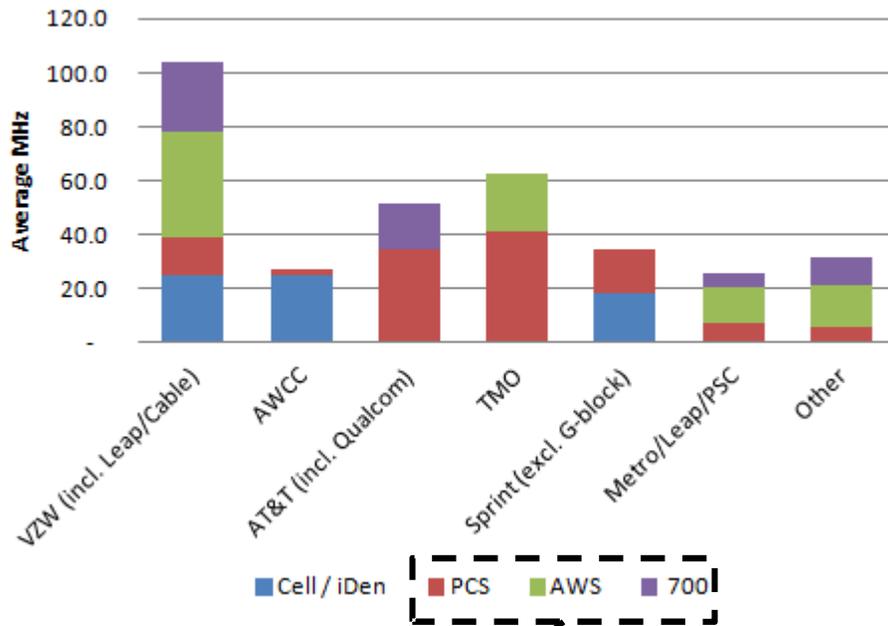
### NOTES:

- Sprint excludes Clearwire & PCS-G block (10M Hz)
- 700M Hz includes only Lower-A/B/C/D and Upper-C.



# AWCC Spectrum Landscape – GA Only

## MHz by Carrier in AWCC GA Only



**Only bands with known LTE deployment plans**

- VZW holds a leading market share in AWCC GA markets.
- Most high-frequency providers (AT&T/TMO/Sprint/Leap/Metro) have only limited geographical deployment of mobile service in AWCC GA footprint.
- Other (*non-operational*) holds 12% of 4G spectrum, and 9% of all spectrum.

### Average MHz in AWCC Footprint

	Total	Cell / iDen	PCS	AWS	700	
Verizon	79.7	24.9	12.0	20.0	22.7	
Leap-VZW	2.0	-	2.0	-	-	
SpectrumCo	22.4	-	-	19.3	3.1	<= Incl. Cox
<b>Net VZW</b>	<b>104.1</b>	<b>24.9</b>	<b>14.0</b>	<b>39.3</b>	<b>25.9</b>	
AT&T	51.4	-	34.0	0.6	16.8	<= Incl. Qualcomm
T-Mobile	62.6	-	41.1	21.5	-	
Sprint	34.7	18.0	16.7	-	-	<= Excl. CLWR / G-block
AWCC	26.8	25.0	1.8	-	-	
USCC	-	-	-	-	-	
Public Service	5.0	-	-	-	5.0	
Leap	13.1	-	5.9	7.2	-	
Metro	7.3	-	1.3	6.0	-	
Other	31.1	0.1	5.1	15.5	10.4	
<b>TOTAL</b>	<b>336.0</b>	<b>68.0</b>	<b>120.0</b>	<b>90.0</b>	<b>58.0</b>	

**NOTES:**

- Sprint excludes Clearwire & PCS-G block (10M Hz)
- 700M Hz includes only Lower-A/B/C/D and Upper-C.



## Action

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- Spectrum needs are immediate and are not being addressed by the secondary market, or by future auctions
- FCC can and should act now to ensure that rural carriers, who are currently operating and can put spectrum to use immediately, have access to spectrum
  - Will serve FCC goal of wireless broadband deployment to rural consumers
  - Mitigates the digital divide by enabling AWCC customers to enjoy services identical to those of large carriers in urban areas