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MAY 15 2012

Federal Communications Commission
Office of the Secretary

May 15, 2012

VIA ELECTRONIC FILING AND HAND DELIVERY

Marlene H. Dortch, Secretary
Federal Communications Commission
The Portals
445 12th Street, S.W.
Washington, DC 20554

Re: *Ex Parte* Communication – WT Docket 12-4

Dear Ms. Dortch:

On behalf of T-Mobile USA, Inc. ("T-Mobile" or "Company"), and pursuant to Section 1.1206 of the Commission's Rules, 47 C.F.R. § 1.1206, this is to provide notice of *ex parte* meetings held on May 11, 2012, in connection with WT Docket No. 12-4. The meetings were attended by Thomas J. Sugrue, Senior Vice President of Government Affairs, Kathleen O'Brien Ham, Vice President, Federal Regulatory Affairs, Steve B. Sharkey, Director, Federal Regulatory Affairs and Chief, Engineering and Technology Policy, Christopher A. Wieczorek, Corporate Counsel, Neville Ray, Chief Technology Officer and Dave Miller, Chief Legal Officer and General Counsel of T-Mobile, and the undersigned (together, the "T-Mobile Representatives"). The T-Mobile Representatives met with Rick Kaplan, Catherine Matraves, Paul Murray, Jim Schlichting, Susan Singer, Thuy Tran, and Aleks Yankelevich of the Wireless Telecommunications Bureau; Jim Bird and Joel Rabinovitz of the Office of General Counsel; Dana Scherer of the Media Bureau; Lisa Gelb and Eric Ralph of the Wireline Competition Bureau; Michael Ha and Julius Knapp of the Office of Engineering and Technology; and Marius Schwartz of the Office of Strategic Planning and Policy Analysis, and separately with Zachary Katz and Charles Mathias of the Office of the Chairman (together, the "FCC Representatives").

During the course of the meetings, the T-Mobile Representatives discussed the matters raised in T-Mobile's Petition to Deny filed on February 21, 2012, and Reply to Opposition filed on March 26, 2012, in WT Docket No. 12-4. In particular, they discussed the matters set forth in the attached documents, copies of which were provided to the FCC Participants.

Pursuant to the Protective Order, two copies of the confidential version of this filing are being delivered to Ms. Sandra K. Danner of the Broadband Division of the Wireless Telecommunications Bureau. One copy of the confidential version and two public, redacted version of this filing are being filed with the Secretary's Office. Finally, one copy of the public redacted version of this filing is being filed electronically through the Commission's Electronic Comment Filing System.

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Should any additional information be required with respect to this *ex parte* notice, please do not hesitate to contact me.

Very truly yours,

/s/ Jean L. Kiddoo

Jean L. Kiddoo
Counsel to T-Mobile USA, Inc.

Attachments
cc (by email): FCC Representatives

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T-Mobile

Verizon Wireless Acquisition of CableCo Spectrum
WT Docket 12-4

T-Mobile USA, Inc.
Presentation to the Federal Communications Commission

May 11, 2012

Market Reality: LTE Has Become a Competitive Necessity

- LTE has numerous advantages
  - Creates up to 2x the average download speeds over HSPA+ (with 10x10)
  - Creates up to 3x the average upload speeds over HSPA+ (with 10x10)
  - Improves latency
  - More spectrally efficient, creating headroom for growth
- Verizon is already ahead in the LTE race
  - Verizon has been able to deploy LTE on its 'greenfield' 700 MHz spectrum
  - Verizon is heavily marketing LTE, and the absence of robust LTE is a competitive disadvantage
  - Concentrating this spectrum in Verizon's hands forecloses LTE competition

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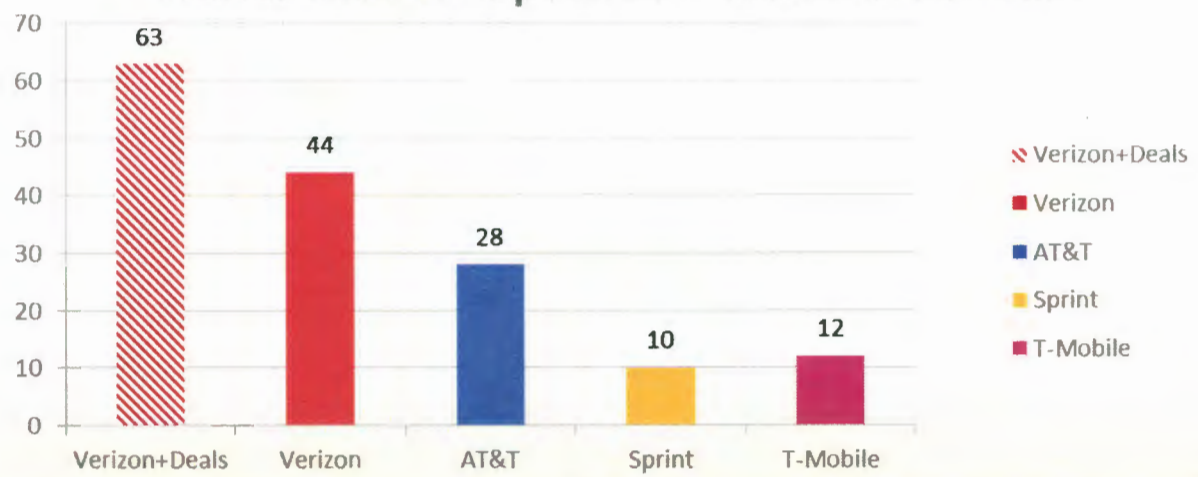
Verizon Has No Need for Additional Spectrum For LTE

- Verizon already holds 13.1B MHz pops of 'greenfield' spectrum for LTE
  - This is more than AT&T, Sprint and T-Mobile combined
  - Verizon has a minimum of 10x10 on 700 MHz nationwide
  - Only 9% of Verizon's subscribers are using LTE
  - Verizon has plenty of excess capacity for network expansion

Free & Clear LTE Spectrum – National Carriers



	Verizon + CableCos	Verizon	AT&T	Sprint	T-Mobile
At least 20 MHz	✓	✓	✓	X	X
Avg. Depth (MHz)	63	44	28	10	12
POPs (M)	300	300	300	300	125
MHz POPs (B)	18.9	13.1	8.4	3	1.5

Source: Deutsche Bank Markets Research, *Key Updates on Major Spectrum Deals*, Feb. 5, 2012, page 7

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Verizon Will Add to Its Already Excessive Amounts of LTE Spectrum if the Transactions are Permitted to Close as Proposed

Pop Rank	CMA #	Cellular Market Area ("CMA")	2010 Pops	Verizon Wireless 700 MHz	Verizon Wireless AWS	Verizon Wireless Total LTE Spectrum
1	2	Los Angeles, CA	17,174,570	46	20	66
2	1	New York, NY	16,808,740	34	40	74
3	3	Chicago, IL	8,507,569	34	40	74
4	9	Dallas-Forth Worth, TX	6,557,576	34	20	54
5	10	Houston, TX	5,637,211	34	30	64
6	4	Philadelphia, PA	5,289,675	34	40	74
7	17	Atlanta, GA	4,914,273	34	40	74
8	8	Washington, DC-MD-VA	4,809,725	34	40	74
9	5	Detroit/Ann Arbor, MI	4,733,459	34	50	84
10	6	Boston, MA-NH	4,508,380	22	40	62
11	7	San Francisco-Oakland, CA	4,375,435	34	20	54
12	12	Miami-Fort Lauderdale, FL	4,302,210	46	40	86
13	26	Phoenix, AZ	4,087,980	22	20	42
14	15	Minneapolis-St. Paul, MN-WI	3,133,944	34	60	94
15	18	San Diego, CA	3,088,346	22	20	42
16	19	Denver-Boulder, CO	2,804,706	34	20	54
17	14	Baltimore, MD	2,655,604	34	40	74
18	20	Seattle-Everett, WA	2,652,469	22	50	72
19	11	St. Louis, MO-IL	2,636,325	22	20	42
20	22	Tampa-St. Petersburg, FL	2,593,519	34	40	74
21	91	San Juan-Caguas, PR	2,271,749	0	0	0
22	30	Portland, OR-WA	2,119,028	22	20	42
23	35	Sacramento, CA	1,973,687	34	20	54
24	13	Pittsburgh, PA	1,959,627	22	40	62
25	93	Las Vegas, NV	1,926,570	22	20	42

Pop Rank	CMA #	Cellular Market Area ("CMA")	2010 Pops	Verizon Wireless 700 MHz	Verizon Wireless AWS	Verizon Wireless Total LTE Spectrum
26	33	San Antonio, TX	1,926,040	34	20	54
27	24	Kansas City, MO-KS	1,867,083	34	40	74
28	27	San Jose, CA	1,813,429	34	20	54
29	60	Orlando, FL	1,787,599	34	40	74
30	16	Cleveland, OH	1,781,739	34	50	84
31	28	Indianapolis, IN	1,715,519	34	40	74
32	23	Cincinnati, OH-KY-IN	1,689,049	46	20	66
33	39	Salt Lake City-Ogden, UT	1,654,325	22	20	42
34	75	Austin, TX	1,641,645	34	20	54
35	31	Columbus, OH	1,580,339	22	50	72
36	21	Milwaukee, WI	1,568,884	22	40	62
37	46	Nashville-Davidson, TN	1,521,132	22	40	62
38	61	Charlotte-Gastonia, NC	1,349,794	34	40	74
39	51	Jacksonville, FL	1,339,750	22	40	62
40	71	Raleigh-Durham, NC	1,333,905	34	40	74
41	72	West Palm Beach-Boca Raton, I	1,290,147	46	40	86
42	47	Greensboro-Winston-Salem-Hi	1,237,144	34	40	74
43	32	Hartford-New Britain-Bristol, C	1,200,820	34	40	74
44	36	Memphis, TN-AR-MS	1,197,246	34	40	74
45	45	Oklahoma City, OK	1,193,409	46	20	66
46	25	Buffalo, NY	1,123,559	22	20	42
47	43	Norfolk-Virginia Beach-Portsm	1,099,797	22	40	62
48	29	New Orleans, LA	1,092,333	22	40	62
49	37	Louisville, KY-IN	1,046,107	22	40	62
50	34	Rochester, NY	1,037,977	34	40	74

Note – Numbers are *proforma* SpectrumCo/Cox transactions

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Verizon's Spectrum Surplus Has Allowed It to Avoid Challenges Faced By Competitors

- T-Mobile must execute double refarm plan, which requires successful execution of several complex technical and commercial components
  - Compress 2G to free up 1900 MHz spectrum for UMTS
  - Deploy UMTS on 1900 MHz
  - Maintain UMTS on AWS While Enabling LTE
- Double Refarm will impact service quality and require active migration of 2G customers through incentives
- Even if executed perfectly, T-Mobile can only achieve 5x5 MHz LTE in multiple markets and no LTE in others
- Verizon's already ample spectrum means it can avoid the risk of refarming and will have no issue with thin coverage in any market
  - Verizon has nationwide 10x10 MHz LTE coverage on its 700 MHz spectrum

T-Mobile Refarming for LTE [REDACTED]

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Rewarding Spectrum Inefficiency is Not in the Public Interest

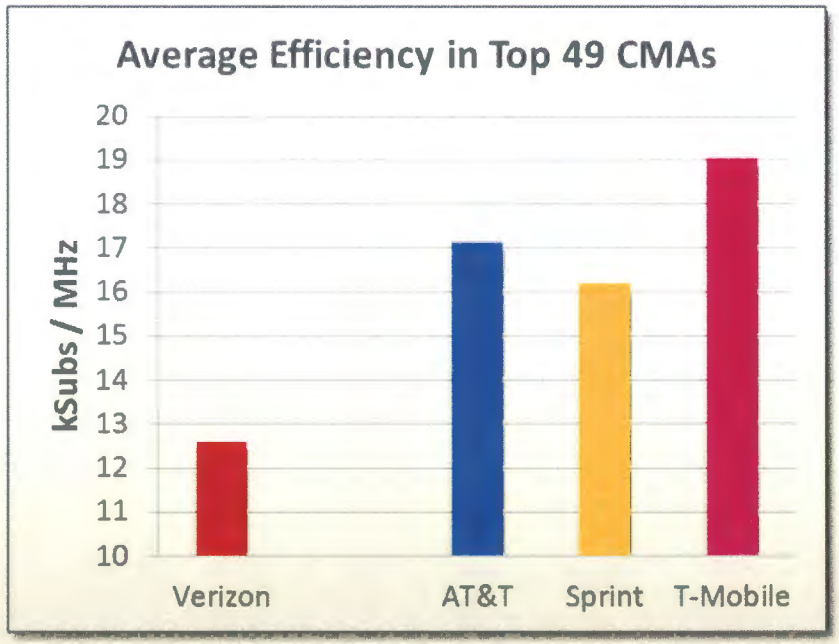
An efficiency analysis shows Verizon is the ***least efficient*** among major carriers when adjusted for smartphone penetration and low band spectrum holdings

Worst in all of the top 5 CMAs

Worst in 8 of the top 10 CMAs

Worst in 25 of the top 49 CMAs

Worst average efficiency in top 49 CMAs



The analysis set forth above is based upon Q4 2011 smartphone penetration numbers set forth in J.P. Morgan Telecom, Cable and Satellite Spectrum and Competition Overview 4Q 2011 Wrap-Up and 2012 Outlook, Mar. 5, 2012, and the spectrum recently approved for transfer from AT&T to T-Mobile was therefore included as part of AT&T's spectrum holdings. The inclusion of that spectrum as part of T-Mobile's portfolio would not change Verizon's position as the least efficient of the four carriers. *See Analysis* Declaration of Dennis Roberson, Replies of T-Mobile USA Inc, WT-Docket 12-4 (filed Mar. 26, 2012).
A preliminary analysis using publicly released Q1 2012 smartphone penetration numbers available as of May 4, 2012 suggests Verizon's efficiency continues to lag the market.

T · ·Mobile·

Foreclosing AWS Spectrum From Competitors Is Not In The Public Interest

- More AWS spectrum would enable robust LTE competition
- At least one competitor, T-Mobile, would work to deploy new AWS spectrum *immediately* for LTE
  - Because it is compatible with existing network and can be integrated into current network modernization program
- Verizon's primary near-term benefit from its spectrum acquisition strategy is to hobble its competitors

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TECHNOLOGY JANUARY 27, 2012

Confessions of an iPhone Data Hog

AT&T Wags Finger at 'Unlimited' Data Users; A Letter Warns 'You May See Reduced Speeds'

By WILLA PLANK

I'm not on the run yet. But I've been warned. AT&T doesn't like what I'm doing.

The mobile carrier sent me an email out of the blue last week. Apparently I had reached a milestone: I'm in the top 5% of the carrier's heaviest data users.

AT&T punishes its heaviest wireless data users by slowing down their service but what does it take to join the top five percent of the carrier's data users? Willa Plank explains on The News Hub. Photo: AFP/Getty Images

3GB of monthly data

- **15 minutes** of streaming YouTube videos
- **50 pages** viewed on the Web
- **2 hours** of Pandora streaming music
- **10 posts** to Facebook or Twitter with photos uploaded
- **50 emails** sent or received (without attachments)

Avoiding the Throttle

Use Wi-Fi whenever possible — at home, a hotel or a coffeeshop

Don't do data-heavy tasks like stream audio or video on your phone's cell network. Download music or videos onto devices directly from a computer so as not to stream

Choose lower video resolution whenever possible

When picking a cellphone plan, check if the carrier has a usage calculator online to estimate data usage to pick the best plan

Use other apps that track data usage like My Data Manager for Android and iPhone. Another tracking app called Onavo also offers data compression for the iPhone

But there were no prizes. Repeat the feat, and I might be punished with slower service, the email said. Just in case I didn't get the message, AT&T followed up with a text reminding me to use Wi-Fi to help avoid pokey download speeds.

How did I get to this digital penalty box? In 2010, AT&T announced new tiered data plans, with prices escalating based on the amount of a customer's monthly data use.

In July, it warned that data hogs might suffer network slowdowns. I stuck with the $30 a month unlimited plan, figuring I wouldn't be one of them.

I was wrong. I had been using my iPhone for nearly four years, doing nearly the same things every day—checking email, listening to Pandora Internet radio, using Google Maps, browsing the Web at night and shopping online. I averaged about 1.76 gigabytes of data per month in 2011

That changed this month. I'm not sure what did it. Perhaps it was one 84-minute movie on Netflix, or a bunch of shorter clips that came to total 200 minutes of video. Maybe it was the 24 photos I uploaded to Facebook or the extra hours on Pandora as I took bus rides between New York and Washington, D.C.

By Jan. 18, about a week before my billing cycle ended, I had already used 2.05 gigabytes.

There isn't much agreement on what counts as normal data use. The average smartphone owner used 606 megabytes of data per month in the third quarter of 2011, according to Nielsen.

An NPD Connected Intelligence study of 700 Android smartphone users found they used 724 megabytes per month on AT&T's network. The average was 1.7 gigabytes on T-Mobile, 902 megabytes on Verizon Wireless and 1.2 gigabytes on Sprint.

But there is agreement that data consumption is on the rise. NPD group expects video streaming to double over the next 12 months.

Oddly, this isn't great news for AT&T, which over the years signed up millions of users with the promise of unlimited data access.

When data use was relatively low, this made business sense for the carrier. Now, voracious data use is making those unlimited plans less profitable—and harmful to AT&T's wireless network.

"If you look around at competitors you'll find similar approaches," said AT&T spokesman Mark Siegel. "We all have to find ways to find efficient uses of that spectrum available."

AT&T's network has had trouble handling the crush of traffic set off by the iPhone, particularly in big cities like New York and San Francisco. The carrier's ill-fated $39 billion deal to buy T-Mobile USA, along with its spectrum and thousands of cell towers, was intended in part as a fix for those problems.

AT&T Data-Usage Letter

A letter from AT&T warns that being in the top 5% of the heaviest data users may result in reduced-service speeds.

In the meantime, AT&T is trying to get customers into tiered plans, so those who use more will pay more.

The problem is that I'm not alone in using my cellphone as my primary path to the Internet. About

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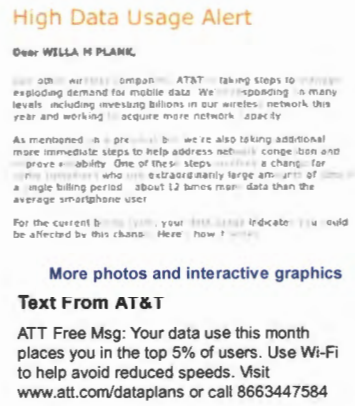

High Data Usage Alert

Dear WILLA M PLANK,

[illegible] AT&T [illegible] taking steps to [illegible] exploding demand for mobile data. We [illegible] spending [illegible] many levels, including investing billions in our wireless network this year and working [illegible] acquire more network capacity.

As mentioned [illegible] we're also taking additional more immediate steps to help address network congestion and improve reliability. One of these steps [illegible] a change for [illegible] who use extraordinarily large amounts of [illegible] a single billing period, about 12 times more data than the average smartphone user.

For the current b[illegible] your [illegible] indicate [illegible] would be affected by this change. Here's how [illegible]

More photos and interactive graphics

Text From AT&T

ATT Free Msg: Your data use this month places you in the top 5% of users. Use Wi-Fi to help avoid reduced speeds. Visit www.att.com/dataplans or call 8663447584

25% of smartphone owners said they mostly use their phones, rather than a computer, to go online, according to a Pew Internet Project survey conducted last year.

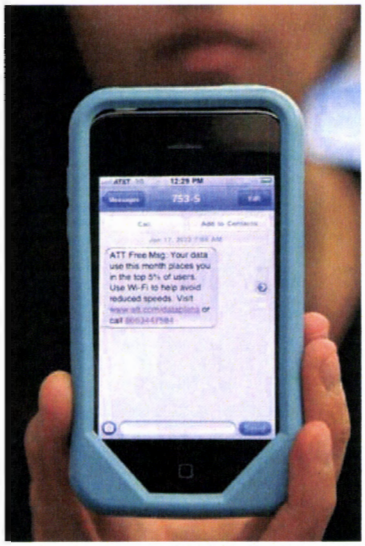
AT&T's email had suggestions including that I: "Consider using Wi-Fi when possible for applications that use the highest amounts of data, such as streaming video apps, remote web camera apps, large data-file transfers (like video) and some online gaming."

I shut off my iPhone's Wi-Fi option long ago, because constantly searching for a signal can eat up battery life. But after AT&T's gentle suggestion, I came back to Wi-Fi instead of accessing AT&T's network.

While this works at home, it's still a hassle when I'm on the move. Coverage cuts in and out, and I can't listen to Pandora on the train anymore. I have to lug my work laptop home more often. So much for mobile.

The warning notices have had another effect: I'm starting to get paranoid. Was that sluggish service when I was trying to find a restaurant online last Wednesday?

AT&T's Mr. Siegel said slowing down heavy data consumers is a way to ensure that all customers can use the company's network.



Joe Schram/The Wall Street Journal

A warning text from AT&T

On Oct. 1, the carrier started slowing network speeds for the top 5% of unlimited-plan users in each market, a group that varies by market and by month. I asked how much data the average AT&T customer uses, but was told that wouldn't be a helpful comparison.

AT&T subscribers on tiered plans don't get throttled. They just have to pay for more data if they go over their limit. AT&T's letter suggested that I look at these tiered plans.

It may be a coincidence, but it arrived the same week the carrier said it would raise the price and size of its data tiers. The new data plans offer 300 megabytes for $20 a month, three gigabytes for $30 and five gigabytes for $50.

I used just over two gigabytes, so why would I switch to a capped plan for the same price as my $30 unlimited plan? Oh yes, the throttling threat.

New customers can't sign up for unlimited plans anymore. When asked if slowing down the network is to encourage unlimited customers to switch, Mr. Siegel said: "We offer people the variety of choices. They can pick the plan that is right for them."

Indeed, the right plan for me may be with another carrier. Lately I've been looking at Sprint. It offers "unlimited data," too.

Write to Willa Plank at willa.plank@dowjones.com

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