

**Before the
Federal Communications Commission
Washington, D.C. 20554**

In re Applications of)
)
SPECTRUMCO, LLC, Transferor)
COX TMI WIRELESS, LLC, Transferor)
)
and) WT Docket No. 12-4
)
CELLCO PARTNERSHIP D/B/A)
VERIZON WIRELESS, Transferee)
)
for Consent to the Assignment of AWS-1)
Licenses)

To: The Commission

COMMENTS OF THE RURAL TELECOMMUNICATIONS GROUP, INC.

The Rural Telecommunications Group, Inc. (“RTG”)¹, by its attorneys, hereby responds to the Federal Communications Commission’s (“FCC” or “Commission”) *Public Notice* released June 26, 2012 requesting parties in this proceeding to “comment on the impact”² on this proceeding of the proposed transaction between Cellco Partnership d/b/a Verizon Wireless (“Verizon”) and T-Mobile License LLC (“T-Mobile”).³ RTG has previously filed a Petition to Deny⁴ and a Reply to Joint Opposition to Petition to Deny⁵ in response to the applications filed

¹ RTG is a 501(c)(6) trade association dedicated to promoting wireless opportunities for rural telecommunications companies to serve rural consumers and those consumers traveling to rural America. RTG’s members are small businesses service or seeking to serve secondary, tertiary, and rural markets. RTG’s members are comprised of both independent wireless carriers and wireless carriers that are affiliated with rural telephone companies.

² FCC Public Notice, DA 12-998, “*Wireless Telecommunications Bureau Seeks Comment on the Impact on the Verizon Wireless – SpectrumCo and Verizon Wireless – Cox Transactions of the Applications of Verizon Wireless and T-Mobile to Assign AWS-1 Licenses*,” WT Docket No. 12-4 (released June 26, 2012) (“*Public Notice*”) at p.2.

³ FCC Public Notice, DA 12-999, “*Cellco Partnership d/b/a Verizon Wireless and T-Mobile License LLC Seek FCC Consent to the Assignment of Advanced Wireless Service Licenses*,” WT Docket No. 12-175, Pleading Cycle Established (released June 26, 2012) (“*Public Notice*”).

⁴ *In re Applications of SpectrumCo, LLC, Transferor, Cox TMI Wireless, LLC Transferor and Cellco Partnership d/b/a Verizon Wireless, Transferee for Consent to the Assignment of AWS-1 Licenses*, Petition to Deny of the Rural Telecommunications Group, Inc., WT Docket No. 12-4 (filed February 21, 2012) (“*Petition to Deny*”).

by Verizon Wireless, SpectrumCo, LLC (“SpectrumCo”) and Cox TMI Wireless, LLC (“Cox”) (collectively, “the Applicants”) in the above-referenced proceeding (WT Docket No. 12-4). RTG also contemporaneously filed a Petition to Deny the applications filed by Verizon and T-Mobile (WT Docket No. 12-175).⁶

Verizon and T-Mobile seek Commission approval to assign Advanced Wireless Services (“AWS”) licenses between their companies. Prior to filing these applications, Verizon filed applications to purchase from SpectrumCo and Cox (collectively, the “Cable Companies”) 152 AWS licenses. Forty-seven of the AWS licenses Verizon wishes to assign to T-Mobile are currently held by three other licensees, namely SpectrumCo, Cox and Leap Wireless International Inc. (“Leap”), who also entered into a spectrum deal with Verizon which is the subject of this proceeding.⁷ On January 19, 2012, the Commission initiated this proceeding to determine whether the sale of any of those AWS licenses from the Cable Companies and Leap is in the public interest.⁸ The Commission is still in the process of reviewing all of the relevant applications for assignment, petitions to deny and comments in the above-referenced proceeding.

⁵ *In re Applications of SpectrumCo, LLC, Transferor, Cox TMI Wireless, LLC Transferor and Cellco Partnership d/b/a Verizon Wireless, Transferee for Consent to the Assignment of AWS-1 Licenses*, Reply to Joint Opposition to Petition to Deny of the Rural Telecommunications Group, Inc., WT Docket No. 12-4 (filed March 26, 2012) (“RTG Reply”).

⁶ *In re Applications of Cellco Partnership d/b/a Verizon Wireless and T-Mobile License, LLC Seek FCC Consent to the Assignment of Advanced Wireless Service Licenses*, Petition to Deny of the Rural Telecommunications Group, Inc., WT Docket No. 12-175 (filed July 10, 2012).

⁷ “Leap Enters into Spectrum Transactions with Verizon Wireless,” Press Release of Leap Wireless International, Inc.; <http://leapwireless.mediaroom.com/index.php?s=13383&item=95830> (last viewed July 10, 2012).

⁸ See “*Cellco Partnership d/b/a Verizon Wireless, SpectrumCo, LLC and Cox TMI Wireless, LLC Seek FCC Consent to Assignment of AWS-1 Licenses*” Pleading Cycle Established, WT Docket No. 12-4, DA 12-67 (released January 19, 2012); “*Verizon Wireless and Leap Wireless Seek FCC Consent to the Exchange of Lower 700 MHz Band A Block, AWS-1, and Personal Communications Service Licenses*” Revised Pleading Cycle Established, ULS File Nos. 0004942973, 0004942992, 0004952444, 0004949596, and 0004949598, DA 12-69 (released January 19, 2012).

As such, Verizon does not presently have the legal authority to assign any of those 47 AWS licenses currently held by the Cable Companies and Leap.

Because Verizon does not have the legal authority to assign those 47 licenses, the impact of the proposed transaction with T-Mobile should theoretically be zero. However, because the FCC apparently intends to rule on the two proceedings concurrently, the impact of the Verizon/T-Mobile transaction is quite significant. The further aggregation of licenses by Verizon merely adds to the carrier's already large coffers of undeveloped, undeployed bandwidth. In some counties, Verizon stands to gain 20 megahertz of new AWS spectrum. In other counties, Verizon will end up with 40 megahertz of contiguous AWS spectrum. Should the announced deal with T-Mobile be allowed to proceed unfettered, Verizon will exceed the already outdated spectrum screen in at least five states in markets covering hundreds of thousands of residents. The fact that Verizon is selling (or for that matter, merely swapping) a tiny portion of its existing or potential spectrum holdings in no way alleviates the spectrum aggregation concerns raised by its mammoth deals with SpectrumCo, Cox and Leap. Even before the deals with the SpectrumCo, Cox, Leap and T-Mobile are taken into consideration, Verizon holds significantly more spectrum than its national competitors.

The Commission should hold the Verizon/T-Mobile applications in abeyance pending the outcome of the underlying transactions involving Verizon, the Cable Companies and Leap. It is unprecedented from a public interest standpoint for concerned parties to be forced to file petitions to deny or comments on a transaction that is dependent on the approval of another hotly contested transaction such as this one. While RTG opposes the transactions proposed by the Applicants, it is possible that certain conditions could be placed on these transactions that would make them more palatable to RTG and could subsequently impact the concerns RTG has with the Verizon/T-Mobile transaction. For example, if the Commission as part of its approval

conditioned the Applicants' transactions on a lowered spectrum screen or re-instituted a hard spectrum cap, then RTG may not be opposed to the Verizon/T-Mobile spectrum sale-and-swap as part of a larger spectrum divestiture process to bring Verizon under RTG's proposed spectrum cap. However, without knowing whether the FCC is going to approve or condition the transactions in WT Docket No. 12-4, RTG cannot adequately address the impact of the Verizon/T-Mobile transactions contemplated in WT Docket No. 12-175. Accordingly, RTG remains opposed to all of the transactions contemplated by Verizon.

The timing of the Verizon/T-Mobile applications is highly questionable for it places the proverbial cart before the horse. Verizon would like the public to believe that by entering into a deal with T-Mobile it is engaging in a magnanimous self-divestiture that will somehow mitigate the public interest harms created by its deals with the Cable Companies and Leap. In fact, Verizon is doing nothing more than muddying an already overly complex transactional web set into motion in late 2011 to catapult it further into position as the largest national wireless carrier in the United States. Approval of the applications in WT Docket No. 12-175 does precious little to limit the spectrum aggregation and anticompetitive practices of Verizon. Nor does approval of those applications necessarily make T-Mobile a stronger market player. What the announced deal does accomplish, however, is to distract consumers by drawing their attention away from the new axis formed by the Cable Companies and Verizon and the hyper-concentration of spectrum in the hands of Verizon. This sale-and-swap between Verizon and T-Mobile was designed to mimic a large, voluntary divestiture when it in fact does nothing more than buy the silence of a once vocal critic of Verizon's transaction with the Cable Companies. Verizon is giving up little of its spectrum depth and the deal with T-Mobile addresses zero of the anticompetitive concerns raised by dozens of parties, including RTG.

Were the applications in WT Docket No. 12-4 and WT Docket No. 12-175 to be approved without conditions or divestitures, Verizon would be awarded enormous amounts of AWS spectrum across the country while countless other wireless operators and prospective operators would be shut-out from accessing these airwaves. If Verizon demonstrated an ability to actually utilize its vast spectrum holdings, then opposition would perhaps be less intense. However, as RTG has previously demonstrated, Verizon has failed to put the AWS licenses it already holds to commercial use.⁹ The impact of the Verizon/T-Mobile transaction on the applications in WT Docket No. 12-4 is one of amplification, not reduction. RTG remains opposed to Verizon's purchase of AWS spectrum from the Cable Companies and Leap for all the reasons previously raised in its *Petition to Deny* and *RTG Reply*. RTG also remains opposed to the Verizon/T-Mobile transaction because it does nothing to lessen the anticompetitive harms brought upon the commercial wireless industry and the public by the applications in WT Docket No. 12-4.

Respectfully submitted,

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July 10, 2012

⁹ *Petition to Deny* at p. 11; *RTG Reply* at p. 2.

CERTIFICATE OF SERVICE

I, Colleen von Hollen, of Bennet & Bennet, PLLC, hereby certify that a copy of the foregoing Comments of the Rural Telecommunications Group, Inc. was served on this 10th day of July, 2012, via electronic mail, on those listed below:

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