SKADDEN, ARPS, SLATE, MEAGHER & FLOM LLP
1440 NEW YORK AVENUE, N.W.
WASHINGTON, D.C. 20005-2111

TEL: (202) 371-7000
FAX: (202) 393-5760
www.skadden.com

DIRECT DIAL
202-371-7387
DIRECT FAX
202-661-0537
EMAIL ADDRESS
TEMORY@SKADDEN.COM

July 9, 2012

Marlene H. Dortch
Secretary
Federal Communications Commission
445 Twelfth Street, SW
Washington, DC 20554

RE: Applications of Cellco Partnership d/b/a Verizon Wireless, SpectrumCo LLC, and Cox TMI Wireless, LLC For Consent To Assign Licenses; WT Docket No. 12-4
Notice of *Ex Parte* Communications

Dear Ms. Dortch:

On July 5, 2012, Charles McKee, Vice President of Government Affairs, Federal and State Regulatory; Trey Hanbury, Director, Government Affairs, both of Sprint Nextel Corporation ("Sprint"); Antoinette Cook Bush and the undersigned of this firm, Outside Counsel to Sprint, met with Commissioner Jessica Rosenworcel, and Paul Murray, Acting Legal Advisor for Wireless Issues, in the Commissioner's office. Sprint's presentation included Sprint's Highly Confidential information. Accordingly, Sprint's notice of that conference is submitted under seal. The attached version of that notice has been redacted for public inspection.

Please let us know if you have any questions regarding this submission.

Sincerely,

/s/

Tara S. Emory
Counsel to Sprint Nextel Corporation

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The Sprint representatives discussed two issues related to the transaction among Verizon Wireless ("Verizon"), Comcast Corp., Time Warner Cable Inc., Bright House Networks, LLC, and Cox TMI Wireless LLC (the "Cable Companies"): WiFi networks and backhaul. Although Sprint has not formally opposed the proposed sale of wireless spectrum by the Cable Companies to Verizon, there are certain specific conditions to the transaction that would serve the public interest by countering the loss of effective competition that would follow from the spectrum sale and its associated "Commercial Agreements."

WiFi Offload

All modern smartphones have the ability to connect through WiFi systems within their range. These WiFi connections have multiple advantages for customers: They increase download speeds, which is especially important when viewing streaming media on mobile devices. WiFi relieves network congestion in densely populated areas, giving truly mobile users greater opportunity to use the carrier's licensed spectrum. Because WiFi use does not draw from subscribers' metered data plan allotments, WiFi offloads can result in lower bills for consumers.

The Cable Companies have constructed extensive WiFi networks within their service areas. WiFi networks, just like cellular networks, rely on wired network connections. Cable WiFi networks have been constructed on the backbone of franchised cable systems, taking advantage of preferential rates for access to utility poles, ducts, and rights of way. The Cable networks and the older Incumbent Local Exchange Carriers ("ILEC") networks – built under monopoly regulation or monopoly franchises – are impossible to economically duplicate.

The relationships that would arise from the Commercial Agreements, assuming no mitigating regulatory action, would give the Cable Companies a financial incentive to deny WiFi access to Verizon's competitors, to the detriment of customers of Sprint and other wireless competitors.

When a Cable Company customer uses a smartphone in his or her home or in another location on the Cable Company's network, the phone can automatically shift from metered licensed spectrum to unlicensed, unmetered WiFi service. The phone will detect the availability of WiFi and seamlessly use pre-programmed authentication codes, with no action required by the subscriber. An agreement between the Cable Company and Verizon could continue this easy access for Verizon customers, while disadvantaging customers of competing wireless carriers by not allowing their mobile phones to access the WiFi signal "network" or by erecting access barriers such as denying automated authentication, and/or requiring the entry of a complex code every time the customer wants to use the WiFi service, even in his or her own home.

In the absence of the Commercial Agreements, the Cable Companies would not have the incentive to degrade the service for other wireless carriers for the benefit of Verizon. However, given the Agreements, the Cable Companies have both 1) financial incentives to divert to VZW customers who use other wireless providers; and 2) incentives to cooperate with VZW in all respects and avoid any actions that would have a negative impact on VZW, so as not to disrupt their relationships under the Commercial Agreements.

Competing wireless carriers cannot build their own WiFi networks without the wired backbone networks that the cable companies and ILECs control as a legacy of their respective monopoly network builds. Indeed, the 1996 Telecommunications Act relied on competition between these two networks to maximize customer choices, keeping rates reasonable, and reducing the need for regulation. Where wireless carriers used to have a choice of two wired networks for potential WiFi system construction, now there is effectively only a single option. **[Begin Highly Confidential Information]** [redacted] **[End Highly Confidential Information]**.

Backhaul

Sprint competes with much larger competitors, Verizon and AT&T; but effective competition requires access to inputs necessary to provide cost-effective commercial mobile service. The explosion of mobile data flowing from the introduction and increasing popularity of smartphones and wireless tablets has forced all major carriers to plan significant increases in the capacity of their networks. An LTE cellular system has only two ways to increase capacity: adding more spectrum or adding additional cells. The Commission has acknowledged claims of spectrum scarcity raised by Verizon and others and is taking several major initiatives to make new spectrum available in the long term; however no major new allocations for wireless broadband use are likely for several years and, even if additional allocations were likely, spectrum alone will not solve consumer demand for wireless services.

For its part, Sprint is actively addressing the consumer demand for more data by increasing the capacity and efficiency of its network through its "Network Vision" initiative. Through this initiative, Sprint solicited bids to upgrade backhaul access to all of its approximately 38,000 macro cell sites. Sprint will better rationalize its spectrum using software-driven radios.

In addition, Sprint will be deploying an increasingly heterogeneous network topology featuring large numbers of "microcells" to bring targeted additional coverage and capacity to high-demand areas with increased reliability and speed. Increasing capacity with microcells also avoids substantial capital and operational costs, zoning issues and space limitations associated with macro cells. Because microcells require less capacity than macro cells, microcell backhaul can be served by T-1 as well as larger circuits.

Adding large numbers of microcells requires additional backhaul connections from the two major groups of suppliers: ILECs and cable providers. The close partnerships contemplated by the Commercial Agreements would destroy even the limited backhaul competition that currently exists, replacing it with cooperation that will allow Verizon and the Cable Companies to increase profits through cooperation instead of competing on price. Thus the need for extensive microcell deployments will be further exacerbated by the joint interest this transaction creates among Verizon and the Cable Companies against competitive backhaul pricing for competing wireless carriers.

Additionally, Sprint has found that wired network operators are charging the same backhaul rates for microcells, covering small areas, as they charge for connections to macrocells with much wider coverage and generally much heavier use. This pricing scheme makes network expansion through microcells much more difficult. With the loss of Cable Companies as effective competing backhaul providers, there is little hope for relief.

Proposed Conditions

To remedy the problems that the Sprint representatives described, they proposed that the Commission impose several conditions on its consent to the applications now under consideration:

- Cable Companies that operate WiFi networks must not impose any restrictions to access to those networks by wireless subscribers that are not imposed uniformly on customers of all wireless carriers. This prohibits discriminatory access and authentication procedures. Any WiFi technologies or protocols developed by the Cable Companies and Verizon through their joint venture must be made available to all wireless carriers at nondiscriminatory rates and terms.

- Cable Companies must not discriminate in the cost or speed of handling traffic on their WiFi networks based on a customer's choice of wireless carrier.

- Cable Companies must not restrict wireless carriers from access to existing cable facilities for the installation and attachment of microcells.

- Cable Companies and the Verizon ILEC must provide backhaul services to wireless carriers on a non-discriminatory basis, with costs proportional to the requested capacity of a line.

These conditions would ameliorate some of the anticompetitive effects that otherwise would arise from the transactions and would serve the public interest.

Sincerely,

/s/

Tara S. Emory
Counsel to Sprint Nextel Corporation

cc: Commissioner Rosenworcel
Paul Murray