



WILTSHIRE
& GRANNIS LLP

July 20, 2012

BY ELECTRONIC FILING

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

Re: *Applications of Cellco Partnership d/b/a/ Verizon Wireless, SpectrumCo, LLC, and Cox TMI Wireless, LLC for Consent to Assign Wireless Licenses WT Docket No. 12-4*

Dear Ms. Dortch:

On July 18, 2012, representatives of DIRECTV met with Commission staff to discuss the proposed transactions in the above referenced proceeding. Present on behalf of DIRECTV were Larry Hunter, Susan Eid, Stacy Fuller, and undersigned counsel. Present on behalf of the Commission were Charles Mathias, Special Counsel to Chairman Genachowski; William Lake, Sarah Whitesell, Martha Heller, Dana Scherer and Ty Bream of the Media Bureau; Christopher Sova, Peter Trachtenberg, and Jim Schlichting of the Wireline Competition Bureau; Sean Lev, Joel Rabinovitz, and Jim Bird of the Office of General Counsel; and Marius Schwartz and Paul LaFontaine of the Office of Strategic Planning and Analysis.

DIRECTV discussed the effect the proposed arrangements between the nation's largest wireless carrier and the largest cable operators would have on the video marketplace. In particular, DIRECTV proposed that the Commission require Comcast Corporation, Time Warner Cable, and Bright House Networks (the "Cable Companies") to divest their interests in Clearwire Corporation ("Clearwire") as part of their proposed sale of spectrum to Verizon. In 2008, the Cable Companies invested in Clearwire with the announced goal of providing a bundled next-generation wireless service over Clearwire's 4G network.¹ However, once they entered into the Commercial Agreements and gained access to the Verizon Wireless network, they discontinued those efforts.²

¹ See, e.g., Press Release, "Clearwire Completes Transaction with Sprint Nextel and \$3.2 Billion Investment to Launch 4G Mobile Internet Company" (Dec. 1, 2008) (available at <http://corporate.clearwire.com/releasedetail.cfm?ReleaseID=551181>).

² See, e.g., "Comcast to Discontinue Clearwire Wireless Service in Six Months," Bloomberg (Dec. 2, 2011) (available at <http://www.bloomberg.com/news/2011-12-02/comcast-to->

Moreover, they have stated for the record that they neither intend to build their own wireless network³ nor view Clearwire as a “viable” solution going forward.⁴

Allowing these MSOs to continue to hold minority ownership and management interests in Clearwire⁵ despite their new arrangement with Verizon Wireless would enable them to hamper further development of Clearwire’s competing network and services, both by impeding new initiatives and by refusing to make additional investments. Third parties, in turn, will have less incentive to invest in or enter into strategic agreements with Clearwire, resulting in valuable spectrum remaining fallow. Accordingly, the Commission should require the Cable Companies to divest these interests within six months.

Should you have any questions concerning this letter, please do not hesitate to contact me.

Respectfully submitted,

/s/

Michael Nilsson

discontinue-clearwire-wireless-service-in-six-months.html); Clearwire Corp., Form 10-K for the period ending Dec. 31, 2011, at 7 (filed Feb. 16, 2012) (“Comcast and Time Warner resell our services in approximately 56 markets as of December 31, 2011, but are expected to reduce or eliminate additional sales during 2012 as part of their recent co-marketing agreements with Verizon Wireless Inc.”) (*available at* <http://files.shareholder.com/downloads/CLWR/1936301540x0xS1445305-12-337/1442505/filing.pdf>).

- ³ Opposition of SpectrumCo LLC *et al.*, WT Docket No. 12-4 at 35 (filed Mar. 4, 2012) (“SpectrumCo’s members reasonably concluded that, given the costs and complexities involved, there was no strategic or financial value in undertaking the very large investments and corresponding business risks necessary to become an additional facilities based competitor in a crowded and competitive wireless marketplace.”).
- ⁴ *Id.* (“SpectrumCo determined, for a variety of reasons, that the Sprint Nextel/Clearwire arrangements would not provide a comprehensive and viable long-term wireless solution.”).
- ⁵ According to Clearwire’s latest proxy statement, Comcast Corporation, Time Warner Cable, Inc., and Bright House Networks, LLC are Strategic Investors in the company, and signatories to an Equityholders’ Agreement that gives them certain rights with respect to corporate governance, including the composition of the Board of Directors. *See* Clearwire 2012 Proxy Statement at 4 (dated Apr. 30, 2012) (*available at* http://files.shareholder.com/downloads/CLWR/1936301540x0x568337/D56A00F3-C9DB-4D67-90FC-03E3FAA6EADC/Proxy_Clearwire_BMK.PDF). Comcast and Time Warner Cable reportedly hold voting interests of 6.6% and 3.5%, respectively. *See id.* at 22.

cc:

William Lake
Sarah Whitesell
Martha Heller
Dana Scherer
Ty Bream
Christopher Sova
Peter Trachtenberg
Jim Schlichting
Sean Lev

Joel Rabinovitz
Jim Bird
Marius Schwartz
Paul LaFontaine
Charles Mathias