

July 27, 2012

**VIA ELECTRONIC FILING**

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”), this letter responds to the claim by the Rural Telecommunications Group, Inc. (“RTG”) that the spectrum transaction between T-Mobile and Celco Partnership d/b/a Verizon Wireless (“Verizon Wireless”) that is being considered by the Commission in WT Docket No. 12-175 (the “TMUS Transaction”) will not “necessarily make T-Mobile a stronger market player” and “addresses zero” of the concerns raised by parties to the above-referenced proceeding.<sup>1</sup> RTG is wrong. The TMUS Transaction will improve T-Mobile’s ability to compete more vigorously and will therefore benefit consumers. Accordingly, it resolves the competitive concerns T-Mobile previously identified relating to Verizon Wireless’ spectrum concentration. The Commission should therefore promptly approve the transactions pending in this proceeding and the TMUS Transaction so that T-Mobile may promptly deploy the additional spectrum as part of its network modernization project.<sup>2</sup>

Boston  
Hartford  
Hong Kong  
London  
Los Angeles  
New York  
Orange County  
San Francisco  
Santa Monica  
Silicon Valley  
Tokyo  
Washington

---

<sup>1</sup> *Comments of the Rural Telecommunications Group, Inc.*, WT Dkt. No. 12-4, at 4 (July 10, 2012) (“*RTG Comments*”).

<sup>2</sup> RTG’s recent invocation of T-Mobile’s prior pleadings in this proceeding is similarly misguided. *Reply to Joint Opposition to Petition to Deny of the Rural Telecommunication, Group, Inc.*, WT Dkt. No. 12-175, at 3-4 (July 24, 2010). Given the competitive benefits described herein, T-Mobile has concluded that the TMUS Transaction addresses the concerns that T-Mobile had raised about proposed aggregation of AWS spectrum by Verizon Wireless. *See* Letter from Thomas J. Sugrue, Senior Vice President, Government Affairs, T-Mobile USA, Inc., to Marlene H. Dortch, Secretary, FCC, WT Docket No. 12-4 (filed June 25, 2012). RTG’s attempt to second guess T-Mobile’s judgment with respect to the impact of the TMUS Transaction on its prior concerns is entitled to no weight.

Bingham McCutchen LLP  
2020 K Street NW  
Washington, DC  
20006-1806

T +1.202.373.6000  
F +1.202.373.6001  
bingham.com

A/75030290

Contrary to RTG's claims, and as acknowledged by a number of other parties, the TMUS Transaction is "pro-competitive"<sup>3</sup> and "involves efficiency-enhancing spectrum swaps and the pro-competitive acquisition of spectrum by T-Mobile."<sup>4</sup> Many of the parties to this proceeding have previously recognized that T-Mobile plays an important role in the competitive wireless landscape, "has acted as both a price leader and an innovation leader despite its smaller size and spectrum constraints," and that it needs spectrum to build its LTE network.<sup>5</sup> The TMUS Transaction will provide T-Mobile with critical AWS spectrum that it needs to enhance network capacity and performance to meet the growing demand for 4G mobile broadband. This is good for consumers because it will enable T-Mobile to compete even more vigorously with other wireless carriers, and in particular will give T-Mobile a stronger platform on which to offer a robust and competitive LTE service.<sup>6</sup> And as the Commission and other parties have repeatedly found, such competition is clearly in the public interest in that it forces pro-consumer responses from other firms in the marketplace.<sup>7</sup>

---

<sup>3</sup> *MetroPCS Communications, Inc. Comments on the Impact of the Verizon Wireless/T-Mobile Spectrum Assignments on the Pending Verizon Wireless/SpectrumCo and Verizon Wireless/Cox Transactions*, WT Dkt. No. 12-4, at 2 (July 10, 2012).

<sup>4</sup> *Petition to Deny of Free Press*, WT Dkt. 12-175, at 3 (July 10, 2012) ("*Free Press Petition*").

<sup>5</sup> *See, e.g., Petition to Deny*, filed by Public Knowledge, WT Dkt. No. 11-65, at 35-36, 62-63 (May 31, 2011); *see also, id.*, at 7 ("T-Mobile is not merely a direct competitor but a "maverick" whose behavior forces pro-consumer responses from larger firms despite T-Mobile's relatively modest market share"); *Petition to Deny*, filed by Free Press, WT Dkt. No. 11-65, at 33-34 ("T-Mobile has taken on the role of a maverick competitor, using product innovation to differentiate and compete"). Indeed, RTG has recognized in this docket that "significant consumer benefits" arise from T-Mobile's competitive efforts. *Reply to Joint Opposition to Petition to Deny*, filed by RTG, WT Dkt. No. 12-4, at 8 (Mar. 26, 2012).

<sup>6</sup> *See Comments*, filed by Public Knowledge, WT Dkt. No. 12-175, at 1 (the TMUS Transaction "provid[es] T-Mobile with the 'path to LTE' that just a few months ago was said to be impossible") "*Public Knowledge Comments*"; *Letter from Morgan Reed, Association for Competitive Technology, to Chairman Julius Genachowski*, FCC, WT Dkt. Nos. 12-4 and 12-175, at 1 (filed July 10, 2012) ("*ACT Letter*") (the TMUS Transaction will further the "[c]ontinued build-out of wireless capacity [that] is crucial for continued growth of wireless internet and data services as well as economic growth"); *Petition to Condition or Otherwise Deny*, filed by Information Age Economics, WT Dkt. Nos. 12-4, 12-175, and 12-69, at 4-5 ("[I]f these interrelated transactions are approved, T-Mobile will have acquired enough bandwidth to enable it to deploy an effective nationwide LTE network exploiting 2x10 MHz of AWS spectrum throughout, or over the great majority of its coverage.").

<sup>7</sup> *See, e.g., Petition to Deny*, filed by Sprint Nextel Corporation, WT Dkt. No. 11-65, at 49 ("The Commission also found that T-Mobile is a vigorous competitor, noting in the *14th CMRS Competition Report* that T-Mobile's decision to lower the prices on its unlimited calling plans 'appear[s] to have prompted Verizon and AT&T to narrow the price premium on unlimited service offerings.'") (citing *Annual Report and Analysis of Competitive Market Conditions With Respect to*

Specifically, the TMUS Transaction will: (i) provide additional spectrum to T-Mobile that will permit it to deploy LTE in a number of markets where it would otherwise have been impossible or where T-Mobile's LTE would have been limited to a 5x5 deployment; (ii) realign T-Mobile's and Verizon Wireless' AWS spectrum holdings in a number of markets to permit both companies to use existing spectrum more efficiently and effectively for mobile broadband services; and (iii) reduce Verizon Wireless' spectrum holdings in 125 CMAs and result in a net increase in Verizon Wireless' spectrum holdings only in 17 CMAs in the western United States where Verizon Wireless does not currently hold any AWS spectrum.

(i) The TMUS Transaction will improve T-Mobile's spectrum position in 15 of the top 25 markets in the United States by providing an opportunity for T-Mobile to acquire additional AWS spectrum and to realign its existing spectrum holdings. T-Mobile will gain spectrum in markets covering 60 million people – including in major markets like Philadelphia, PA; Washington, D.C.; Detroit, MI; Minneapolis, MN; Seattle, WA; Cleveland and Columbus, OH; Milwaukee, WI; Charlotte, Raleigh-Durham and Greensboro, NC; Memphis, TN; and Rochester, NY.

This new AWS spectrum is particularly well-suited to complement T-Mobile's existing AWS spectrum holdings on which it will deploy LTE services, and it can therefore be promptly deployed in conjunction with, the Company's previously announced \$4 Billion 4G network evolution plan, in which it is modernizing 37,000 cell sites, launching 4G HSPA+ in the 1900 MHz band, and deploying LTE in 2013. The Rural Telecommunications Group is therefore flatly wrong when it asserts that the TMUS Transaction will do "precious little" to benefit competition or that it will "not materially benefit T-Mobile."<sup>8</sup> To the contrary, with the additional AWS spectrum being acquired in the TMUS Transaction, T-Mobile will be able to enhance its 4G network evolution plan by deploying LTE in a number of markets where it would otherwise have been impossible to do so or by deploying a more robust 10x10 MHz LTE service where it would have been limited to a 5x5 MHz deployment given T-Mobile's existing spectrum holdings.

The Commission should therefore summarily dismiss the unsupported suggestion by Atlantic Tele-Network ("ATN") that T-Mobile will, as a result of the Transaction, hold AWS spectrum that is "vastly disproportionate" to its needs and that it should be required to divest to rural carriers "any portion

---

*Mobile Wireless, Including Commercial Mobile Services*, Fourteenth Report, 25 FCC Rcd 11407, 11472, at ¶ 92 (2010)).

<sup>8</sup> *RTG Comments* at 4.

of the spectrum that [it] cannot put to near-term use.”<sup>9</sup> ATN does not provide any support whatsoever for its claim and as other commenters concur, the “pro-competitive acquisition of AWS spectrum by T-Mobile” will “provid[e] T-Mobile with the ‘path to LTE’ that just a few months ago was said to be impossible.”<sup>10</sup> T-Mobile intends to put the spectrum to use promptly to meet the needs of its customers. Moreover, any obligation to build-out the spectrum on a different schedule from the Commission-mandated build-out obligations applicable to the remainder of its spectrum would create an unnatural patchwork of build-out geography that is inconsistent with consumer needs.<sup>11</sup>

(ii) The TMUS Transaction also includes spectrum exchanges in 76 markets in which T-Mobile and Verizon Wireless will swap equal amounts of AWS spectrum within the same market to create more contiguous blocks of spectrum and re-align spectrum in adjacent markets. Swaps of spectrum blocks to achieve greater contiguity will also occur in most of the markets where the assignments of spectrum will result in a net increase in the spectrum held by T-Mobile or Verizon Wireless.

Operating on contiguous blocks of spectrum and aligning spectrum blocks in adjacent markets allows wireless providers to use frequencies for data transmissions otherwise dedicated to guard bands, provides efficiency benefits and access to greater capacity, and will enable T-Mobile to take better advantage of improved wideband technologies. Thus, the intra-market spectrum swaps will further enhance T-Mobile’s 4G network evolution and roll-out of LTE by enhancing its network performance and data throughput in many key locations beyond what would have been possible with its existing spectrum holdings. Moreover, the public interest will also be served in that the swaps assure that the spectrum holdings of both T-Mobile and Verizon Wireless can be used more efficiently and effectively.

(iii) The TMUS Transaction will reduce Verizon Wireless’ spectrum holdings in 125 CMAs and, conversely give T-Mobile additional capacity in all of those markets with which to introduce LTE services. Although the TMUS Transaction will result in a net transfer of AWS

---

<sup>9</sup> See *Comments of Atlantic Tele-Network, Inc.*, Dkt. No. 12-4, at 5, 7-8 (filed July 10, 2012).

<sup>10</sup> *Free Press Petition*, at 3; *Public Knowledge Comments* at 1; see also *ACT Letter* at 1 (the TMUS Transaction will further the “[c]ontinued build-out of wireless capacity [that] is crucial for continued growth of wireless internet and data services as well as overall economic growth).

<sup>11</sup> See *Joint Opposition*, filed by T-Mobile and Verizon Wireless, WT Dkt. No. 12-175, at 13 (filed July 17, 2012).

Marlene H. Dortch, Secretary  
Federal Communications Commission  
July 27, 2012  
Page 5

spectrum to Verizon Wireless in 17 CMAs in the western United States (10 MHz in 14 CMAs and 20 MHz in the other three), T-Mobile will retain sufficient AWS spectrum in all of those markets to be able to deploy LTE at 10x10 MHz. T-Mobile therefore submits that the TMUS Transaction, taken as a whole, addresses the concerns it raised in the above-referenced docket regarding the aggregation of AWS spectrum by Verizon Wireless.<sup>12</sup>

For all these reasons, the TMUS Transaction will significantly expand T-Mobile's ability to compete more vigorously in the emerging LTE marketplace and will produce significant positive benefits to wireless competition. It therefore clearly serves the public interest and resolves T-Mobile's prior concern regarding the aggregation of AWS spectrum by Verizon Wireless. In light of the importance of the additional AWS spectrum to T-Mobile's network modernization project and planned 2013 LTE roll-out, T-Mobile urges that the Commission promptly approve the spectrum transfers proposed in this docket that are a precondition to the completion of the TMUS Transaction.

Respectfully submitted,

*/s/ Jean L. Kiddoo*

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

cc: Jim Bird  
Angela Giancarlo  
David Goldman  
Rick Kaplan  
Zachary Katz  
Charles Mathias  
Paul Murray  
Louis Peraertz  
Tom Peters  
Courtney Reinhard  
Jim Schlichting  
Susan Singer

---

<sup>12</sup> T-Mobile notes that Verizon Wireless has submitted information in this proceeding on July 10, 2012, and in the Joint Opposition to Petitions to Deny filed on July 17, 2012 in WT Dkt. No. 12-175, to show that it needs additional spectrum in these 17 markets to address its customer demand.