

AT&T's acquisition of WCS has several important implications for the wireless marketplace:

1. It proves AT&T never needed to acquire T-Mobile USA. Through spectrum acquisitions like WCS, AT&T can still find relatively inexpensive spectrum suitable for mobile broadband use, without spending tens of billions to acquire a competitor just to poach its spectrum and eliminate a competitor.

2. The Competitive Carriers Association worries AT&T's acquisition of secondary spectrum holders is allowing the company to gather a massive amount of spectrum.

CCA President & CEO Steven K. Berry said, "Allowing the largest carriers to obtain unlimited amounts of spectrum on the secondary market raises serious competitive concerns. The only way for the FCC to truly see the devastating consequences of further spectrum aggregation is by consolidating the proposed applications. On their own, AT&T's proposed license acquisitions may not seem significant, but when added together, it totals to a significant amount of spectrum."

Berry continued, "Should the FCC decide to approve the transactions, it must impose conditions to ensure interoperability across the Lower 700 MHz band and to ensure data roaming – both are absolutely essential ingredients to a healthy, competitive marketplace. Competitive carriers need access to usable spectrum, and I urge the Commission to carefully review the negative impact these transactions will have on the wireless marketplace."

3. Clearwire's 2.5GHz spectrum could become more valuable if AT&T can demonstrate its 2.3GHz service can deliver robust service, if provisioned adequately for customers. Clearwire's capital investments and overall performance of its limited coverage WiMAX network have been deemed inadequate by its biggest partner Sprint, now constructing its own 4G LTE network to replace Clearwire's WiMAX network.

4. Credit Suisse analyst Jonathan Chaplin notes Verizon will still have a better standing in spectrum even with AT&T WCS: "AT&T will have the following available for LTE: 20 MHz of 700 MHz nationwide; 20 MHz of WCS nationwide; a few AWS licenses (5 MHz on average). With Verizon's deal with large cable companies, Verizon will have: 20 MHz of 700 MHz nationwide; 20 MHz of AWS nationwide; another 10 MHz of AWS in 60 percent of the country (13 MHz on average). In addition, Verizon's spectrum is usable immediately, while AT&T's WCS will take three to five years to deploy."