

The Honorable Gordon H. Smith
President and CEO
February 12, 2012



The Honorable Julius Genachowski
Chairman
Federal Communications Commission
445 12th St., SW
Washington, DC 20554

Re: *Applications of Deutsche Telekom AG, T-Mobile USA, Inc., and MetroPCS Communications, Inc. for Consent to Assign or Transfer Control of Licenses and Authorizations, WT Docket No. 12-301; Applications of Sprint Nextel Corporation, Transferor, Softbank Corp., and Starburst II, Inc., Transferees, Joint Applications for Consent to Transfer of Control of Licenses, Leases, and Authorizations; and Petition for Declaratory Ruling under Section 310(b)(4) of the Communications Act of 1934, as amended, IB Docket No. 12-343*

Dear Mr. Chairman:

I write to urge the Commission to expeditiously approve the applications for the unopposed merger of T-Mobile and MetroPCS, which were filed nearly four months ago. This proposed deal is the latest in a series of transactions through which the wireless industry is reorganizing to make more effective and efficient use of its unrivaled commercial spectrum allocations. It further demonstrates that the free market remains the most dynamic means to address the purported spectrum challenges faced by wireless carriers today.

T-Mobile's public interest statement offers a compelling case that the merger will help the wireless industry use its spectrum more efficiently. As T-Mobile has stated, "the transaction will address major spectrum constraints facing both T-Mobile USA and MetroPCS by combining their highly complementary spectrum portfolios. . . . Because significant portions of the spectrum held by the Applicants are in adjacent bands in common local areas the combined company also can make more efficient use of the combined spectrum."

This merger is part of an essential transformation that the wireless industry has undergone over the past year alone. Wireless carriers have responded to the initially surprising surge in demand for data by restructuring to rationalize their considerable spectrum holdings. A brief look at the recent major wireless industry transactions illustrates this important development:

1771 N Street NW
Washington DC 20036 2800
Phone 202 429 5449
Fax 202 429 5410
www.nab.org

- In 2012, Verizon Wireless purchased a substantial amount of nationwide AWS spectrum from SpectrumCo (consisting of Comcast and other major cable companies), Cox and Leap Wireless, adding to Verizon Wireless's already robust AWS and overall spectrum holdings. As a result of this acquisition, Verizon Wireless is actively seeking to unload a significant amount of surplus spectrum it holds in the 700 MHz band.
- In 2012, AT&T acquired most of the rest of the 2.3 GHz WCS band that it did not already own. Also, in both 2012 and 2013, AT&T entered into a variety of transactions to obtain spectrum in the 700 MHz band, including a recent \$1.9 billion acquisition from Verizon Wireless.
- Sprint is in the process of purchasing Clearwire, which would make Sprint the market leader in spectrum assets. In 2012, Sprint also acquired part of U.S. Cellular's spectrum portfolio (including in Chicago and St. Louis).
- After the government blocked its proposed merger with AT&T, T-Mobile acquired AWS spectrum from both AT&T and Verizon Wireless in 2012, and now seeks to solidify its holdings by merging with MetroPCS.

In addition, DISH currently owns 40 MHz of AWS-4 spectrum, which is lying fallow but is immediately available for mobile broadband whenever the need arises.

NAB commends the wireless industry for remaking itself in the face of an unexpected challenge. Rhetoric surrounding the spectrum debate has focused largely on repurposing to the wireless industry spectrum currently used by others. Yet it is increasingly apparent that the remarkable power of the free market is enabling wireless companies to address many of their spectrum concerns. We therefore encourage the Commission to no longer delay its approval of the T-Mobile/MetroPCS transaction in order to meet the Commission's stated goal of unleashing spectrum to the benefit of the American public.

Sincerely,



Gordon H. Smith
President and CEO

cc: Commissioner Robert M. McDowell
Commissioner Mignon Clyburn
Commissioner Jessica Rosenworcel
Commissioner Ajit Pai