

**Before the
Federal Communications Commission
Washington, DC 20554**

In the Matter of)	
)	
AT&T Inc., Cellco Partnership d/b/a)	
Verizon Wireless, Grain Spectrum,)	
LLC and Grain Spectrum II, LLC Seek)	
FCC Consent to the Assignment of)	
Advanced Wireless Services and)	WT Docket No. 13-56
Lower 700 MHz Band B Block)	
Licenses and to Long Term De Facto)	
Transfer Spectrum Leasing)	
Arrangements Involving Advanced)	
Wireless Services and Lower 700 MHz)	
Band B Block Licenses)	

REPLY COMMENTS OF NTCA–THE RURAL BROADBAND ASSOCIATION

NTCA–The Rural Broadband Association¹ (“NTCA”) hereby submits this reply in response to the Federal Communications Commission’s (“Commission”) public notice (“*Notice*”) regarding the above-captioned applications.² NTCA recommends that the Commission adopt conditions on the proposed transfer of spectrum licenses to protect competition and promote the public interest. AT&T, Verizon Wireless and Grain Spectrum assert in their Joint Opposition that the Verizon Wireless and AT&T customers will enjoy public interest benefits if this transition is approved. While certain benefits may indeed arise from the transactions in question,

¹ NTCA represents nearly 900 rural rate-of-return regulated telecommunications providers. All of NTCA’s members are full service local exchange carriers (LECs) and broadband providers, and many of its members provide wireless, cable, satellite, and long distance and other competitive services to their communities. Each member is a “rural telephone company” as defined in the Communications Act of 1934, as amended.

² *In the Matter of AT&T Inc., Cellco Partnership c/b/a Verizon Wireless, Grain Spectrum, LLC and Grain Spectrum II, LLC Seek FCC Consent to the Assignment of Advanced Wireless Services and Lower 700 MHz Band B Block Licenses and to Long-Term De Facto Transfer Spectrum Leasing Arrangements Involving Advanced Wireless Services and Lower 700 MHz Band B Block Licenses*, Public Notice WR Docket No. 13-56, DA 13-354.

such benefits are weighed down by serious public interest concerns about the competitive harms to consumers who subscribe to other wireless providers and to the wireless industry as a whole.

There is no doubt that AT&T and Verizon dominate the wireless industry and that the proposed transaction would increase their suitable and available spectrum holdings. AT&T seeks to acquire 39 Lower 700 MHz B Block licenses from Verizon and also to obtain long term leases for three additional Lower 700 MHz B Block licenses. AT&T already holds a dominant position in the Lower B Block – a particularly valuable spectrum band for the provision of wireless voice and data services. If the assignment of spectrum were approved in full, AT&T would control up to one-third of all suitable and available CMRS spectrum and nearly 60 percent of all suitable spectrum below 1 GHz. Meanwhile, Verizon Wireless stands to control over 38 percent of all suitable and available spectrum and over 62 percent of spectrum below 1 GHz. Out of the more than one hundred wireless providers in this country, only two – AT&T and Verizon - serve more than half of the nation’s wireless subscribers. This excessive concentration and competitive disparity will only be exacerbated if AT&T and Verizon increase their spectrum holdings unfettered. In the event that the proposed transaction is approved, NTCA therefore supports reasonable and targeted conditions that will help protect competition and the public interest.

The FCC should require AT&T and Verizon to lease or divest spectrum where there would be an excessive concentration, specifically looking at spectrum below 1 GHz. The lower band spectrum is particularly valuable and control of it effectively represents control of the mobile wireless industry in any given market. Competition cannot survive, let alone thrive, if only one or two providers hold the majority of that “beachfront” spectrum.

Moreover, if the transaction is approved, mandated interoperability across the spectrum bands is imperative. The Commission recognized “that a unified band class across the Lower 700 MHz band has the potential to yield benefits for all licensees.”³ The separation between the Lower B and C Block licenses, primarily held by AT&T, and the Lower A Block is the source of the lack interoperability. AT&T already has the ability and incentive to impede device interoperability and increasing its spectrum holdings would only strengthen its position and resolve. If device interoperability is not mandated before the Commission acts on the proposed transaction, the Commission should condition approval on interoperability and require the affected companies to offer to its own customers devices that are fully interoperable.

Finally, non-dominant wireless providers are unable to receive “commercially reasonable roaming rates” from Verizon and AT &T. To protect competition and ensure the survivability of carriers beyond the two largest, the applications can only be found consistent with the public interest if the Commission imposes a stringent and enforceable roaming condition such that the companies are required to offer data roaming to any requesting carrier at commercially reasonable rates, terms and conditions.

CONCLUSION

For the foregoing reasons, the Commission should condition any order approving the above-captioned transaction on the following: (1) the divestiture of excessive spectrum, specifically considering spectrum below 1 GHz; (2) an interoperability mandate that would require devices operating on the Lower 700 MHz B Block licenses that are the subject of the transaction to be capable of operating across the entire 700 MHz band; and (3) a stringent and enforceable roaming condition under which AT&T and Verizon are required to offer data roaming to any requesting carrier at commercially reasonable rates, terms and conditions.

³ *16th Wireless Competition Report* ¶ 351.

Respectfully submitted,



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