

May 30, 2013

Ms. Marlene Dortch  
Secretary  
Federal Communications Commission  
445 12th Street, S.W.  
Room TW-A325  
Washington, D.C. 20554

**Re: *Ex Parte Notice***

*Policies Regarding Mobile Spectrum Holdings, GN Docket No. 12-269*

Dear Ms. Dortch:

On May 29, 2013, Kathleen Ham, Indra Chalk, Chris Wieczorek, and Josh Roland of T-Mobile USA, Inc. ("T-Mobile"); Professor Jonathan Baker of American University (representing T-Mobile); and Trey Hanbury of Hogan Lovells US LLP (representing T-Mobile) met with Ruth Milkman, Gary Epstein, Tom Peters, James Schlichting, Nese Guendelsberger, Joel Taubenblatt, and Paroma Sanyal of the Federal Communications Commission to discuss the attached slides.

In particular, T-Mobile's representatives explained that T-Mobile has never sought to exclude AT&T or Verizon from participating in the 600 MHz auction. AT&T and Verizon's presence in the 600 MHz band is important to T-Mobile because the two companies enjoy volume purchasing power, promote international standardization, and command attention from the global supply chain. Without their presence in the band, T-Mobile's equipment costs and product development cycles would likely increase.

While still allowing AT&T and Verizon to make substantial acquisitions in the 600 MHz auction, a one-third limit on spectrum holdings below 1 GHz offers a clear, economically sound tool to promote competition and encourage widespread auction participation. The precise implications of the cap will vary depending on how much spectrum becomes available during the 600 MHz incentive auction and the concentration of a carrier's holdings in a particular market, but AT&T and Verizon will likely be able to acquire substantial amounts of spectrum in most counties under reasonable spectrum clearing estimates.

If, however, the amount of spectrum recaptured is especially low, or if an incumbent's below-1 GHz spectrum holdings are especially high in an individual market, then strict application of a one-third cap could prevent a dominant incumbent from acquiring spectrum in that particular market. For example, Verizon controls 84 MHz, or 63%, of all low-band spectrum in nine markets, thus likely precluding it from purchasing licenses in these individual markets.

But the potential that AT&T or Verizon could be precluded from purchasing 600 MHz licenses in a relatively small number of counties – areas where these carriers already hold most of these critical low-frequency resources – is unlikely to affect their decisions (as nationwide carriers with diverse spectrum holdings) to participate in the overall auction. However, even if such minimal preclusions were somehow problematic, the FCC could address this concern simply by adopting an exception to assure that, regardless of how concentrated a bidder's spectrum holdings are in a given county, a bidder could always acquire a single 5x5 MHz block of spectrum at auction. Although no party has proposed excluding the dominant carriers from the band, adopting such a minimum spectrum-access exception would wholly remove any possibility that the two dominant incumbents could be excluded from acquiring spectrum in any county in the United States.

Consistent with section 1.1206 of the Commission's rules, please associate this letter with the above-reference docket.

Respectfully submitted,

*/s/ Trey Hanbury*

Trey Hanbury  
Counsel to T-Mobile USA, Inc.