

End Winner Take All Auctions Unfairly Advantaging Big Players Harms Competition in U.S. Big Players Win In Europe Competition Wins

In the race to acquire spectrum and market share, AT&T and Verizon Wireless have already won most of the awards worth taking and have little to fear from smaller competitors. The U.S. government has seen to that.

The two wireless giants have benefited enormously from government spectrum auctions that award the most favorable wireless spectrum to the highest bidder, a policy that retards competition and guarantees deep-pocketed companies will continue to dominate in the coverage wars.

Winner-take-all spectrum auctions have already proven that AT&T and Verizon are best equipped to bid and win coveted 700MHz spectrum which provides the best indoor and fringe-area reception. This is why AT&T and Verizon customers often find “more bars in more places” than customers relying on Sprint or T-Mobile. Smaller carriers typically have to offer service over much-higher frequencies that don’t penetrate buildings very well. With a reduced level of service, these competitors are at an immediate competitive disadvantage. They also must spend more for a larger number of cell towers to provide uniform service.