

AT&T Admits There's No Spectrum Crisis

You'll recall that during their bid to acquire T-Mobile, AT&T repeatedly insisted that there was a [terrible spectrum crunch afoot](#), and they simply **would not be able** to deploy LTE nationally without gobbling up a major competitor. Roughly a year later and, as we [illustrated yesterday](#), AT&T has shown that they didn't need T-Mobile at all, and was perfectly able to go out and get the spectrum they needed elsewhere. AT&T has completed more than 40 spectrum deals in one year, showing there's really nothing deep pockets can't fix.

AT&T recently spent [\\$1.9 billion to obtain Qualcomm spectrum](#), another [\\$600 to gobble up Nextwave](#), while pursuing 51 Lower 700 MHz Band B Block licenses, four Lower 700 MHz Band C Block licenses and six AWS licenses all owned by CenturyLink's CenturyTel Broadband Wireless subsidiary. It looks like AT&T has [also now struck a new deal](#) with Broadband Wireless Unlimited for 700MHz spectrum in several markets around the country.

Speaking to analysts, AT&T's chief strategy officer John Stankey yesterday acknowledged the company is now well-positioned on the spectrum front -- even **before** the company starts moving on their new plan to [use WCS spectrum for LTE deployment](#).



"Even under ideal circumstances, getting new spectrum on the market in the next five to seven years is aggressive," Stankey said. "But what we do know is that AT&T is well-positioned now...These deals give us confidence that we can meet our LTE objectives for next two years and they will allow us to deliver competitive performance."

AT&T has a long history of over-emphasizing capacity and spectrum constraints in order to get what they want from regulators and politicians. Capacity was the primary justification for the company's decision to [impose overage penalties on DSL users](#), despite [absolutely no evidence](#) those networks experience meaningful congestion. You should note there is **never** hard evidence provided by AT&T on this front, but somehow that doesn't stop the technology press from parroting chicken little.

Spectrum capacity is also used as a bogeyman, despite the fact that there isn't so much a crisis as there is an *inefficient use of existing spectrum* -- with AT&T being a major culprit due to their sluggish re-farming of 2G spectrum for LTE. While AT&T and Verizon certainly need spectrum -- the pretense that there's a constant "crisis" helps both companies gobble up more than their fair share of this supposedly-publicly-owned resource, reducing competitive market threats.

So the spectrum crisis has been solved -- at least until AT&T once again needs to scare politicians and a gullible press into giving the company what it wants. It should be particularly interesting to see what new bogeyman rears its head when AT&T begins [chipping away at regulations](#) so they can hang up on 25% of their DSL users they're simply unwilling to upgrade.