



Before the
Federal Communications Commission
Washington, D.C. 20554

In the Matter of:)
)
Cellco Partnership D/B/A Verizon Wireless,)
SpectrumCo, LLC and Cox TMI Wireless, LLC) WT Docket No. 12-4
)
For Consent To Assign Licenses and Authorizations)

COMMENTS OF
INFORMATION TECHNOLOGY AND INNOVATION FOUNDATION

Richard Bennett

Information Technology and Innovation Foundation¹
1101 K St N.W.
Suite 610
Washington, DC 20005

¹ ITIF is a nonprofit, non-partisan public policy think tank committed to articulating and advancing a pro-productivity, pro-innovation and pro-technology public policy agenda internationally, in Washington and in the states. Through its research, policy proposals, and commentary, ITIF is working to advance and support public policies that boost innovation, e-transformation and productivity.

The Information Technology and Innovation Foundation (ITIF) offers these comments in response to the Commission's request for comments concerning the applications for assignment of licenses in connection with Verizon Wireless's proposed acquisition of spectrum rights from SpectrumCo and Cox Communications.

Comments

We believe that the transfer of spectrum licenses from SpectrumCo and Cox to Verizon should be allowed to the extent that the final transaction does not create an anti-competitive accumulation of spectrum rights in particular regional markets.

The proposed transaction concerns 122 Advanced Wireless Spectrum licenses that are currently unused. The mobile economy is growing at a rapid rate with more devices using more bandwidth. For large carriers, mobile spectrum is already saturated in some major markets today and promises to become increasingly constrained in many others in the near future. In this context it makes no sense to let valuable spectrum remain fallow.

Congress refused to reallocate lightly used government spectrum and likewise refused to permit the repacking of TV bands near the borders in its recent incentive auctions

authorization, and therefore an auction that might have produced as much as 200 MHz of new spectrum for mobile broadband is likely to produce no more than 50 MHz.²

Sustained growth of the mobile economy and the jobs and economic efficiencies it creates therefore depends on private transactions that reallocate spectrum, as this one does, to supplement increased coding efficiency, small cells, and new macrocell tower construction to relieve the bandwidth crunch.

The Commission should examine the concentration of spectrum rights in affected markets according to appropriate spectrum screens, taking into account both the desire to allocate sufficient spectrum to enable the operation of four national carriers and several regional ones with the reality that effective operation of LTE (and next-generation LTE Advanced) networks requires 200 MHz of spectrum overall, two to three times the current store of spectrum per carrier (with the exception of Sprint/Clearwire.)

The United States currently leads the world in the adoption of LTE.³ This provides us with an innovation advantage with respect to the most important current development in mobile broadband. Yet we lag our competitors in making new spectrum available for mobile broadband by some 300 – 500 MHz, so our leadership is not sustainable over the

² Grant Gross, “Congress Passes Bill That Opens up TV Spectrum,” *PC World*, February 17, 2012, http://www.pcworld.com/businesscenter/article/250230/congress_passes_bill_that_opens_up_tv_spectrum.html.

³ Victor H., “The US Leads the World in 4G LTE Adoption,” news blog, *The US Leads the World in 4G LTE Adoption*, November 14, 2011, http://www.phonearena.com/news/The-US-leads-the-world-in-4G-LTE-adoption_id22998.

long term. With Congress unwilling to separate federal agencies from their spectrum or to require substantive TV band repacking, and demand growing dramatically, uncomfortable compromises may soon become necessary.⁴

This transaction does not represent such a compromise, as it does not concentrate more spectrum in the hands of Verizon Wireless than its chief competitors AT&T and Sprint currently have, nor does it represent an unacceptable advantage over T-Mobile in terms of bandwidth per user.

We're confident that sensible application of spectrum screens and other forms of competition analysis will show that it should be allowed for the most part. Verizon has taken all the steps that can reasonably be expected of a mobile operator in terms of investment, long-range planning, smart handset acquisition, and the deployment of advanced technology.

4G LTE networks provide faster download rates than 3G, enabling innovative new applications.⁵ It's appropriate for the Commission to recognize the reality of 4G LTE

⁴ Cisco Systems, "Cisco Visual Networking Index: Forecast and Methodology, 2009–2014" (Cisco Systems, June 2, 2010), http://www.cisco.com/en/US/solutions/collateral/ns341/ns525/ns537/ns705/ns827/white_paper_c11-481360.pdf.

⁵ Marguerite Reardon, "Verizon to Fulfill 4G Promise to Rural Americans?," *CNET News*, May 12, 2010, http://news.cnet.com/8301-30686_3-20004859-266.html.

spectrum demands and allocate spectrum in such a way as to continue providing Americans with advanced mobile services that are the envy of the world.⁶

A separate question concerns a related transaction for cross-marketing services among the parties to the spectrum transaction. We believe that transaction should be reviewed in its own proceeding. Cross-marketing agreements aren't subject to the same rules of concentration and competition as spectrum transactions, so it's not appropriate to bundle the review of these transactions together.

⁶ Mark Sullivan, "4G Wireless Speed Tests: Which Is Really the Fastest?," *PC World*, March 13, 2011, http://www.pcworld.com/article/221931/4g_wireless_speed_tests_which_is_really_the_fastest.html; Amar Toor, "Verizon-branded Galaxy Nexus Runs Impressive 4G LTE Speed Test on Two Bars (video)," tech blog, *Engadget*, December 2, 2011, <http://www.engadget.com/2011/12/02/verizon-branded-galaxy-nexus-runs-impressive-4g-lte-speed-test-i/>.