

June 8, 2012

Julius Genachowski, Chairman  
Federal Communications Commission  
445 12th Street, SW  
Washington, DC 20554

RE: WT Docket No. 12-4  
Verizon Wireless, SpectrumCo and Cox – Assignment of AWS Licenses

Dear Chairman Genachowski,

We, the undersigned organizations representing millions of American citizens, urge the Federal Communications Commission to approve the transfer of spectrum licenses from SpectrumCo and Cox to Verizon Wireless. The move will increase competition in the mobile market, give consumers more choices in wireless providers, and expand access to affordable mobile services.

Demand for wireless broadband is more than doubling annually, but vast swaths of valuable spectrum – the lifeblood of mobile communications – remain unavailable to wireless carriers. Consumers in densely populated urban areas are already suffering from inadequate wireless capacity. While meeting this robust demand will require wireless carriers to adopt an “all-of-the-above” approach, increasing spectrum availability is unquestionably the most fundamental and cost-effective means to meet wireless demand.

Unfortunately, spectrum auctions that will enable wireless carriers to bid on additional spectrum remain years away. Verizon Wireless’s proposed transfer presents a rare and crucial opportunity to deploy currently unused spectrum for wireless broadband. The spectrum at issue is ideally situated in the 1700/2100 MHz AWS bands, covering over 80 percent of the U.S. population (259 million POPs). Consumers will see substantial net benefits from expanded coverage enabled by additional spectrum, especially compared to more costly and time-consuming undertakings such as cell splitting.

The transaction will increase competition in the market and help put downward pressure on consumer prices. If anything, the deal between SpectrumCo and Verizon Wireless will increase the number of competitors by allowing cable companies – unable to provide the substantial sums of capital necessary to launch a new wireless network – to purchase wholesale access to Verizon’s network and market new products and services under their own names. In no way would the transaction reduce the number of market actors.

More importantly, competition is not simply a metric determined by how many companies compete in a given market, or their market share. As even this Administration's Department of Justice told the FCC in their submission on the National Broadband Plan, "promoting competition in broadband markets...does not mean striving for broadband markets that look like textbook markets of perfect competition, with many price-taking firms." Rather, competition is the *activity* of businesses vying for consumers and vigorously improving their offerings over time.

Opponents of the transfer falsely decry a growing duopoly in the wireless market and claim prices have risen, or will rise, as a result. Yet the average price paid per megabyte of data transferred –

the highest cost driver of consumer bills – fell by 46 percent between 2010 and 2011 even as data consumption grew by 89 percent. Freeing more spectrum for wireless use and bringing new market entrants through this innovative arrangement will put even more downward pressure on consumer prices.

Finally, we urge the Commission to ignore hypothetical alternative arrangements in which the spectrum licenses at issue might be sold to other carriers. Section 310(d) of the Communications Act, on which the Commission’s legal authority over this deal rests, clearly requires the FCC to show that a given transaction would reduce competition and bars comparisons to hypothetical alternative transactions. All facts indicate this transaction will advance the public interest and increase – not decrease – competition.

We urge the Commission to approve this transfer of spectrum licenses from SpectrumCo and Cox to Verizon Wireless. Delaying or denying the transaction will only harm consumers and represent another failure by the Commission to bring new spectrum online to expand mobile broadband access, availability, and affordability.

Sincerely,

Grover Norquist  
President  
Americans for Tax Reform

Berin Szoka  
President  
TechFreedom

Bartlett Cleland  
Policy Counsel  
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Thomas Schatz  
President  
Council for Citizens Against Government Waste

Mike Wendy  
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Scott Cleland  
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Ryan Radia  
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