



March 16, 2012

Marlene H. Dortch, Secretary  
Federal Communications Commission  
445 Twelfth Street, S.W.  
Washington, D.C. 20554

CITY HALL, ROOM 527  
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*Re: Application of Cellco Partnership d/b/a Verizon Wireless and SpectrumCo LLC For Consent To Assign Licenses; Application of Cellco Partnership d/b/a Verizon Wireless and Cox TMI Wireless, LLC, WT Docket No. 12-4*

Dear Ms. Dortch:

I am writing to express my concern over Verizon Wireless' joint marketing and spectrum acquisition agreement with cable companies. As I understand it, Verizon Wireless and the major cable companies (Comcast, Time Warner, Bright House Networks and, in a separate deal, Cox) will jointly market each other's products. Verizon Wireless and the cable companies will offer a "quadruple play:" wireless service, broadband, video content ("cable TV"), and telephone service. Verizon Wireless will also purchase \$3.9 billion worth of wireless spectrum from Comcast, Time Warner, and Bright House Networks. This deal reverses the long-time rivalry between cable and telephone companies, creating an alliance with overwhelming market power to stifle competition.

Based on the following, I hope that the Federal Communications Commission will address these concerns and require conditions to improve this proposal before approving such a transaction. I am specifically concerned with four troubling aspects of the proposal:

I. Restricts Customer Choice and Raises Prices

Verizon Wireless and Comcast are, respectively, the nation's largest wireless provider and the largest cable provider. Time Warner and Cox are also the dominant cable company in their regions. The exclusive ability to offer a "quadruple play" and their already dominant status in the market will allow the Verizon Wireless/cable company alliance to exercise unprecedented market power. This deal is contrary to the purpose of the Telecommunications Act of 1996, which intends to generate competition for the benefit of consumers with lower prices, better service, and innovation.

II. No FiOS Build-Out in Baltimore and Other Important Areas

If this deal is approved, Verizon's subsidiary, Verizon Wireless, will partner with cable to market each others' services. Therefore, Verizon will have strong incentives not to compete against its new cable partners, ending a long-running competitive rivalry that has benefited consumers. As a result, Verizon will not build FiOS into Baltimore or other areas, which has been a longtime concern of mine.

High-speed, fiber-optic networks are vital for economic competitiveness. Currently, Verizon's FiOS is the only all fiber-optic commercially-available network for businesses and households. Other advanced industrialized nations have already deployed fiber-optic networks on a large-scale; they recognize that high-speed fiber is the competitive infrastructure of the 21<sup>st</sup> century. Much of the suburban areas outside of Baltimore already have FiOS. The City of Baltimore will never get a fiber-optic network if this deal is approved, which concerns me greatly. I am not willing to see Baltimore permanently relegated to the wrong side of the digital divide.

### III. The Transaction Will be a Detriment to Job Creation

Under this transaction, Baltimore will never get a fiber-optic network and the City will be at a disadvantage. The direct job loss will be the hundreds of technicians that would be employed building, installing and maintaining FiOS in the area. The indirect costs of this deal are even higher: the lack of competition in telecommunications will raise prices and reduce service quality. If Baltimore is never wired for fiber-optic service, the City's residents and businesses will not be able to use applications that require truly high-speed internet, reducing job creation, educational opportunity, and participation in civic life. While the precise impact on jobs is difficult to predict, broadband investment leads to job creation. Lack of investment will leave the Baltimore less able to develop economically.

### IV. Increase in Cable and Wireless Prices and Lower Service Quality

The Verizon Wireless/Comcast/Time Warner/Cox behemoth will use its market power and quadruple play to destroy competitors. Since wireless, cable, internet and internet-telephone prices are unregulated; prices and service quality will be subject to the desires of an unregulated monopoly by these telecommunications giants. The quadruple play services are not luxuries; in the 21<sup>st</sup> century, they are essential services. Yet without any competition, the Verizon/Time Warner/Comcast quasi-monopoly will extract high economic rents by forcing up prices and reducing service quality.

In 2009, I sponsored legislation that called for a hearing with representatives from Verizon to discuss deployment of the newest high speed internet and television technology in Baltimore. Now it is 2012 and there has been no progress in that direction.

For these reasons, I respectfully request that the FCC give due consideration to requiring FiOS build out to the City of Baltimore and other areas, as well as other pro-competitive conditions, before approving this transaction.

Respectfully,



William H. Cole IV