#### **REDACTED - FOR PUBLIC INSPECTION**

July 2, 2012

#### **VIA ELECTRONIC FILING**

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

Re: In re Application of Cellco Partnership d/b/a Verizon Wireless and SpectrumCo LLC For Consent To Assign Licenses; In re Application of Cellco Partnership d/b/a Verizon Wireless and Cox TMI Wireless, LLC, For Consent to Assign Licenses. WT Docket No. 12-4. Ex Parte Notice

**REDACTED - FOR PUBLIC INSPECTION** 

Dear Ms. Dortch:

On June 28, 2012, Terri Natoli of Time Warner Cable, Dan Brenner of Hogan Lovells, on behalf of Bright House Networks, Barry Ohlson on behalf of Cox Communications, Tamara Preiss and Ian Dillner on behalf of Verizon Wireless, and the undersigned, on behalf of Comcast, met with Louis Peraertz and Dave Grimaldi from Commissioner Clyburn's office.

During the meeting, we described the cable industry's emerging presence in the marketplace for providing backhaul services to wireless providers. We explained that nothing in the various commercial agreements between Bright House, Comcast, Cox, and Time Warner Cable (the "MSOs") and Verizon Wireless changes the MSOs' ability and incentive to continue to compete vigorously and grow their backhaul businesses. Consistent with Applicants' prior filings, the MSOs stressed that the commercial agreements do not contain any exclusivity provisions for Verizon Wireless related to backhaul; and that the MSOs have incentives to attract as many customers on a backhaul facility as possible. MSOs today provide backhaul services to

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See Joint Opposition to Petitions to Deny and Comments, WT Docket No. 12-4, Exh. 6, at 20-21 (Mar. 2, 2012) (explaining that the commercial agreements will not change the cable companies' incentives to compete vigorously in the backhaul marketplace); see also Joint Opposition at 67.

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a range of wireless providers, and nothing in the commercial agreements prevents them from continuing to do so going forward.

We also discussed the cable industry's efforts to deploy more WiFi hot spots to enhance our high-speed Internet services by bringing additional value and mobility to our customers. We explained that the MSOs' WiFi service is accessible to customers without regard to the customer's choice of wireless service provider, and that nothing in the commercial agreements changes that. Consistent with its prior filings in this proceeding, Verizon Wireless reiterated that it has supported and will continue to support its customers' ability to use Wi-Fi.<sup>2</sup> All of the devices that Verizon Wireless offers include Wi-Fi capability, and all customers are free to choose to offload their traffic onto available Wi-Fi networks if they so desire.

A redacted copy of a handout provided at the meeting is enclosed. It contains certain Confidential and Highly Confidential Information and is being filed pursuant to the Protective Orders. Authorized parties that would like to review the unredacted filing should contact outside counsel for Comcast.

Please contact me should you have any questions regarding this matter.

Respectfully submitted,

<u>David Don</u>
David Don
Senior Director, Comcast Corporation

Enclosure

cc: Dave Grimaldi Louis Peraertz

See, e.g., Letter from Adam D. Krinsky, Counsel to Verizon Wireless, to Marlene H. Dortch, FCC, WT Docket No. 12-4, at 10-11 (filed June 20, 2012).

## Brief Background on Comcast's WiFi Service

- XFINITY WiFi is a value-added service included at no additional charge for XFINITY Internet subscribers that enables access to WiFi hotspots in targeted locations where users are most likely to want to connect
  - Also available to non-XFINITY subscribers
- Comcast continuing XFINITY WiFi expansion into additional markets in 2012
  - Currently available in New Jersey / Philadelphia metro: [BEGIN CONFIDENTIAL]
     [END CONFIDENTIAL]
  - 2012 expansion will increase network [BEGIN CONFIDENTIAL]

### [END CONFIDENTIAL]

- CableWiFi was recently announced
  - Simplified WiFi access for subscribers roaming between cable territories
  - Access to over 50,000 hotspots in various markets today, thousands more to come
  - CableWiFi today includes MSOs that are not part of the VZW transaction and will expand to include others
- XFINITY WiFi usage growth has been vigorous, driven by exploding number of WiFi enabled devices and apps
  - [BEGIN CONFIDENTIAL][END CONFIDENTIAL]

# WiFi Is Irrelevant to this Transaction Proceeding

- Nothing about any of the license assignments relates to WiFi, which is an unlicensed service.
- No provision of any of the Commercial Agreements grants any rights to Verizon Wireless to offload its traffic onto Comcast's or the other cable companies' WiFi networks.
  - The sale of WiFi service is an exception to the exclusivity provisions in the agreements through which the cable companies act as agents for Verizon Wireless. Therefore, the cable companies are free to sell WiFi offload service to Verizon Wireless' competitors, provided that the service is not offered under a non-Verizon Wireless carrier's brand.
  - Furthermore, the WiFi carve-outs in the agreements explicitly state that the cable companies are not restricted from wholesaling WiFi service to any wireless carrier, so long as the service is not Comcast-branded when resold.

# There Is No Basis for a Condition Regarding Comcast's WiFi Network

- Comcast views its network of WiFi hotspots as an extension of its residential Xfinity Internet business and as a key component of its effort to reduce churn and increase customer subscriptions.
  - Comcast provides WiFi to Xfinity Internet customers (and to Internet customers of Cablevision, Time Warner Cable, Cox, and Bright House) regardless of whether they use Verizon Wireless.
  - Comcast's Internet customers and WiFi users are subscribers to AT&T Wireless, T-Mobile,
     Sprint, MetroPCS, and the scores of other wireless carriers.
- There is no reason why Comcast would risk losing its existing customers who use AT&T Wireless, T-Mobile, Sprint, or other wireless carriers by denying them the opportunity to use Comcast's WiFi hotspots.
- Comcast has pursued, and will continue to pursue, third-party offload arrangements.
- Nothing about the transactions prevents other wireless companies from creating their own WiFi networks. They don't even need wireless licenses to do so.

## The ITJV Agreement Has No Provision that Forecloses Verizon Wireless' Competitors' Access to Comcast's WiFi Network

- Members of the ITJV are not required to develop WiFi technologies through the ITJV.
- The ITJV Agreement [BEGIN HIGHLY CONFIDENTIAL]

[END HIGHLY CONFIDENTIAL]