

Corrected Version

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SKADDEN, ARPS, SLATE, MEAGHER & FLOM LLP

1440 NEW YORK AVENUE, N.W.  
WASHINGTON, D.C. 20005-2111

TEL: (202) 371-7000

FAX: (202) 393-5760

www.skadden.com

DIRECT DIAL  
202-371-7044  
DIRECT FAX  
202-661-9022  
EMAIL ADDRESS  
DPAWLIK@SKADDEN.COM

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June 19, 2012

Marlene H. Dortch  
Secretary  
Federal Communications Commission  
445 Twelfth Street, SW  
Washington, DC 20554

RE: Applications of Cellco Partnership d/b/a  
Verizon Wireless, SpectrumCo LLC, and Cox  
TMI Wireless, LLC For Consent To Assign  
Licenses; WT Docket No. 12-4  
Notice of *Ex Parte* Communications

Dear Ms. Dortch:

On June 15, 2012, representatives of Sprint Nextel Corporation (“Sprint”) met with Commissioner Clyburn and her legal advisor, Louis Peraertz to discuss the above-cited applications and related “Commercial Agreements.” Sprint’s presentation included business information which Sprint maintains as confidential. Accordingly, Sprint’s notice of that meeting is submitted under seal. The attached version of that notice has been redacted for public inspection.

Please let us know if you have any questions regarding this submission.

Sincerely,

/s/

David H. Pawlik  
Counsel to Sprint Nextel Corporation

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Notice of *Ex Parte* Communications

Dear Ms. Dortch:

On June 15, 2012, Lawrence R. Krevor, Vice President, Government Affairs; Trey Hanbury, Director, Government Affairs, both of Sprint Nextel Corporation (“Sprint”); Antoinette Cook Bush and the undersigned of this firm, Outside Counsel to Sprint, met with Commissioner Mignon Clyburn, Louis Peraertz, Legal Advisor to the Commissioner, and Aaron Atkisson, Law Clerk in the Commissioner’s office.

The Sprint representatives discussed three issues related to the transaction among Verizon Wireless (“Verizon”), Comcast Corp., Time Warner Cable Inc., Bright House Networks, LLC, and Cox TMI Wireless LLC (the “Cable Companies”): WiFi networks, backhaul, and spectrum concentration. Although Sprint has not formally opposed the proposed sale of wireless spectrum by the Cable Companies to Verizon, there are certain specific conditions to the transaction that would serve the public interest by countering the loss of effective competition that would follow from the spectrum sale and its associated “Commercial Agreements.”

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### Backhaul

Sprint competes with much larger competitors, Verizon and AT&T; but effective competition requires access to inputs necessary to provide cost-effective commercial mobile service. The explosion of mobile data flowing from the introduction and increasing popularity of smartphones and wireless tablets has forced all major carriers to plan significant increases in the capacity of their networks. There are two ways to increase capacity on a current-technology wireless network: adding spectrum or adding cell sites. The Commission has acknowledged claims of spectrum scarcity raised by Verizon and others and is taking several major initiatives to make new spectrum available in the long term.

For its part, Sprint is actively addressing the consumer demand for more data by increasing the capacity and efficiency of its network through its “Network Vision” initiative. In addition, Sprint will be deploying an increasingly heterogeneous network topology featuring large numbers of “microcells” to bring targeted additional coverage and capacity to high-demand areas with increased reliability and speed. Adding large numbers of microcells requires additional backhaul connections from the two major groups of suppliers: Incumbent Local Exchange Carriers (“ILECs”) and cable providers. The close partnerships contemplated by the Commercial Agreements would destroy even the limited backhaul competition that currently exists, replacing it with cooperation that will allow Verizon and the Cable Companies to increase profits through cooperation instead of competing on price. Thus the need for extensive microcell deployments will be further exacerbated by the joint interest this transaction creates among Verizon and the Cable Companies against competitive backhaul pricing for competing wireless carriers.

Additionally, Sprint has found that wired network operators are charging the same backhaul rates for microcells, covering small areas, as they charge for connections to macrocells with much wider coverage and generally much heavier use. This pricing scheme makes network expansion through microcells much more difficult. With the loss of Cable Companies as effective competing backhaul providers, there is little hope for relief.

### WiFi Offload

All modern smartphones have the ability to connect through WiFi systems within their range. These WiFi connections have multiple advantages for customers: They increase download speeds, which is especially important when

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viewing streaming media on mobile devices. WiFi relieves network congestion in densely populated areas, giving truly mobile users greater opportunity to use the carrier's licensed spectrum. Because WiFi use does not draw from subscribers' metered data plan allotments, WiFi offloads can result in lower bills for consumers. These advantages are even more significant because the vast majority of mobile data use takes place in subscribers' homes and their businesses: places where WiFi access is commonly available.

The Cable Companies have constructed extensive WiFi networks within their service areas. WiFi networks, just like cellular networks, rely on wired network connections. Cable WiFi networks have been constructed on the backbone of franchised cable systems, taking advantage of preferential rates for access to utility poles, ducts, and rights of way. They extend into homes and offices, with recent model cable set top boxes even containing WiFi chip sets that convert every customer's home into a WiFi hotspot controlled by the Cable Company. The Cable networks and the older ILEC networks – built under monopoly regulation or monopoly franchises – are impossible to economically duplicate.

The Cable Companies have recently announced new efforts to share use of their WiFi networks with customers of other Cable Companies. Moreover, the relationships that would arise from the Commercial Agreements, assuming no mitigating regulatory action, would give the Cable Companies a financial incentive to deny WiFi access to Verizon's competitors, to the detriment of customers of Sprint and other wireless competitors.

When a Cable Company customer uses a smartphone in his or her home or in another location on the Cable Company's network, the phone can automatically shift from metered licensed spectrum to unlicensed, unmetered WiFi service. The phone will detect the availability of WiFi and seamlessly use pre-programmed authentication codes, with no action required by the subscriber. An agreement between the Cable Company and Verizon could continue this easy access for Verizon customers, while disadvantaging customers of competing wireless carriers by not allowing their mobile phones to access the WiFi signal "network" or by erecting access barriers such as denying automated authentication, and/or requiring the entry of a complex code every time the customer wants to use the WiFi service, even in his or her own home. In the absence of the Commercial Agreements, the Cable Companies would not have the incentive to degrade the service for other wireless carriers for the benefit of Verizon.

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Competing wireless carriers cannot build their own WiFi networks without the wired backbone networks that the cable companies and ILECs control as a legacy of their respective monopoly network builds. Indeed, the 1996 Telecommunications Act relied on competition between these two networks to maximize customer choices, keeping rates reasonable, and reducing the need for regulation. Where wireless carriers used to have a choice of two wired networks for potential WiFi system construction, now there is effectively only a single option.

[Begin Highly Confidential Information]

[Redacted]

[End Highly Confidential Information]

[Redacted]

#### Spectrum Concentration

Spectrum is, of course, the essential basic input for a wireless provider to offer communications services to the public. The proposed transfer of spectrum from the Cable Companies to Verizon would add additional broadband-desirable spectrum to the carrier that already holds licenses for more spectrum than any other carrier. The AWS spectrum that Verizon would acquire in the proposed transactions has an existing broadband ecosystem and settled industry deployment standards. It has largely been cleared of prior incumbents. There is no other comparable clear, contiguous, unused broadband-desirable spectrum available in the marketplace and comparable spectrum is unlikely to be available for years. Given Verizon's industry-leading spectrum holdings, the Commission should carefully evaluate the competitive implications of the proposed spectrum transaction and assure that any required divestitures include spectrum of comparable readiness and utility for competitive wireless broadband communications services.

#### Proposed Conditions

To remedy the problems that the Sprint representatives described, they proposed that the Commission impose several conditions on its consent to the applications now under consideration:

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<sup>1</sup> [Begin Highly Confidential Information] See [Redacted]  
[End Highly Confidential Information]

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- Cable Companies that operate WiFi networks must not impose any restrictions to access to those networks by wireless subscribers that are not imposed uniformly on customers of all wireless carriers. This prohibits discriminatory access and authentication procedures. Any WiFi technologies or protocols developed by the Cable Companies and Verizon through their joint venture must be made available to all wireless carriers at nondiscriminatory rates and terms.
- Cable Companies must not discriminate in the cost or speed of handling traffic on their WiFi networks based on a customer's choice of wireless carrier.
- Cable Companies must not restrict wireless carriers from access to existing cable facilities for the installation and attachment of microcells.
- Cable Companies and the Verizon ILEC must provide backhaul services to wireless carriers on a non-discriminatory basis, with costs proportional to the requested capacity of a line.

These conditions would ameliorate some of the anticompetitive effects that otherwise would arise from the transactions and would serve the public interest.

Sincerely,

/s/

David H. Pawlik  
*Counsel to Sprint Nextel Corporation*

cc: Commissioner Clyburn  
Louis Peraertz  
Aaron Atkisson