



August 2, 2012

**BY ELECTRONIC FILING**

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

*Re: Applications of Cellco Partnership d/b/a/ Verizon Wireless, SpectrumCo, LLC, and  
Cox TMI Wireless, LLC for Consent to Assign Wireless Licenses  
WT Docket No. 12-4*

Dear Ms. Dortch:

On July 31, Larry Cohen, President of the Communications Workers of America (“CWA”) and Debbie Goldman, Telecommunications Policy Director, CWA, met with Commissioner Mignon Clyburn and her legal advisors, Dave Grimaldi and Louis Peraertz to discuss the above-captioned proceeding.

Mr. Cohen raised concerns about the commercial agreements that are a critical component of the proposed Verizon Wireless/SpectrumCo/Cox transaction. Mr. Cohen noted that those agreements, as currently structured, pose considerable consumer harm and do not serve the public interest. Those agreements would reduce consumer choice, network investment, jobs and lead to higher prices and lower quality service.<sup>1</sup>

Mr. Cohen noted that the joint marketing agreements would allow Verizon Wireless to sell cable’s broadband, video, and voice telephony services in direct competition with Verizon’s own FiOS service. By turning former competitors into partners, the joint marketing agreements will eliminate the incentive for Verizon Communications, the majority owner of Verizon Wireless, to continue aggressive marketing and build-out of its FiOS network. This would leave many communities in the Verizon footprint, including Boston, Baltimore, Buffalo, Albany, Syracuse and others, on the wrong side of the digital divide. And because Verizon has stopped selling stand-alone DSL, it will leave many consumers in the Verizon footprint with only one choice – the cable company – for broadband connection. Mr. Cohen

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<sup>1</sup> See Comments of Communications Workers of America and International Brotherhood of Electrical Workers, Applications of Cellco Partnership d/b/a Verizon Wireless, SpectrumCo, LLC, and Cox TMI Wireless, LLC for Consent to Assign Wireless Licenses, WT Docket No. 12-4, Feb. 21, 2012 (“CWA/IBEW Comments”); Reply Comments of CWA/IBEW, WT Docket No. 12-4, March 26, 2012 (“CWA/IBEW Reply Comments”); CWA Comments on the Impact of Verizon Wireless and T-Mobile to Assign AWS-1 Licenses on the Verizon Wireless/SpectrumCo/Cox Transactions, Attachment A, “Employment Impact of Investment in Fiber-to-the Premise Network,” WT Docket 12-4, July 10, 2012. (“CWA Comments dated July 10, 2012”).

provided a copy of the previously filed CWA report, “Verizon/Cable Deal: Slamming the Door on our High Speed Future.”<sup>2</sup>

Reduced investment in FiOS will also mean fewer jobs.<sup>3</sup>

The cross-marketing agreements would also mean the end to price and service competition between Verizon’s FiOS and Comcast, Time Warner, Cox, and Bright House Networks’ broadband, video, and voice telephony bundles. Mr. Cohen provided an analysis of Verizon, Comcast, and Time Warner triple-play broadband, video, and voice telephony bundled promotional prices. The analysis demonstrates that the Verizon triple-play promotional bundle saves consumers \$40 to \$50 and provides higher Internet speeds and more cable channels than the comparably tired Comcast and Time Warner triple play promotional bundles. According to Verizon, 70 percent of their FiOS customers purchase a triple-play bundle.<sup>4</sup> A copy of the previously filed hand-out is attached.

Mr. Cohen emphasized that absent this Transaction, Verizon would have financial and competitive incentives to continue its investment in and expansion of FiOS. As of 2<sup>nd</sup> quarter 2012, FiOS represents 65 percent of Verizon’s consumer revenue, FiOS ARPU stands at more than \$149 per month, FiOS video has 4.5 million subscribers with a 32.6 percent penetration, and FiOS Internet has 5.1 million subscribers with a 36.6 percent penetration.<sup>5</sup> As Verizon Communications Chief Financial Officer Fran Shammo explained in May of this year: “[E]ach and every quarter, we continue to increase the profitability of FiOS...we have some markets that are in excess of 50 percent penetrated from the first early days of when we started this. So I still think there is a very long runway for FiOS.”<sup>6</sup>

Mr. Cohen emphasized that the negative impact of the commercial agreements can be mitigated by these conditions:

1. Prohibit Verizon Wireless and the cable companies from cross-marketing their service within the Verizon footprint.
2. Require Verizon to continue to offer FiOS broadband Internet access service and video service, expand in-region deployment to cover at least 95 percent of residential living units and households within the Verizon in-region territory, and require that a certain percentage of incremental deployment be to rural areas and low-income living units, with timetables, data reporting, and penalties for non-compliance.
3. Require Verizon Wireless and the Cable Companies to make the services each of them provides each other and the intellectual property developed under the

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<sup>2</sup> See Letter from Carly T. Didden, Counsel to CWA/IBEW to Marlene H. Dortch, Applications of Cellco Partnership d/b/a Verizon Wireless, SpectrumCo, LLC, and Cox TMI Wireless, LLC for Consent to Assign Wireless Licenses, WT Docket No. 12-4, Attachment B, “Verizon/Cable Deal: Slamming the Door on our High-Speed Future,” July 24, 2012

<sup>3</sup> See CWA Comments on the Impact of Verizon Wireless and T-Mobile to Assign AWS-1 Licenses on the Verizon Wireless/SpectrumCo/Cox Transactions, Attachment A, “Employment Impact of Investment in Fiber-to-the Premise Network,” WT Docket 12-4, July 10, 2012.

<sup>4</sup> See CWA Comments dated July 10, 2012, WT Docket 12-4, Appendix D, “Comparison of Verizon, Comcast, Time Warner Triple-Play Rates and Quality,” July 10, 2012.

<sup>5</sup> Verizon Communications Inc., Q2 2012 Earnings Call, July 19, 2012.

<sup>6</sup> Thomson Reuters Street Events, Edited Transcript, VZ-Verizon at JP Morgan TMT Teleconference, May 16, 2012.

agreements to be available on a nonexclusive basis, and to make such services and intellectual property available to all requesting telecommunications carriers, cable service providers, and broadband Internet service providers on the same terms and conditions.<sup>7</sup>

Sincerely,

A handwritten signature in black ink that reads "Debbie Goldman". The signature is written in a cursive, flowing style.

Debbie Goldman  
Communications Workers of America

cc: Commissioner Mignon Clyburn  
Dave Grimaldi  
Louis Peraertz

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<sup>7</sup> See CWA/IBEW Reply Comments.