

MASSACHUSETTS
40 main st, suite 301
florence, ma 01062
tel 413.585.1533
fax 413.585.8904

WASHINGTON
1025 connecticut ave. nw, suite 1110
washington, dc 20036
tel 202.265.1490
fax 202.265.1489



August 16, 2012

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

Re: Consolidated Review of Verizon Wireless – SpectrumCo – Cox, Verizon Wireless – Leap Wireless, and T-Mobile – Verizon Wireless Transactions, WT Docket Nos. 12-4 and 12-175, ULS File Nos. 0004942973 et al.

Dear Ms. Dortch,

On Monday August 16th, I spoke over the phone with Rick Kaplan of the FCC. We discussed the voluntary build-out commitments Verizon Wireless submitted to the Commission on August 15th.¹

I conveyed that it is our view that Verizon's commitment falls far short of what should reasonably be expected from a company facing a spectrum crisis as deep as Verizon has led the Commission to believe in its past filings.

Verizon has offered a two-part buildout commitment, first agreeing to serve 30 percent of the *total* population in the Economic Areas (EAs) where it is acquiring new AWS spectrum within three years. Verizon then commits to serving 70 percent of the population in *each* EA within seven years.

I stressed that we believe this commitment is yet another tacit admission by Verizon that it has badly overstated its need for the amount of AWS spectrum it seeks to acquire. Because Verizon's commitment focuses on the geographically larger Economic Areas, and not Cellular Market Areas (CMAs), Verizon is attempting to gain FCC approval to redline rural, suburban and exurban America. This outcome is certainly not in the public interest.

Despite Verizon's repeated insistence that it is facing a *near-term* spectrum crisis in *most* of its markets, large and small, Verizon is only willing to agree to turning on their 700 MHz C

¹ Letter from Kathleen Grillo, Senior Vice President, Federal Regulatory Affairs, Verizon, to Rick Kaplan, Senior Counsel for Transactions, Federal Communications Commission, WT Docket Nos. 12-4 and 12-175, August 15th, 2012.

Block/AWS aggregated LTE-Advanced network in a few large cities within three years,² something it has publicly indicated was *already* planning to do with its current AWS holdings. The second half of the commitment simply means Verizon will slowly begin to use *some* of its massive AWS spectrum holdings in by the end of 2019, again despite its repeated pleads of near-term spectrum poverty in these areas as well.

By leaving large swaths of valuable public airwaves fallow at a time of a supposed spectrum crisis this buildout commitment serves to exacerbate the problems of spectrum hoarding.

Verizon is seeking the FCC's blessing to avoid serving non-urban areas while ensuring no other provider can use the spectrum. We strongly urge the FCC to go beyond Verizon's hollow promises and ensure that these valuable airwaves are used to serve all Americans, either by Verizon or by any of the other providers who stand ready to make use of these airwaves today.

As the Commission moves beyond these immediate transactions, it should make clear that it will place a high degree of skepticism on carriers with market power pleading spectrum poverty. In particular, the Commission cannot conclude that further spectrum acquisitions are in the public interest until existing holdings are fully built out.

Sincerely,

A handwritten signature in black ink, appearing to read "Joel Kelsey". The signature is fluid and cursive, with the first name "Joel" and last name "Kelsey" clearly distinguishable.

Joel Kelsey
Free Press

² This is because the 3-year commitment is for 30 percent of the *total* population of the EAs involved in these transactions, *not* 30 percent of the population *within each* EA. In practice this means Verizon could meet this buildout requirement by simply turning on 20 MHz of its (on average) 40 MHz of AWS in the largest metropolitan markets on the east coast, while letting all 40 MHz of AWS remain fallow for the other areas, and letting the 20 MHz of AWS it already owns remain unused until the original 2021 substantial service buildout deadline.