

Kathleen Grillo
Senior Vice President
Federal Regulatory Affairs



February 5, 2014

1300 I Street, NW, Suite 400 West
Washington, DC 20005

Phone 202 515-2533
Fax 202 336-7858
kathleen.m.grillo@verizon.com

Ex Parte

Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

Re: Policies Regarding Mobile Spectrum Holdings, WT Docket No. 12-269

Dear Ms. Dortch:

Sprint is correct: There is “virtual unanimity that the current [spectrum] screen is broken.”¹ Sprint ignores, however, by far the biggest defect in the current application of the Commission’s spectrum screen: it omits **138 MHz** of 2.5 GHz Broadband Radio Service and Educational Broadband Service spectrum, most of which is held by Sprint itself. That means that the current screen counts only 452 MHz in total of spectrum suitable and available for commercial mobile services. Omitting Sprint’s 2.5 GHz spectrum (as well as Dish’s AWS-4 spectrum) makes the screen seriously inaccurate – it counts barely more than 70 percent of the spectrum that should count.

As we have stated many times before, the omission of so much of Sprint’s 2.5 GHz spectrum is particularly egregious because Sprint is relying on its “strong spectrum position” in the 2.5 GHz band to deploy its 4G LTE mobile broadband network.² Sprint deployed 5,000 2.5 GHz sites by the end of 2013, and expects to expand its rollout of 2.5 GHz in 2014.³ These

¹ Letter from Rafi Martina, Sprint Corporation, to Marlene H. Dortch, Secretary, FCC, WT Docket No. 12-269, Attachment at 2 (Jan. 28, 2014) (“Sprint Letter”).

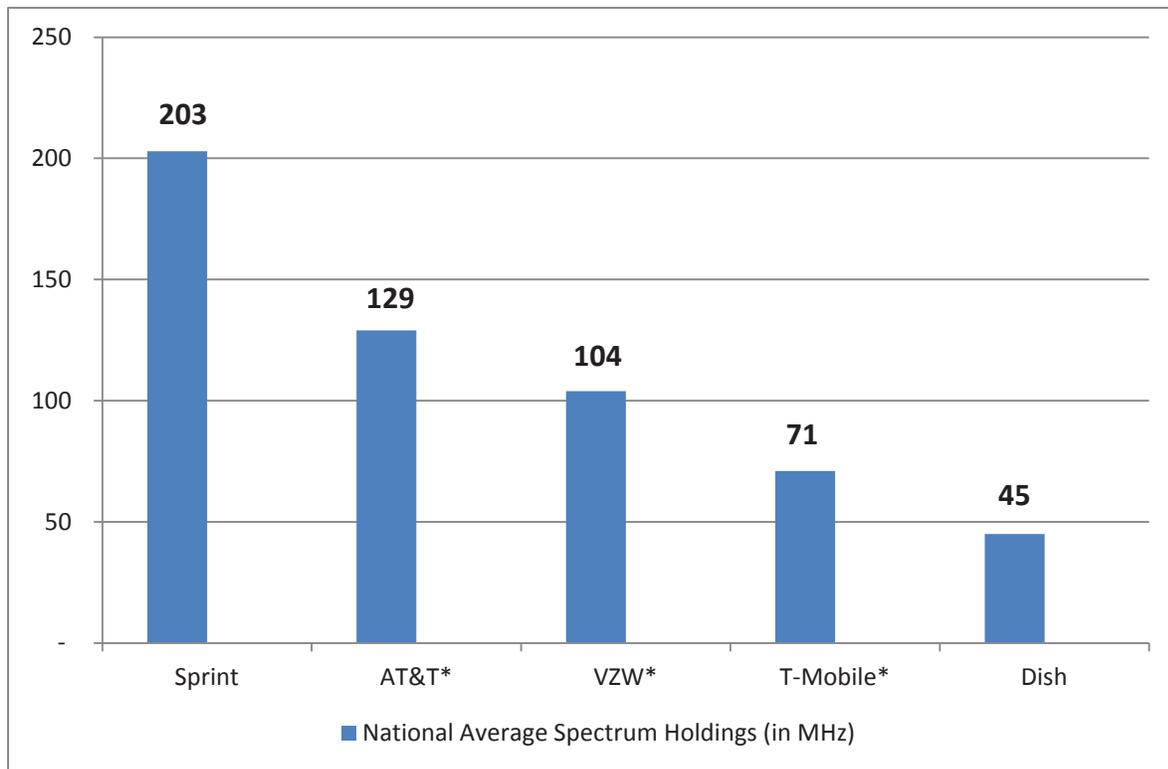
² Sprint, UBS Global Media and Communications Conference Transcript (Dec. 10, 2013) (Statement of Daniel Hesse, President and CEO) (touting the company’s new “big swath of spectrum, this 2.5-gigahertz spectrum that we brought from Clearwire, and it’s a unique set of spectrum assets where we have, if you will, in the vast majority of the country, 120 or more megahertz of contiguous spectrum.”). *See also* Sprint Q3 2013 Earnings Call Transcript (Oct. 30, 2013) (Statement of Daniel Hesse, President and CEO) (noting Sprint’s “strong spectrum position now with the 120 megahertz of Clearwire spectrum in 90% of the top 100 markets,” along with its PCS and 800 MHz holdings).

³ Sprint 3Q13 Investor Presentation (Oct. 30, 2013), <http://investors.sprint.com/Cache/1500053682.PDF?Y=&O=PDF&D=&fid=1500053682&T=&iid=4057>

facts, as well as many others as to why EBS/BRS spectrum must be counted, are well-established in the record of this proceeding.

As the chart below demonstrates, Sprint has, on average, nearly twice as much spectrum as Verizon Wireless, and it is using that spectrum to serve customers. It is also the case, moreover, that Sprint is the least efficient of the four national carriers, serving fewer customers per MHz of spectrum than AT&T, Verizon Wireless, or T-Mobile. Yet, ironically, it is Sprint that continues to lobby for limits on the ability of other carriers to acquire additional spectrum resources.

Spectrum Holdings by Wireless Provider:



* - after pending AT&T/Leap, AT&T/Aloha, and VZW/T-Mobile transactions

Sprint ignores these facts, which require a simple numerical fix to the screen, and instead requests that the Commission make the screen far more complicated, by weighting different frequencies differently.⁴ This request is meritless, as the record already shows. Despite Sprint's

[219](#); Sprint Q3 2013 Earnings Call Transcript (Oct. 30, 2013) (Statement of Steven Elfman, President-Network Operations & Wholesale).

⁴ Sprint Letter, Attachment at 4.

claim that the Commission “can easily determine the weights” by “incorporating the propagation differences between bands,”⁵ such assessments would be inherently subjective and arbitrary.⁶ Tellingly, Sprint does not explain how a weighted screen could be implemented or justified. Not only does it concede that lower and higher frequency bands each have advantages, but those advantages vary enormously depending on factors such as the area where spectrum is used, a carrier’s other spectrum holdings, and its business need to expand capacity, coverage, or both.⁷ And differences in values among spectrum bands are not (as Sprint assumes) merely based on frequency, but are affected by interference from operations in other spectrum bands, protection zones, and technical rules that may restrict use. Finally, as auctions and the secondary market show, the market value of the same band fluctuates widely in value over time, but no weighting adopted at a point in time (as any rule must be) can reflect those fluctuations. In short, there is no metric to weight spectrum for purposes of the screen in a non-arbitrary way.

There is one simple but fundamental problem with the current spectrum screen: it fails to count all spectrum that can be used to compete. Correcting that problem is all the Commission needs to do, but it needs to do so now. The longer it waits, the more sharply at odds the current screen is with the realities of how spectrum is being used in the wireless market.

Sincerely,

A handwritten signature in black ink that reads "Kathleen Gillh". The signature is written in a cursive, slightly slanted style.

⁵ Sprint Letter, Attachment at 4 & Sprint Letter at 1.

⁶ See, e.g., *Policies Regarding Mobile Spectrum Holdings*, WT Docket No. 12-269, Comments of Verizon Wireless, at 28; Reply Comments of Verizon Wireless, at 28-30; Comments of Mobile Future, at 14 (Nov. 28, 2012); AT&T Comments at 62-69, Attachment A, Israel/Katz Decl. ¶¶ 86-100 (Nov. 28, 2012); AT&T Reply Comments at 22-37 (Jan. 7, 2013).

⁷ See Verizon Wireless Reply Comments at 67-70; AT&T Reply Comments at 26-27, Attachment A, Reed-Tripathi Paper at 5-8, 10-11.