November 14, 2013

The Honorable Thomas Wheeler
Chairman
Federal Communications Commission
445 12th Street, SW
Washington, DC 20024

Re:  Ex Parte Notice
     Expanding the Economic and Innovation Opportunities of Spectrum Through Incentive
     Auctions, GN Docket No. 12-268;
     Policies Regarding Mobile Spectrum Holdings, WT Docket No. 12-269

Dear Chairman Wheeler:

Congratulations on your confirmation as Chairman of the Federal Communications Commission. Your leadership of the FCC comes at a critical time for the wireless industry. Preserving a framework for effective competition is as important as ever.

Taken together, the companies and industry groups represented on this letter employ more than 100,000 Americans, provide service to more than 100 million subscribers, and generate greater than $75 billion in annual revenue. Beyond the sheer numbers, however, our companies play an outsized role in accelerating innovation, investing in new technologies, and deploying broadband services throughout the United States.

None of us fears competition. Consumers benefit from the give-and-take of the competitive market. But to ensure those benefits keep flowing, it is vitally important that the two dominant wireless incumbents not be allowed to lock competitive carriers out of acquiring low-band spectrum in the upcoming 600 MHz auction. That result would disserve the public interest by fundamentally undermining the wireless industry competition that has served our nation so well.
AT&T and Verizon already hold licenses for nearly 80 percent of the low-band spectrum available for commercial broadband use. They have economic incentives to acquire the remaining low-band spectrum in the 600 MHz band to stop our companies – their competitors – from offering truly sustainable, competitive wireless broadband service across America. Low-band spectrum, with its excellent propagation and building penetration properties, is an essential element of the spectrum mix wireless carriers must have to offer wireless customers spectrally-efficient competitive pricing, terms, features, and technology.

Recognizing a real risk to competition, the United States Department of Justice has urged the Commission to adopt rules ensuring that all wireless carriers have a fair opportunity to acquire low-band spectrum at auction. Protecting competitors’ access to low-band spectrum, the Department of Justice has noted, is essential to protecting consumers’ interest in continued innovation and investment in wireless broadband in the United States.

We agree with the Department of Justice on this critical topic. To be clear, none of us has ever suggested excluding the largest two carriers from the 600 MHz auction. Reasonable spectrum-aggregation limits, however, will help ensure that carriers of all sizes have a meaningful opportunity to acquire the low-band spectrum they need to sustain effective and efficient competition. More competition, in turn, means more jobs, more investment, faster innovation, and more economic growth in America. Competition will also enable the Commission to maintain its “light-touch” regulatory approach to the wireless industry, rather than the aggressive regulation that duopoly tends to engender.

In the upcoming 600 MHz auction, the Commission has a unique opportunity to take an important step to promote competition in the wireless marketplace. We urge you not to let this opportunity pass.

Respectfully submitted,

Charlie Ergen  
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