July 22, 2013

The Honorable Fred Upton
Chairman
Committee on Energy & Commerce
U.S. House of Representatives
2125 Rayburn House Office Building
Washington, D.C. 20515-6115

The Honorable Greg Walden
Chairman
Subcommittee on Communications & Technology
U.S. House of Representatives
2125 Rayburn House Office Building
Washington, D.C. 20515-6115

The Honorable Henry Waxman
Ranking Member
Committee on Energy & Commerce
U.S. House of Representatives
2125 Rayburn House Office Building
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The Honorable Anna Eshoo
Ranking Member
Committee on Energy & Commerce
U.S. House of Representatives
2125 Rayburn House Office Building
Washington, D.C. 20515-6115

Dear Chairman Upton, Chairman Walden and Ranking Members Waxman and Eshoo:

We urge you to support policies in the upcoming incentive auction of the 600 MHz band by the Federal Communications Commission ("FCC") that will encourage the greatest possible participation by the largest number of participants. The spectrum being auctioned is especially valuable because of its broadband-friendly performance characteristics, and it is important for the future competitiveness of the mobile market that the two dominant carriers are not allowed to acquire the lion's share of this valuable and high-quality spectrum.

These two dominant carriers—AT&T and Verizon—currently hold 78 percent of available low-frequency spectrum, and take in over 80 percent of wireless industry earnings. These dominant players have the size and power to foreclose smaller bidders from participating in the auction, and no regional carrier or new entrant to the market will invest the considerable time, energy and money needed to plan for participation in such an auction if they feel certain in advance that the

outcome is predetermined. If smaller carriers decline to participate in such an auction, AT&T and Verizon will be able to acquire this valuable low-frequency spectrum at below-market rates, threating both consumers and the future competitiveness of the mobile wireless marketplace. Below-market rates for the broadcast incentive auction spectrum will also mean reduced auction revenues for the U.S. Treasury and all American taxpayers, including funding earmarked for the FirstNet public safety network initiative.

Broad-based competition in wireless broadband services plays an important role in stimulating wireless innovation, providing independent outlets for commerce and free expression, and protecting consumers against onerous rates, terms, and conditions. The Department of Justice has properly concluded that rules for the 600 MHz auction are necessary to ensure that wireless competition can flourish by providing non-dominant operators, which largely lack low-frequency spectrum, a fair opportunity to access to this critical resource. Congress should heed this advice.

While no qualified entity should be barred from participating in the upcoming auction, clear, transparent, and fair *limitations* on how much low-frequency spectrum any one carrier can acquire do not bar participation. A pro-competitive, pro-consumer limitation on spectrum concentration benefits consumers by allowing all interested bidders a legitimate chance of winning the spectrum they need to deliver wireless broadband services while also promoting less predictable, more aggressive bidding for a valuable national resource.

Establishing rules to increase the participation of smaller carriers in the 600 MHz auction not only will lay the groundwork for future competition in the mobile wireless market, but also will give rise to consumer benefits in the form of improved service offerings nationwide and will benefit taxpayers by increasing the amount of revenue generated. We ask you to support rules that promote the public interest in competition, consumer protection, innovation, rural service, and accelerated broadband deployment.

Respectfully submitted,

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