



August 11, 2011

Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, SW
Washington DC 20554

**TELECOMMUNICATIONS
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Re: *Applications of AT&T Inc. and Deutsche Telekom AG for Consent to Assign or Transfer Control of Licenses And Authorizations, WT Dkt. No. 11-65*

Dear Ms. Dortch:

The Telecommunications Industry Association (“TIA”) writes to highlight core public-policy issues at stake in AT&T’s proposed acquisition of T-Mobile USA, Inc. Expanded broadband deployment, more efficient use of scarce wireless spectrum, and enhanced investment in the information and communications technology (“ICT”) sector are of critical importance to the nation’s future, and should be given substantial weight in the Commission’s review of the transaction.

TIA is the leading trade association for the ICT industry, representing companies that manufacture or supply the products and services used in global communications across all technology platforms. TIA represents its members on the full range of policy issues affecting the ICT industry and forges consensus on industry standards. Among their numerous lines of business, TIA member companies design, produce, and deploy a wide variety of devices with the goal of making technology accessible to all Americans. TIA and its member companies have a strong interest in ensuring the success of the Commission’s broadband build-out goals. TIA has thus expressed consistent and strong support for the National Broadband Plan’s pro-deployment proposals. In particular, it is critical that the government move promptly to free 300 MHz by 2015 and 500 MHz by 2020 for additional wireless broadband deployment. Finally, TIA is committed to policies that recognize the importance of information and communications technologies to the American economy and to our nation’s competitiveness abroad.

TIA has a long history of supporting broadband deployment, efficient use of spectrum, and investment. While we typically do not comment on business combinations, we believe this merger could achieve these three objectives, if implemented in the manner that the applicants have proposed. We support the Commission’s own evaluation which will ensure full consideration of these three fundamental policy issues.

First, it has been stated that the merger would further the Commission’s principal policy objective – the deployment of high-speed broadband networks to

all Americans. As the National Broadband Plan recognized, “[b]roadband is a platform to create today’s high-performance America—an America of universal opportunity and unceasing innovation, an America that can continue to lead the global economy, an America with world-leading, broadband-enabled health care, education, energy, job training, civic engagement, government performance and public safety.” Thus, if the applicants’ predictions are correct, the transaction would better the lives of all Americans through the benefits of broadband. However, because we also recognize that the mere removal of a competitor could adversely impact consumer choice, we are confident that the Commission as well as the Department of Justice will conduct a thorough review, as both have done with mergers in the past.

Second, the applicants state that the proposed merger would ensure more optimal employment of limited spectrum resources. This result would be consistent with the Administration’s and Chairman Genachowski’s stated goals and objectives. As TIA has consistently made clear, **challenges presented by the impending spectrum crisis cannot be overstated**. Wireless broadband usage continues to skyrocket, and such growth is set to accelerate with the further proliferation of mobile video services, tablet and netbook devices, “M2M” offerings, cloud applications, and other products not yet imagined or introduced. Yet, as President Obama, Chairman Genachowski, and others have recognized, this spectrum demand threatens to far outstrip spectrum supply in the absence of decisive government action. Thus, as the National Broadband Plan indicated, “[s]pectrum policy must be a key pillar of U.S. economic policy.” In addition to identifying new spectrum, the Commission must therefore work to promote efficient and effective use of existing spectrum resources. To this end, the Commission should carefully consider near term ways in which the proposed transaction could help to alleviate the spectrum shortage so that consumers may fully realize the benefits promised by mobile broadband networks and services.

Third, the applicants state that the transaction will drive increased investment and innovation in the ICT industry. Specifically, AT&T has stated that it will increase investment \$8 billion over planned investment if the merger is approved. Also of importance to TIA, the synergies engendered by the combination of the applicants’ networks and spectrum holdings would enable the merged entity to invest heavily in research, development, and deployment of new facilities. Efforts to join the facilities and customer bases of the two companies could spur significant demand for broadband components and networked devices. Moreover, work undertaken to provision next-generation services to an expanding customer base could unleash a “virtuous cycle” of investment and innovation, in which economies of scope and scale combine to fuel still further growth – not only in the communications sector itself but in *all* industries that rely on ICT. Academic studies have regularly demonstrated that investment in next-generation communications networks creates American jobs across the economy, adds to domestic economic output, improves American education, reduces energy needs, improves health care, and begets a host of other positive outcomes. *See, e.g.,* Corrado, Carol, Charles Hulten, and Daniel Sichel (2004), “Measuring Capital and Technology: An Expanded Framework,” Federal Reserve Board, Finance and

Economics Discussion Series, No. 2004-65; Oliner, Stephen D., and Daniel E. Sichel (2000), "The Resurgence of Growth in the Late 1990s: Is the Information Technology the Story?" The Journal of Economic Perspectives, Vol. 14, No. 4.

TIA looks forward to working with the Commission on broadband deployment, spectrum policy, investment and innovation, and other matters of critical importance to the ICT sector going forward. Please do not hesitate to contact me with any questions.

Sincerely,

Grant E. Seiffert
President