

STATEMENT OF
COMMISSIONER DEBORAH TAYLOR TATE

Re: Sprint Nextel Corporation and Clearwire Corporation, Applications for Consent to Transfer Control of Licenses and Authorizations

This order approves the transfer of licenses in a transaction involving Sprint Nextel, Clearwire, and a consortium of other companies that provide services across a variety of platforms – including Google, Intel Corporation, Bright House Networks, Comcast Corporation, and Time Warner. The resulting entity, New Clearwire, will be a provider of broadband services across a nationwide WiMax network. As I stated in my comments on the Verizon Wireless – Alltel transaction, when reviewing such deals, the Commission must balance the risks of anticompetitive harm to consumers against the potential for a variety of pro-consumer benefits. In this particular transaction, the weight of the evidence leans solidly to approval.

In reviewing the potential anticompetitive harm from a transaction, the Commission must consider the extent to which the merging parties are competitors, or may compete with each other in the future. As an emerging broadband provider, New Clearwire has few if any operational assets in place that compete with those of Sprint Nextel. Of course, over time, the wireless broadband service of one firm could compete with the other, which must be considered in evaluating the competitive effects of this transaction. But on the whole, given the nascent status of Clearwire and the relatively early stages of wireless broadband services, the competitive analysis is straightforward.

Indeed, I am hopeful that New Clearwire will become a textbook example of the “third pipe” – the much-anticipated wireless provider of broadband that competes with existing wireline and cable services. While all competition in the provision of broadband is welcome, New Clearwire claims that it will offer speeds up to 6 Mbps, which may be especially effective in encouraging faster speeds from wireline and cable providers, as well as wireless companies that may provide broadband. Accordingly, I am pleased to support this item.

I thank the staff of the Wireless Bureau for their review of this transaction and for all they do to ensure a competitive market in wireless services.