

**STATEMENT OF
COMMISSIONER JESSICA ROSENWORCEL**

Re: Applications of Cellco Partnership d/b/a Verizon Wireless and SpectrumCo LLC and Cox TMI, LLC For Consent To Assign AWS-1 Licenses, WT Docket No. 12-4; Applications of Verizon Wireless and Leap for Consent To Exchange Lower 700 MHz, AWS-1, and PCS Licenses, ULS File Nos. 0004942973, 0004942992, 0004952444, 0004949596, and 0004949598; and Applications of T-Mobile License LLC and Cellco Partnership d/b/a Verizon Wireless for Consent to Assign Licenses, WT Docket 12-175

Simply put, this transaction is complex. As filed, it raised serious questions about its power to diminish competition in the wired and wireless broadband and video markets. But through the work of the applicants, the Commission, and the Department of Justice, this is a different transaction than the one that was first delivered to our doorstep at the tail end of last year. Fundamental changes have been made that substantially improve this complicated composite of wireless licenses and commercial agreements. In critical ways, this will create clear benefits for consumers and real possibilities for innovation. In others, however, continued attention is required to make sure that infrastructure investment advances, that competition proceeds, and that consumers can emerge as the beneficiaries of markets with more innovative services at lower cost.

On the spectrum side of the equation, the wireless license transfers that result from this transaction will mean more mobile broadband. It puts a swath of AWS-1 spectrum to use that for too long had sat on the sidelines, untapped and undeveloped. With the extraordinary demand on our airwaves and supply of unencumbered spectrum limited, putting this resource to work is a good thing. Moreover, in order to make sure that the benefits of this transfer flow fast to consumers, the Commission now has this spectrum on track for an accelerated build-out, with key milestones in as little as three years. In addition, the related AWS-1 divestitures and coordinated sale of 700 MHz A and B blocks will better rationalize spectrum holdings. This has real potential to strengthen wireless competition. Finally, the applicants have committed to data roaming, facilitating interconnection among networks and furthering competition as other carriers build out their own facilities. These are clear positives, meaning more infrastructure investment and more next-generation wireless broadband services for consumers across the country.

The series of commercial agreements constructed around this spectrum transfer are arguably the most difficult aspects of this transaction. Our record is crowded with commenters fearful that their collaboration will harm competition, hurting workers, consumers, and communities. At the same time, the applicants point out that the combination of cable and wireless expertise and technical resources can mean new and innovative service bundles with new opportunities for consumers.

It is on this aspect of the transaction that the Department of Justice has taken the lead. Consequently, I appreciate their efforts through the Consent Decree to include geographic and temporal restrictions that limit the applicants from cross-marketing each other's services in order to preserve competition. The Consent Decree also bolsters competition by limiting the duration of the exclusivity provisions in the arrangements. I trust that these commitments secured by the Department of Justice will address harms to competition and consumers that would have arisen had the transaction proceeded without adjustment and review.

Yet none of us has a crystal ball. Today's action is best viewed as a series of predictive judgments that the adjustments made in the Consent Decree, in conjunction with a series of wireless transfers, will lead to a bright broadband future. It is here where we will need to test our clairvoyance.

In the four plus years before these agreements come to an end, the Department of Justice has committed to reviewing any petition for extension. As a result, I believe it is incumbent on the Department of Justice—and the Commission—to honestly assess the state of the wired and wireless broadband and video markets and to ask and answer some fundamental questions before any extension occurs. Have these arrangements spurred the deployment of infrastructure? Do joint activities mean innovation? Or do they harm the incentives to compete? Have they led to more job creation? What are the consequences for consumers? Have they benefited from new services with higher quality at lower rates? Have they meant more competitive opportunities for broadband access for everyone, in rural communities, urban centers, and everything in between? The honest answers to these questions are important. Not just for the future prospects of these agreements, but for the future of the networks that are essential to our ability to compete in a global economy.

Thank you to the Commission staff and the Department of Justice for their extensive review and the commitments they secured that are designed to foster innovation while guarding against anti-competitive conduct.