

FCC accepting objections to Verizon's planned spectrum buy

January 26 2012, By Bob Fernandez

Those opposed to Verizon Wireless' deal to purchase wireless spectrum from Comcast Corp., Time Warner Cable, and Bright House Networks for \$3.6 billion must file objections with the Federal Communications Commission by Feb. 21.

The deal includes separate commercial agreements in which Verizon Wireless and the cable companies will jointly market bundles of telecommunications services and develop new products.

Comcast and Verizon Wireless, whose majority owner is [Verizon Communications](#) Inc., launched the marketing partnership on Jan. 17 in Seattle and Portland, Ore., and they are expected to expand it nationwide this year.

Justice Department spokeswoman Gina Talamona confirmed Tuesday that the department was looking into the proposed deal, but she declined to comment further.

Consumer advocate Mark Cooper, director of research at the Consumer Federation of America, said that the deal brings together two competitors in a joint venture - Verizon Communications and Comcast - and that a concern for regulators should be whether that impedes competition.

Verizon Wireless, the nation's largest [wireless provider](#) - it added 1.2 million new subscribers in the fourth quarter, according to the company's

earnings release Tuesday - is 55 percent owned by Verizon Communications and 45 percent by England's [Vodafone Group](#). Comcast officials have said Verizon Wireless is effectively a separate company from Verizon Communications, with its own board of directors.

Paul Macchia, spokesman for Verizon Wireless, declined to name the members of the Verizon Wireless board, saying it wasn't public information. A 2003 news release said the Verizon Wireless board at that time comprised five members from Verizon Communications and four from Vodafone.

In a filing with the FCC, the companies said the marketing agreements "have no bearing on whether the spectrum sale is in the public interest, do not require Commission approval, and, for several reasons, do not need to be part of the formal recording in this procedure." They are making available redacted copies of the agreements to the FCC for confidential review.

Comcast owns 63 percent of the wireless venture selling the spectrum to [Verizon Wireless](#). The spectrum consists of 122 licenses with 20 to 30 megahertz of capacity, covering a geographic area in the United States with 260 million people.

Comcast said in a government filing that it invested about \$20 million into the venture to develop a wireless network, testing potential technologies in King of Prussia, Pa. Comcast concluded that it would cost \$10 billion to \$11 billion in capital expenditures and operating losses to launch a national wireless network.

"The risks associated with this financial investment are substantial, and there is no assurance of a return," Robert Pick, senior vice president for corporate development at Comcast, said.

Robert McDowell, the only Republican FCC commissioner, was reported to have posed a question at the Consumer Electronics Show in Las Vegas earlier this month as to whether Comcast purchased the wireless spectrum "under false pretenses" and whether it ever intended to use the spectrum.

In a blog posting last week, Comcast Executive Vice President David Cohen said, "We bought the AWS (advance [wireless spectrum](#)) licenses with every intention to use that spectrum."

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