

# Verizon, T-Mobile agree to swap spectrum

June 28 2012, By Jeff Gelles

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A spectrum exchange between Verizon Wireless and T-Mobile USA would improve T-Mobile's service in some areas, enhance both carriers' national networks, and erase T-Mobile's objections to a controversial, earlier deal between Verizon and a consortium of cable companies.

But the agreement between the nation's first- and fourth-place [mobile carriers](#) prompted [consumer advocates](#) and a leading telecommunications union to repeat criticism of the earlier pact, which links Verizon Wireless with a group of cable companies led by [Comcast Corp.](#) They said that deal, which is under scrutiny by federal antitrust investigators, could harm consumers and workers by undermining competition.

T-Mobile and [Verizon Wireless](#) said both carriers and their customers would benefit from their deal, in which T-Mobile would gain spectrum accessible to 60 million people and Verizon would get spectrum reaching 22 million people, plus cash. They said the swap would ease both carriers' adoption of a fourth-generation wireless technology, long-term evolution (LTE), that speeds data to smartphones and tablets.

T-Mobile USA, owned by Germany's [Deutsche Telekom](#) AG, said the deal would allow it to "create more contiguous blocks of spectrum" and improve its position in 15 of the nation's 25 largest markets, including Philadelphia, Washington, Minneapolis and Seattle. In order to complete the proposed swap, Verizon must first obtain spectrum from the cable consortium, known as SpectrumCo, and other companies.

T-Mobile had opposed that deal, which requires approval by the [Federal](#)

[Communications Commission](#) and is a focus of antitrust review. But it said Monday, "We now support prompt approval" of Verizon's earlier deal, along with its newly announced spectrum exchange.

The [consumer group](#) Public Knowledge and the Communications Workers of America both said the Verizon-T-Mobile deal should not alleviate broader objections that critics have raised, especially about what CWA policy director Debbie Goldman called a "monopolistic cross-marketing arrangement," under which Verizon and Comcast would market each other's services.

"The threat of job loss and higher consumer prices from the proposed Verizon Wireless-Big Cable deal remains," Goldman said.

Harold Feld, of Public Knowledge, said Verizon's earlier deal would "create a cozy, cartel-like relationship" linking the wireless carrier and its parent, Verizon Communications, with the leading cable companies. Feld said that deal could stifle competition for broadband services and emerging technologies such as online video.

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