Congress of the United States
Washington, DC 20515

June 13, 2012

The Honorable Eric H. Holder, Jr.
Attorney General
U.S. Department of Justice
950 Pennsylvania Avenue, NW
Washington, DC 20530

Dear Attorney General Holder:

The application of Verizon Wireless to acquire the Advanced Wireless Service (AWS) spectrum currently held by SpectrumCo and establish related joint-marketing agreements between Verizon Wireless and the cable companies that comprise SpectrumCo may have significant implications for the policy objectives established in the Telecommunications Act of 1996, including the promotion of competition and the expansion of consumer choice in the communications marketplace. Accordingly, we are writing to urge the Department of Justice to examine this proposed transaction for its potential impact on the communications landscape and the goals of the '96 Act.

It was the intent of Congress in the Act to promote competition between telephone and cable companies. The Act's Conference Report emphasized that the legislation was intended "to provide for a pro-competitive, de-regulatory national policy framework designed to accelerate rapidly private sector deployment of advanced telecommunications and information technologies and services to all Americans by opening all telecommunications markets to competition".[1] During House Floor debate on the 1996 Act, Congressman Markey stated that "competition has consistently been the preferred vehicle for bringing affordable and high-quality telecommunications technologies to the American consumer…Over the long-term I believe that increased competition between and among…separate industries will create tens of thousands of jobs."[2]

Following the enactment of the Act, a new boom of innovation and competition was unleashed, resulting in hundreds of billions of dollars of new private sector investment thanks to the broadband revolution initiated by the statute. To fulfill the purpose and promise of the Act, it is essential that competition and consumer choice continue to animate our nation's communications policies.

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[1] U.S. House. *Telecommunications Act of 1996*. 104th Cong., 2nd sess. H. Rept. 104-458. Washington: GPO, 1996. http://www.gpo.gov/fdsys/pkg/CRPT-104hrpt458/pdf/CRPT-104hrpt458.pdf

[2] Rep. Markey (MA). "Telecommunications Act of 1996." *Congressional Record* 142 (February 1, 1996) p. 29. http://www.gpo.gov/fdsys/pkg/CREC-1996-02-01/pdf/CREC-1996-02-01-house.pdf.

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As you know, as part of the Verizon-SpectrumCo transaction, Verizon is seeking approval to purchase a rarely available block of nationwide spectrum. The value of this spectrum is driven not merely by a particular carrier's need, but also by the benefits potentially gained through prevention of its acquisition by a rival. As the Department of Justice has commented, this "foreclosure value" does not reflect the value of spectrum to the public, but the private value to one company of potentially forestalling competition.[3]

Ensuring that our country's spectrum is put to its most efficient and effective use as soon as practicable is a national imperative with implications for innovation, job growth and U.S. leadership in the communications ecosystem. We urge you to carefully evaluate the potential impacts of Verizon's post-transaction spectrum holdings and the joint-marketing agreements, taking into consideration the pro-consumer, pro-competition provisions enshrined in the '96 Act.

We look forward to your response. If you have any questions, please have a member of your staff contact Joseph Wender in Congressman Markey's office at 202-225-2836 or Ben Staub or Jason Everett with the Judiciary Committee at 202-226-6906.

Sincerely,

Edward J. Markey

John Conyers, Jr.

Barney Frank

John W. Olver

John F. Tierney

Stephen F. Lynch

Niki Tsongas

[3] U.S. Department of Justice, Ex Parte Submission before the Federal Communications Commission. *In the Matter of Economic Issues in Broadband Competition, A National Broadband Plan for Our Future.* GN Docket No. 09-51. January 4, 2010. http://apps.fcc.gov/ecfs/document/view?id=7020355122.