

# T-Mobile Fires Back at Verizon Over Canadian Auction Argument

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T-Mobile has returned volley to Verizon in a war of words over whether Canada's successful 700 MHz spectrum auction proves spectrum aggregation limits are suitable for the FCC's upcoming 600 MHz Broadcast Incentive auctions.

T-Mobile pointed to Industry Canada's application of spectrum aggregation limits based on subscriber market share as opposed to coverage area to rebut Verizon's claim that all Canadian incumbents were treated the same.

In regards to the spectrum caps, T-Mobile pointed out that Industry Canada said "access to spectrum represents a critical barrier to entry in this industry and that without rules preventing excessive concentration of spectrum holdings, competition could suffer."

T-Mobile also railed against Verizon's concerns regarding spectrum caps negatively impacting auction revenue. T-Mobile insisted the Canadian auction design pitted dominant carriers against each other with positive results to revenue.

"Dominant incumbents rationally seek to avoid head-to-head competition whenever they can, which suppresses auction revenue. Canada's spectrum limits and 700 MHz auction design made that strategy of avoidance or market segmentation impossible. As a result, it was not that bids on blocks favored by competitive carriers were low, but rather that bid on the blocks where the incumbents were actually forced to compete against one another were exceptionally high," [T-Mobile wrote in an FCC filing](#) [1].

Verizon [said that bidding in Canada's 700 MHz auction was more "intense" for blocks not subject to caps](#) [2] and cited Canada's 2008 AWS auction, where spectrum protected from restricted carriers sold for 30 percent less than non-restricted spectrum.

T-Mobile has continually advocated for below-1 GHz spectrum aggregation limits to be applied to the FCC's 600 MHz auction, arguing that Verizon and AT&T already hold the vast majority of available low-band spectrum licenses.

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[1] <http://apps.fcc.gov/ecfs/document/view?id=7521091479>

[2] <http://www.wirelessweek.com/news/2014/03/verizon-attacks-t-mobile-over-canadian-auction-rationale>