July 27, 2011

The Honorable Christine A. Varney  
Assistant Attorney General  
Antitrust Division  
U.S. Department of Justice  
950 Pennsylvania Avenue, NW  
Washington, DC 20530-0001

The Honorable Julius Genachowski  
Chairman, Federal Communications Commission  
445 12th St., SW  
Washington, DC 20554

Re: Proceeding 11-65 Involving the AT&T Merger with T-Mobile

Dear Assistant Attorney General Varney, Chairman Genachowski and FCC Commissioners:

The undersigned Attorneys General join 26 Governors; 10 national unions such as the Communications Workers of America, the AFL-CIO and the National Education Association; major high tech companies such as Microsoft, Oracle, Facebook, Nokia, Qualcomm and Research In Motion; prominent venture capital firms such as Kleiner Perkins, Sequoia Capital and Charles River Ventures; and organizations as diverse as the Sierra Club, NAACP, National Black Farmers Association and The National Grange in support of the proposed merger of AT&T Inc. and T-Mobile USA.

As wireless data usage has exploded – AT&T mobile data volumes are up 8,000% over the past four years alone – and customers use more bandwidth-intensive data services for video and Internet access, AT&T and T-Mobile are facing significant capacity constraints in markets throughout the United States. If left unaddressed, these capacity constraints would further adversely affect service quality on their wireless networks and prevent consumers from enjoying innovative products and services. Both companies have made substantial filings, including expert declarations, with the DOJ and FCC that describe and detail how: (1) the synergies of the merger will create additional capacity and thus enable the combined company to offer better quality service, with fewer dropped and blocked calls and faster data downloads; and (2) the merger will promote investment, job creation and economic development.

AT&T has committed to investing more than $8 billion to integrate the two companies’ networks and deploy 4G LTE to 97% of the population. This will result in expanded LTE deployment to 55 million more Americans than the pre-merger plans. The faster speeds and higher capacity will put advanced new services and capabilities – like telemedicine, distance learning, cloud computing, mobile video conferencing and many others – in the hands of many more of our citizens, students, businesses and civil servants, including those living in small towns and rural and underserved areas. Encouraging this type of substantial private sector investment is important for spurring jobs and economic development growth in our states in the midst of these...
challenging times.

Numerous reports from the FCC and Government Accountability Office (GAO) demonstrate that prices for wireless voice, text and data services have been falling significantly for several years, and consumers today have access to an increasingly broad array of devices, services and applications. Our citizens need and deserve the public interest benefits that this merger will generate – expanded LTE deployment to 97% of the population; fewer dropped calls; faster broadband; and expanded and rapid capacity – which will benefit consumers and businesses across the country.

We fully recognize that this merger may raise competitive concerns in some discrete local markets and that the U.S. Department of Justice or Federal Communications Commission may impose targeted remedies to ensure that consumers continue to benefit from robust competition and that the merger is in the public interest. Given the substantial and far-reaching benefits that this merger will have for customers, in our states and across the country, we urge expeditious review and approval of this merger, with appropriate and carefully-crafted merger-specific remedies and conditions as the Department of Justice and Federal Communications Commission determine may be needed to protect competition and the public interest without unduly delaying the merger or undermining the synergies, economies or benefits of the merger.

Respectfully,

Dustin McDaniel
Attorney General of Arkansas

Mark Shurtleff
Attorney General of Utah

Luther Strange
Attorney General of Alabama

Sam Olens
Attorney General of Georgia

Jack Conway
Attorney General of Kentucky

Bill Schuette
Attorney General of Michigan

Jim Hood
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Wayne Stenehjem
Attorney General of North Dakota
Marty Jackley  
Attorney General of South Dakota

Darrell McGraw  
Attorney General of West Virginia

Greg Phillips  
Attorney General of Wyoming

cc: Michael J. Copps  
Robert M. McDowell  
Mignon Clyburn