



October 09, 2018

Marlene H. Dortch  
Secretary  
Federal Communications Commission  
445 12th Street, S.W.  
Washington, DC 20554

**Re: Applications of T-Mobile US, Inc. and Sprint Corporation, WT Docket No. 18-197**

Dear Ms. Dortch,

On behalf of the members of National Taxpayers Union (NTU), I write to offer the following comments in support of the proposed transfer of Sprint Corporation to T-Mobile US, Inc (WT Docket No. 18-197).

As you know, the Communications Act of 1934 requires that the Federal Communications Commission (FCC) conduct its due diligence to determine if a transaction between two telecommunications entities meets a “public interest” standard. From our own analysis, we strongly believe that this agreement will greatly benefit consumers and taxpayers. As such, I respectfully urge you to support the proposed application by T-Mobile and Sprint to form the new company, “New T-Mobile.”

Our country is indeed at a crossroads: we can either work to solidify America’s standing as a leader in technological innovation, or allow the status quo and its challenges with providing underserved communities digital access to persist. As the Commission is aware, the creation of an expansive and modern 5G network is vital to being globally competitive in a fast changing and digitally dependent world. This new evolution into wireless technology has the potential for enormous economic and social benefit - both of which increase our standard of living.

Taxpayers are important stakeholders in the development of this network. For years, taxpayers have been on the hook for expensive and ineffective government subsidies and policies to foster the expansion of broadband and wireless internet services. Worse yet, barriers at each level of government continue to inhibit the advancement of this important transition. However, it must be capital-backed private companies and investors that finance the development of 5G and other services, not government with taxpayer funds. Unlike government actions, private entities have an incentive to allocate capital in a cost-effective manner to ensure each dollar’s value is maximized.

Under the direction of Chairman Pai, the FCC has made meaningful progress to address and reduce these barriers. We recognize, as does the FCC, that more challenges remain ahead. One significant step to address these challenges would be to approve the aforementioned transaction to create New T-Mobile, which has already announced a commitment to invest \$40 billion to expedite the development of their 5G network system. With approval, it would amount to an important win for consumers, without forcing taxpayers to cover the cost.

The United States currently has four major wireless carriers: AT&T, Verizon, Sprint, and T-Mobile. Opponents argue that by allowing T-Mobile and Sprint to merge, and thus reducing the number of major carriers down to three, it would limit competition and harm consumers. However, this market combination should not be dismissed as innately harmful to consumers, as it would iron out inefficiencies and improve the new company's ability to compete and offer lower prices. Furthermore, the Commission should bear in mind that wireless is not the only means of providing voice or data communication. Voice over Internet Protocol and "over the top" services such as Skype, while not directly comparable to wireless, nonetheless provide competitive pressures from outside what would be a realm of three wireless companies.

To that end, increasing efficiencies will allow New T-Mobile to boost profitability, which would free up capital for new projects including 5G deployment. Sprint and T-Mobile had a combined 5G investment of just over \$6 billion in 2016, far less than AT&T's \$10 billion and Verizon's \$11 billion. It's clear that these two companies, when combined, will be better positioned to compete.

The Commission must examine the costs and benefits this merger would have on the wireless industry, on consumers, and the entire competitive economic environment. After your comprehensive review, we hope you come to the same conclusion that we have come to: that approving this merger will yield impressive consumer, taxpayer, and economic benefits.

We sincerely appreciate your consideration of these remarks. If you have any questions or concerns, please do not hesitate to reach out to me directly at (703) 683-5700 or via email at [president@ntu.org](mailto:president@ntu.org)

Sincerely,

Pete Sepp, president  
National Taxpayers Union