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REDACTED FOR PUBLIC INSPECTION

October 19, 2018

VIA HAND DELIVERY AND ECFS

Marlene H Dortch, Secretary
Federal Communications Commission
445 Twelfth Street, N.W.
Washington, D.C. 20554

RE: WT Docket No. 18-197; Applications of T-Mobile US, Inc., and Sprint Corporation for Consent to Transfer Control of Licenses and Authorizations

Charter Communications, Inc. Response to General Information and Document Request

Dear Ms. Dortch:

Charter Communications, Inc. ("Charter") submits its response to the general information and document request issued by the Wireless Telecommunications Bureau on October 3, 2018.¹ This response contains Highly Confidential information and is filed pursuant to the *Protective Order* adopted in this proceeding.² Two copies of the confidential version of this filing, and two copies of the redacted version of this filing are being provided to the Secretary's Office and the Wireless Telecommunications Bureau as directed by the *Protective Order* and *Information Request*.³

Charter's submission consists of narrative responses to Questions 2 and 3 of the *Information Request*. Charter has responded to Questions 1 and 4 by making documents responsive to those questions available to FCC staff.

¹ See Letter from Donald K. Stockdale, Jr., Chief, Wireless Telecommunications Bureau, to Catherine Bohigian, Charter Communications, WT Docket No. 18-197 (October 3, 2018) ("*Information Request*").

² *Applications of T-Mobile US, Inc., and Sprint Corporation for Consent to Transfer Control of Licenses and Authorizations*, WT Docket No. 18-197, Protective Order, DA 18-264 (WTB June 15, 2018) ("*Protective Order*").

³ See *Protective Order* at ¶¶5 and 13; *Information Request* at p. 2.

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The narrative responses provided herein are based on the knowledge of the Charter employees who prepared and reviewed the responses. Charter believes these employees have sufficient knowledge to provide these responses but Charter reserves the right to supplement or modify the responses to the extent it becomes aware of additional or different information responsive to the *Information Request*.

Please contact us with any questions about this submission.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Catherine Wang".

Catherine Wang
Danielle Burt

Counsel to Charter Communications, Inc.

cc: Kathy Harris (Confidential & Redacted Versions)
Linda Ray
Kate Matraves
Jim Bird
David Krech

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**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of)
)
Applications of T-Mobile US, Inc. and Sprint) WT Docket No. 18-197
Corporation for Consent to Transfer Control of)
Licenses and Authorizations)
)

**CHARTER COMMUNICATIONS, INC.
RESPONSE TO INFORMATION REQUEST**

Charter Communications, Inc. (“Charter”) hereby provides its response to the information and document request issued by the Wireless Telecommunications Bureau on October 3, 2018.¹ Charter’s submission is primarily in response to questions requesting a narrative response. Certain information in response to item 2 of the *Information Request* is Highly Confidential information pursuant to paragraphs 1, 3 and 5 of the *Protective Order* adopted in this proceeding.

Question 2: Describe in detail how the Proposed Transaction could impact the Company’s mobile wireless business.

The proposed Sprint/T-Mobile transaction eliminates the one company willing to enter into the kind of mobile virtual network operator (MVNO) agreement that would have enabled Charter to be a robust mobile competitor.

Charter launched its mobile product (Spectrum Mobile) on June 30, 2018. Charter looks forward to continuing its technology innovation and dedication to customer service by offering customers a suite of valuable, high-quality fixed and mobile services at competitive prices. To

¹ See Letter from Donald K. Stockdale, Jr., Chief, Wireless Telecommunications Bureau, to Catherine Bohigian, Charter Communications, WT Docket No. 18-197 (October 3, 2018) (“*Information Request*”).

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that end, Charter's core goal for its Spectrum Mobile service is to create and retain more customers.²

While Charter's owned and operated network has significant wireless capabilities through its extensive Wi-Fi network, Charter's Spectrum Mobile service is reliant on its MVNO reseller agreement with Verizon, as Charter's Wi-Fi network cannot offer ubiquitous coverage or true mobility service. Wi-Fi hotspots have a limited range and use only unlicensed, low-power spectrum with no protection from interference from other devices or users. While Wi-Fi can be an effective solution for indoor, stationary traffic within the home or office, and outdoor limited range coverage in targeted areas of high traffic concentration, it cannot provide seamless coverage to a customer driving a car, for example.

Charter's MVNO with Verizon also limits Charter's ability to compete in mobile wireless. The Verizon MVNO was negotiated in 2011 as part of a broader set of transactions among several players including Time Warner Cable and Bright House Networks, which are now part of Charter. **[BEGIN HIGHLY CONFIDENTIAL]**

[END HIGHLY CONFIDENTIAL]

² See Charter Communications, Inc. 2017 Annual Report at 6, available at <http://phx.corporate-ir.net/External.File?item=UGFyZW50SUQ9NjkwNzc0fENoaWxkSUQ9NDxNDUwfFR5cGU9MQ=&t=1> ("2017 Annual Report").

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Given the contractual and technical constraints of Charter's MVNO agreement with Verizon and the significant barriers to building out a mobile network of its own,⁵ Charter actively explored parallel MVNO agreement opportunities ahead of launching its Spectrum Mobile service. **[BEGIN HIGHLY CONFIDENTIAL]**

⁵ The combination of very high spectrum license acquisition costs, significant network deployment costs, tower site acquisition or leasing and construction costs, costs of purchasing network equipment, back haul costs, and the costs of interconnection and roaming, all combine to create an extremely high barrier to entry for new mobile facilities-based participants. *See, e.g., Implementation of Section 6002(b) of the Omnibus Budget Reconciliation Act of 1993, Annual Report and Analysis of Competitive Market Conditions with Respect to Mobile Wireless, Including Commercial Mobile Services*, Eleventh Report, WT Docket 06-17, 21 FCC Rcd 10947, at Paras. 59, 83 (2006) (finding that barriers to entry in the mobile telecommunications market may include first-mover advantages, large sunk costs, and access to spectrum and potential entry barriers may include advertising expenditures, economies of scale, and capital financing); and *Implementation of Section 6002(b) of the Omnibus Budget Reconciliation Act of 1993, Annual Report and Analysis of Competitive Market Conditions with Respect to Mobile Wireless, Including Commercial Mobile Services*, Sixteenth Report, WT Docket 11-186, 28 FCC Rcd 3700, at Para. 36 (2013) (recognizing that MVNOs do not engage in the full range of non-price rivalry with facilities-based providers such as creating capacity through network investments, network upgrades, or network coverage).

[END HIGHLY CONFIDENTIAL]

Additionally, T-Mobile has made it clear through public commentary, and through its merger agreement with Sprint, that the cable industry “does not belong in wireless”⁶ and that T-Mobile is not open to reaching MVNO arrangements with cable operators. On its fourth quarter investor call, on February 8 of this year, John Legere, President and CEO of T-Mobile said, “The furthest thing from my mind is any concern about the impact of cable... I think they are incompetent and they don’t belong in wireless without having owner economics.” Consistent with this, there is a clause in the Sprint-T-Mobile merger agreement that prohibits Sprint from entering into an MVNO agreement with any third party during the pendency of its proposed transaction with T-Mobile.⁷

⁶ John Legere, President and CEO of T-Mobile, on T-Mobile’s 4Q17 investor call, February 8, 2018.

⁷ Business Combination Agreement by and among T-Mobile US, Inc., Huron Merger Sub LLC, Superior Merger Sub Corporation, Sprint Corporation, Starburst I, Inc., Galaxy Investment Holdings, Inc. and for the limited purposes set forth in this Agreement, Deutsche Telekom AG, Deutsche Telekom Holding B.V., and Softbank Group Corp., dated as of April 29, 2018, Section 4.1(p)(i)(H)(z) and Section 5.1(a)(iii) (defining “Sprint Material Contracts” and excluding mobile virtual network operator agreements from Sprint Material Contracts permitted to be entered under ordinary course of business standard).

Question 3: Describe in detail how the Proposed Transaction could impact the Company's television and/or internet provision businesses.

Apart from vaguely boasting of plans to provide new video and internet services,⁸ T-Mobile and Sprint provide very little detail about their proposed television and/or Internet businesses. With such little information, it is not possible for Charter to assess the impact of this transaction on our business.

What is clear is that both applicants separately said they planned to offer services competitive with cable's residential broadband services before the merger, so any claimed new competition is not merger specific.⁹

⁸ See Public Interest Statement at 76.

⁹ For instance, in February 2018, both T-Mobile and Sprint announced their 5G plans to compete with cable residential broadband, see <https://www.t-mobile.com/news/mwc-2018-5g> and <https://www.fiercewireless.com/5g/sprint-promises-to-launch-nationwide-mobile-5g-network-first-half-2019-and-to-raise-unlimited>.