



## GOVERNMENT OF PUERTO RICO

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Puerto Rico Telecommunications Bureau  
President Office

March 1, 2019

Marlene H. Dortch  
Secretary  
Federal Communications Commission  
445 Twelfth St., S.W.  
Washington, DC 20554

Re: Applications of T-Mobile U.S., Inc., and Sprint Corporation for Consent to Transfer Control of Licenses and Authorizations (WT Docket No. 18-197), (*T-Mobile and Sprint Merger*)

Dear Ms. Dortch,

The Negociado de Telecomunicaciones de Puerto Rico (“Bureau”) files these written *ex parte* comments in the above-referenced docket to identify its concerns about possible undue concentration of economic power in the Commonwealth of Puerto Rico.

Puerto Rico has a long history of mobile service adoption—far exceeding that of the mainland in many metrics. Puerto Rico, for instance, was the first jurisdiction in the nation to match the number of handsets in service to its population. Puertorriqueños have come to rely substantially on mobile services offered by a variety of providers/carriers. As with the mainland, Puerto Rico has T-Mobile and Sprint services, as well as others in the population areas of the Commonwealth. As evidenced by the Commission’s *Twentieth Report*, Section III.D, released September 27, 2017, while the major population areas of the Commonwealth are served by four or more carriers, the interior of the island is served to a lesser degree by robust competition.<sup>1</sup>

The announced T-Mobile and Sprint merger gives the Bureau concern on how a merger of such magnitude (the third and fourth largest mobile carriers) would affect competition and the availability of future spectrum awards to other competitors.

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<sup>1</sup> Federal Communications Commission, *Twentieth Report, In the Matter of 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*, WT Docket No. 17-69, FCC 17-126, released September 27, 2017, (*Twentieth Report*).



The Bureau agrees with the Commission that “spectrum is a critical input in the provision of mobile wireless services. It can affect whether, when, and where existing service providers and potential entrants will be able to expand capacity or deploy networks. Incumbent service providers may need additional spectrum to increase their coverage or capacity, while new entrants need access to spectrum to enter a geographic area. In addition, increasing consumer demand for mobile data is expected to continue increasing service providers’ need for spectrum.”<sup>2</sup> Consequently, the Bureau encourages the T-Mobile/Sprint Transaction Task Force to pay particular attention to the Commission’s spectrum policies applicable to Puerto Rico to ensure such policies promote competition, innovation, and serve the public interest, convenience, and necessity. With the consolidation of two of the four major carriers, the Bureau is concerned that smaller carriers and new entrants to the market would be priced out of obtaining the necessary spectrum to serve the population of Puerto Rico.

The Bureau is aware that the Commission uses an internal spectrum screen to help “identify, for case-by-case review, local markets where changes in spectrum holdings resulting from the [transfer of licenses] may be of particular concern.”<sup>3</sup> The Bureau requests the Task Force pay particular attention to the multifaceted Puerto Rico market (not just the major population areas). A granular review of the Commonwealth would help inform the Commission whether the factors are present to warrant particular conditions for the proposed license transfer that would promote the public interest.

Finally, the Bureau expresses concern that examination of the transaction currently before the Commission should show how consumers will benefit, how prices will not rise, and how competition will not wilt with increased industry concentration. Furthermore, a clear explanation is warranted on how fewer potential big bidders in future spectrum auctions will not impede Commission policies.

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<sup>2</sup> *Twentieth Report* at 37 (footnotes omitted).

<sup>3</sup> *Ibid.* at 39 (footnotes omitted).



We express the hope that our suggested granular review of the proposed transfer particular to the Commonwealth will further the efforts of the Task Force in crafting necessary conditions on the proposed transfer.

Respectfully Submitted,

/s/ Sandra Torres López  
Sandra Torres López  
President

cc: Chairman Ajit Pai  
David B. Lawrence, Director T-Mobile/Sprint Transaction Task Force  
Donald Stockdale, Chief Wireless Telecommunications Bureau

