



[REDACTED – FOR PUBLIC INSPECTION]

April 1, 2019

VIA ECFS

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 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*

Dear Ms. Dortch,

Pursuant to the Protective Order (DA 18-624) issued in this docket, please find attached a redacted copy for public inspection of the Rural Wireless Association's ("RWA") Supplemental Comments.

Should you have any questions regarding this filing, please do not hesitate to contact the undersigned.

Respectfully submitted,

/s/ Caressa D. Bennet
Caressa D. Bennet, General Counsel
Daryl A. Zakov, Assistant General Counsel
5185 MacArthur Blvd., NW, Suite 729
Washington, DC 20016
(202) 857-4519
legal@ruralwireless.org

cc: Kathy Harris
Linda Ray
Kate Matraves
Jim Bird
David Krech

**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, Consolidated Applications for)
Consent to Transfer Control of Licenses and)
Authorizations)

SUPPLEMENTAL COMMENTS

On March 7, 2019, the Federal Communications Commission (“FCC” or “Commission”) released a *Public Notice* stopping its informal “shot clock” of its review of the proposed transaction between T-Mobile US, Inc. (“T-Mobile”) and Sprint Corporation (“Sprint”) (collectively, the “Applicants”).¹ The Commission’s *Public Notice* seeks comment in response to various filings submitted by T-Mobile that contain “substantial new material” and “reach conclusions about the effects of the transaction that were not previously in the record.” The Rural Wireless Association, Inc. (“RWA”) files these Supplemental Comments in response to one of the three Highly Confidential filings submitted by T-Mobile.² RWA’s comments are targeted to speculative and/or misleading claims made in T-Mobile’s *In-Home Broadband Ex*

¹ *T-Mobile US, Inc., and Sprint Corporation Seek FCC Consent to the Transfer of Control of the Licenses, Authorizations, and Spectrum Leases Held By Sprint Corporation and Its Subsidiaries to T-Mobile US, Inc., and its Subsidiaries*, WT Docket No. 18-197, Public Notice, DA 19-161 (released March 7, 2019) (“*Public Notice*”).

² *T-Mobile Ex Parte Regarding New T-Mobile In-Home Broadband* (filed March 6, 2019) (“*In-Home Broadband Ex Parte*”); *T-Mobile Ex Parte Regarding New T-Mobile Network Migration Overview* (filed March 8, 2019) (“*Network Migration Ex Parte*”); and *T-Mobile Ex Parte Regarding Extension of the Economic Analysis of the T-Mobile/Sprint Merger to 2019-2020* (filed March 18, 2019) (“*IKK Ex Parte*”) (collectively, “*Supplemental Ex Partes*”).

Parte which is an attempt to bolster its argument that the proposed merger will be beneficial to consumers. As discussed below, nothing in the *In-Home Broadband Ex Parte* changes the fact that the proposed merger between T-Mobile and Sprint will harm the competitive health of the mobile wireless sector, is contrary to the public interest, and should be denied.

I. T-MOBILE’S PROSPECTIVE IN-HOME WIRELESS BROADBAND SERVICE OFFERING DOES NOT DELIVER REAL BENEFITS TO RURAL AMERICA

In the last few weeks, T-Mobile has begun touting its intentions to offer un-wired, uncabled in-home broadband across the majority of the United States.³ The company’s news release and subsequent Twitter postings trumpet a future of indoor 5G speeds (with 100 Mbps throughput) by 2024 and a retail charge of only \$50 per household. In its *In-Home Broadband Ex Parte*, T-Mobile attempts to provide details about this prospective home broadband solution. T-Mobile claims that its in-home wireless broadband service offering will provide “average speeds in excess of 100 Mbps to 90 percent of the country by 2024” and at a price point that is “[BEGIN HCI] [REDACTED] [END HCI] per month below what in-home broadband providers typically charge today.”⁴ But just as with T-Mobile’s claims of nearly nationwide fiber and microwave-supported cell sites, these promises are not what they appear.

First and foremost, T-Mobile adds a huge caveat to the entire proposal. Specifically, T-Mobile asserts that such a truly competitive wireless in-home service offering (and all of the associated speeds and deployment schedules and price-points) will only be available “if T-

³ See “T-Mobile Begins Limited Home Internet Pilot, Laying a Foundation for Home Broadband Disruption in Advance of Merger with Sprint,” T-Mobile News (posted March 21, 2019) (“T-Mobile In-Home Broadband News Article”); <https://www.t-mobile.com/news/home-internet-pilot>.

⁴ *In-Home Broadband Ex Parte* at pp 2-3.

Mobile’s pending merger with Sprint is approved.”⁵ Does this mean that if the proposed merger is abandoned or blocked, T-Mobile will forever limit its novel, invitation-only offering to just those 50,000 (or 0.04%) of U.S. households it plans to serve by the end of 2019? Additionally, T-Mobile readily admits that its in-home broadband offering in the year 2024, well after any proposed merger is consummated, will result in an “In-Home Broadband Coverage Area that is smaller than the 5G mobile coverage area.”⁶ How much smaller of a service area? According to T-Mobile’s own filings, the In-Home Broadband Coverage Area will cover [BEGIN HCI] [REDACTED] [END HCI] million fewer households compared to New T-Mobile’s “outdoor” 5G coverage map.⁷ A quick comparison of T-Mobile’s own prospective coverage maps visually confirms that [BEGIN HCI] [REDACTED] [REDACTED] [END HCI] are in rural America.⁸ The *In-Home Broadband Ex Parte* claims that “the merger will have an enormous impact on closing the digital divide by bringing rural Americans the in-home broadband service they need and want.”⁹ However, as discussed in greater detail below, T-Mobile uses inflated and unverifiable numbers when it identifies the number of Americans living in rural markets. Furthermore, T-Mobile relies for support on [BEGIN HCI] [REDACTED] [REDACTED]

⁵ See T-Mobile In-Home Broadband News Article.

⁶ McDiarmid Declaration (*In-Home Broadband Ex Parte*) at ¶ 3.

⁷ McDiarmid Declaration (*In-Home Broadband Ex Parte*) at ¶ 3.

⁸ McDiarmid Declaration (*In-Home Broadband Ex Parte*) at Figures 1 and 2.

⁹ *In-Home Broadband Ex Parte* at p. 3.

[REDACTED] [END HCI] by 2024 is speculative and misleading. Putting aside whatever alleged benefits T-Mobile’s In-Home Broadband offering *might* deliver to urban consumers in 2024 and beyond, it is patently clear that this service offering, even if expanded post-merger, will do nothing for a substantial number of rural households.

II. T-MOBILE’S PROMISES OF IMPROVED RURAL COVERAGE ARE MISLEADING

As noted above, T-Mobile contends that the proposed merger will yield concrete and measurable benefits in rural America. However, T-Mobile broadens the definition of “rural” in order to generate favorable metrics, and thus any promises of high-speed backhaul connections, covered population, or covered households should be viewed with skepticism.

T-Mobile has spent over nine months trying to convince the Commission that it will deploy an unparalleled 5G wireless broadband network in rural America. Specifically, T-Mobile routinely claims that by 2024 it will deploy 5G to nearly 96% of what it characterizes as America’s 62 million rural residents.¹⁰ T-Mobile has never provided the Commission with a verifiable source for its claim that there are 62 million rural Americans. Meanwhile, the U.S. Department of Agriculture, as of November 2018, unequivocally states that the United States’ “overall rural population has remained close to 46.1 million since 2013.”¹¹ This is a net difference of 16 million people! By drastically inflating the number of Americans who live in

¹⁰ Testimony of John Legere, Chief Executive Officer, T-Mobile US, House Judiciary Subcommittee on Antitrust, Commercial and Administrative Law (March 12, 2019) at p. 12; see <https://docs.house.gov/meetings/JU/JU05/20190312/109053/HHRG-116-JU05-Wstate-LegereJ-20190312.pdf>.

¹¹ See “Rural Population Trends, USDA (November 2018); <https://www.ers.usda.gov/amber-waves/2019/february/rural-population-trends/>.

rural America, T-Mobile believes it is able to make claims that it can cover over 58 million “rural” Americans with 5G by 2024. Just because T-Mobile chooses to classify an extra 16 million Americans as “rural” instead of “urban” does not mean that T-Mobile is actually deploying 5G services to rural markets.

T-Mobile makes further misleading rural coverage claims in its *In-Home Broadband Ex Parte*. For example, T-Mobile claims “full deployment of the New T-Mobile 5G network in 2024, in 90 percent of the country.”¹² At first blush, it appears that New T-Mobile intends to offer In-Home Broadband using 5G to 90 percent of the country’s geography by 2024. However, T-Mobile clarifies that the post-merger company plans on bringing these impressive speeds to only “half of the U.S.’s geography.”¹³ Such a clarification severely undermines the claim that a merger is absolutely necessary to deploy 5G to remote rural markets. T-Mobile has had an abysmal record of service in rural areas and this latest 5G claim rings hollow.

Respectfully submitted,

RURAL WIRELESS ASSOCIATION, INC.

By: /s/ Caressa D. Bennet
Caressa D. Bennet, General Counsel
Daryl A. Zakov, Assistant General Counsel
5185 MacArthur Blvd., NW, Suite 729
Washington, DC 20016
(202) 857-4519
legal@ruralwireless.org

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¹² *In-Home Broadband Ex Parte* at p. 7.

¹³ *In-Home Broadband Ex Parte* at p. 9.