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STRAUSS HAUER & FELD LLP

April 17, 2019

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

Re: Notice of Ex Parte Presentation, *In the Matter of Applications of T-Mobile US, Inc. and Sprint Corporation, Consolidated Applications for Consent to Transfer Control of Licenses and Authorizations*, WT Docket No. 18-197

Dear Ms. Dortch:

On April 15, 2019, representatives of Altice USA, Inc. ("Altice"), including Dexter Goei, Chief Executive Officer of Altice, Michael Olsen, Acting General Counsel, and Lee Schroeder, EVP of Government & Community Affairs and Chief Diversity Officer, met with Commissioner Brendan Carr, Commissioner Jessica Rosenworcel, Umair Javed, Legal Advisor to Commissioner Rosenworcel, Commissioner Mike O'Rielly, and Joel Miller, Chief of Staff for Commissioner O'Rielly.

Altice explained its opposition to the merger of Sprint and T-Mobile, citing concerns about the elimination of the wholesale services market, particularly for full infrastructure mobile virtual network operators ("iMVNOs"), and the corresponding negative impact on retail competition and consumers. Altice discussed its plans to enter the wireless market in 2019 as an iMVNO via its partnership with Sprint. The partnership provides Altice with radio access network ("RAN") services to support its mobile offering, and provides Sprint both wholesale revenues and improved network quality through accelerated network densification undertaken by Altice.[1]

Denial of the merger will best serve the public interest for all the reasons stated in prior Altice filings, including that it will hasten 5G deployments and maintain the competitive pre-

[1] In February of 2018, prior to the merger announcement, Sprint fully supported cable/wireless partnerships as a "winning combination" and the Altice partnership as model that will demonstrate "that you can build an incredibly dense network by leveraging each other's assets," describing Sprint as "wide open" to the "same potential partnerships" with other cable companies in the future. Transcript of Sprint Corp. Q3 2017 Earnings Call, 14 (Feb. 2, 2018) available at https://s21.q4cdn.com/487940486/files/doc_presentations/2018/Fiscal-3Q17-Earnings-Call.pdf. While the merger appears to have changed Sprint's public assessment of these partnerships, Altice believes that the deployment of 19,000 small cells in 9 months proves the cable/wireless model just as standalone Sprint anticipated and that given its success, this model would be replicated but for the merger. *See* Letter from Regina M. Keeney, Counsel to Sprint, to Marlene H. Dortch, Secretary, Federal Communications Commission, WT Docket No. 18-197 (filed Apr. 15, 2019) ("The Idiosyncratic Sprint-Altice MVNO Deal Is Not Replicable.").

merger wholesale market, which is necessary to support new mobile entry.[2] Facilities-based competition from iMVNOs, not niche competition by resale MVNOs, will create the most benefit for consumers and the public interest. Given the retail competitive threat posed by iMVNOs, it is these competitors that the New T-Mobile is most incented to attempt to stifle.[3]

To be clear, the iMVNO model, when properly enabled and supported, functions as an on-ramp to greater facilities-based wireless competition over the long-term. Progress toward deploying an independent wireless network, with an iMVNO's own spectrum, will be gradual.[4] During build out, which will take three to four years from the time spectrum is acquired, all iMVNOs will continue to rely on their wholesale partners' RAN, particularly for coverage, as the iMVNO's spectrum is deployed and its network improved.

The Commission has recognized the importance of this dynamic in the roaming market, and it is equally important for iMVNOs, which, from a technical perspective, only require roaming from a mobile network operator, and the RAN access needed by iMVNOs.[5] Without the network access enabled by a competitive wholesale market, and the on-ramp of revenues and a growing customer base, the iMVNO cannot bring the benefits of increased facilities-based competition to consumers. Building a new competitive wireless network from scratch would not be timely or economically feasible without access to wholesale roaming. Cable companies enabled by iMVNOs, with their extensive fixed networks and experience in infrastructure deployment, may be the only opportunity for new meaningful wireless competition in this mature mobile market.

Accordingly, if the Commission decides to approve the merger, and thereby allow the elimination of competition in the wholesale market, the public interest demands that the Commission condition such approval on binding commitments from the New T-Mobile to

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[2] *See, e.g.,* Letter from Jennifer Richter, Counsel to Altice to Marlene H. Dortch, Secretary, Federal Communications Commission, WT Docket No. 18-197 (filed Apr. 12, 2019); Supplemental Response to Information Request of Altice USA, Inc, WT Docket No. 18-197 (filed Jan. 28, 2019); Reply of Altice USA, Inc., WT Docket No. 18-197 (filed Oct. 31, 2018); Petition to Condition or Deny of Altice USA, Inc., WT Docket No. 18-197 (filed Aug. 27, 2018).

[3] *See* Supplemental Response to Information Request of Altice USA, Inc, Declaration of Michael Cragg and Eliana Garcés, WT Docket No. 18-197 (filed Jan. 28, 2019) at 31-64.

[4] This ability to incrementally build and incorporate multiple licensed spectrum assets into a unified service is unique to iMVNOs and enabled by control over the SIM and network core, referred to by Altice in previous filings to as "core control."

[5] In 2010, the Commission noted that a lack of available roaming agreements "can in effect require carriers entering new markets to build out their networks extensively throughout the newly obtained license area before they can provide a competitive service to consumers, all without the benefit of financing the construction of new networks over time with revenues from existing services and reliance on roaming to fill in gaps during build out . . . In such circumstances, we find that the exclusion can delay or deter entry into a market because a carrier seeking to provide service in a new geographic area, without the ability to supplement its networks with roaming and whose initial facilities would necessarily be limited, would be required to compete with incumbents that had been developing and expanding their networks for many years. The Commission has previously recognized that this 'head-start' advantage can constitute a significant hurdle to new competition" *In the matter of Reexamination of Roaming Obligations of Commercial Mobile Radio Service Providers and Other Providers of Mobile Data Services*, WT Docket No. 05-265, Order on Reconsideration and Second Further Notice of Proposed Rulemaking, FCC 10-59, para. 21 (Apr. 21, 2010). Nine years later, this barrier to entry is higher as consumer expectations for high-quality nationwide service have grown, making the threat this merger poses to the wholesale market even more dire.

support the wholesale market and long-term competition by iMVNOs. At a minimum, the Commission must require that the New T-Mobile extend existing wholesale agreements on the best terms offered individually by either company today, for the full term of existing agreements, or for ten years post consummation, whichever occurs later, with presumptions of renewal and access to the same nationwide network and improved service offerings available to retail customers of the New T-Mobile to enable competition on a national scale.

Sincerely,

/s/ Jennifer L. Richter
Jennifer L. Richter