

WILLKIE FARR & GALLAGHER<sub>LLP</sub>

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April 25, 2019

**VIA ELECTRONIC FILING**

Marlene H. Dortch, Secretary  
Federal Communications Commission  
445 Twelfth Street, S.W.  
Washington, D.C. 20544

**Re: *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***  
**REDACTED – FOR PUBLIC INSPECTION**

Dear Ms. Dortch:

Comcast Corporation (“Comcast”) and Charter Communications, Inc. (“Charter”) hereby submit a joint response to Sprint Corporation’s April 15, 2019 filing.<sup>1</sup> Pursuant to the terms of the June 15 Protective Order in this proceeding,<sup>2</sup> the Highly Confidential version of this filing has been submitted to the Office of the Secretary, with copies also submitted to Kathy Harris of the Wireless Telecommunications Bureau. The {{ }} symbols denote where Highly Confidential Information has been redacted. The Highly Confidential version of this filing will be made available for inspection pursuant to the terms of the Protective Order.

Requests for the Highly Confidential version of this submission should be directed to Samuel Eckland of Willkie Farr & Gallagher ((202) 303-1214 or seckland@willkie.com).

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<sup>1</sup> Letter from Regina M. Keeney, Lawler, Metzger, Keeney & Logan, LLC, and David L. Meyer, Morrison & Foerster LLP, Counsel for Sprint, to Marlene H. Dortch, Secretary, FCC, WT Docket No. 18-197 (Apr. 15, 2019).

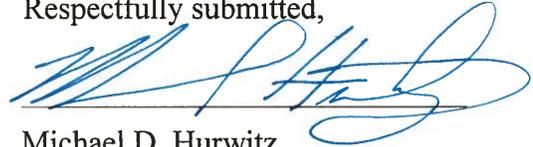
<sup>2</sup> See *Applications of T-Mobile US, Inc. and Sprint Corporation, Consolidated Applications for Consent to Transfer Control of Licenses and Authorizations*, Protective Order, WT Docket No. 18-197, 33 FCC Rcd. 6036 (June 15, 2018) (“Protective Order”).

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Please contact the undersigned should you have any questions regarding this submission.

Respectfully submitted,



Michael D. Hurwitz  
*Counsel for Comcast Corporation*

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

Enclosures

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**Re: *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:

Comcast Corporation (“Comcast”) and Charter Communications, Inc. (“Charter”) hereby respond to a recent filing by Sprint Corporation (“Sprint”) that makes a number of misrepresentations and mischaracterizations about Comcast’s Xfinity Mobile (“XM”) and Charter’s Spectrum Mobile wireless services, Comcast and Charter’s negotiations with Sprint, and their ability (and that of the cable industry generally) to compete effectively in the wireless market today.<sup>1</sup> Given the inaccuracies in Sprint’s filing, Comcast and Charter submit this letter to correct the record.

In purporting to respond to record evidence submitted by Altice USA, Inc. (“Altice”), Sprint claims that Comcast and Charter previously “rejected” Sprint as a wholesale provider, and that the notion that Sprint would enter into an Infrastructure-based Mobile Virtual Network Operator (“IMVNO”) agreement – i.e., an MVNO agreement with core control – with “an imaginary consortium of cable companies including Charter and Comcast” is pure “fantasy.”<sup>2</sup> In fact, however, **{{BEGIN HIGHLY CONFIDENTIAL}}**

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<sup>1</sup> See Letter from Regina M. Keeney, Lawler, Metzger, Keeney & Logan, LLC, and David L. Meyer, Morrison & Foerster LLP, Counsel for Sprint, to Marlene H. Dortch, Secretary, FCC, WT Docket No. 18-197 (Apr. 15, 2019) (“Sprint Letter”). This response is based on Comcast and Charter’s review of the public, redacted version of the Sprint Letter.

<sup>2</sup> Sprint Letter at 2, 4, 6, 17.

<sup>3</sup> See Letter from Michael D. Hurwitz, Willkie Farr & Gallagher LLP, Counsel for Comcast, to Marlene H. Dortch, Secretary, FCC, WT Docket No. 18-197 (Oct. 22, 2018); Letter from Michael D. Hurwitz, Willkie Farr & Gallagher LLP, Counsel for Comcast, to Marlene H. Dortch, Secretary, FCC, WT Docket No. 18-197, at 2 (Nov. 19, 2018) (submitting modified response to Request No. 2) (“Comcast Nov. 19 RFI Response”); Letter from Catherine Wang and Danielle Burt, Morgan, Lewis & Bockius, Counsel for Charter, to Marlene H. Dortch, Secretary, FCC,

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Sprint now also asserts that an IMVNO agreement was “implausible” because “Charter and Comcast were too skeptical about the Sprint network.”<sup>5</sup> In fact, **{{BEGIN HIGHLY CONFIDENTIAL}}**

**{{END HIGHLY CONFIDENTIAL}}** Altice’s partnership with Sprint has demonstrated that it does.<sup>7</sup>

Although Sprint now refers to the Altice IMVNO arrangement as “highly idiosyncratic,”<sup>8</sup> when Sprint first announced its IMVNO with Altice and for several months afterwards, Sprint’s

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WT Docket No. 18-197, at 3-4 (Oct. 19, 2018) (“Charter RFI Response”); *see also* Shalini Ramachandran et al., *Sprint Enters Into Exclusive Talks with Charter, Comcast on Wireless Deal*, Wall St. J., June 26, 2017, <https://www.wsj.com/articles/sprint-enters-into-exclusive-talks-with-charter-comcast-on-wireless-deal-1498524087>.

<sup>4</sup> **{{BEGIN HIGHLY CONFIDENTIAL}}**  
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<sup>5</sup> Sprint Letter at 6, 9; *see also id.* at 3 (“Charter, Comcast, and TracFone . . . ha[ve] been wary of partnering with Sprint due to concerns about network quality.”).

<sup>6</sup> *See* Appendix A.

<sup>7</sup> *See* Letter from Jennifer L. Richter, Akin Gump Strauss Hauer & Feld LLP, Counsel for Altice, to Marlene H. Dortch, Secretary, FCC, WT Docket No. 18-197 (Apr. 12, 2019) (“Sprint, through its mutually beneficial partnership with Altice, was able to densify Sprint’s network and improve its speeds by 130%”; “Altice was able to deploy 19,000 small cells in the New York metro area in 9 months resulting in the network improvement.”).

<sup>8</sup> Sprint Letter at 2, 4.

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senior management repeatedly publicly touted the Altice arrangement as a promising proof of concept for a potential broader set of arrangements with cable companies. As former Sprint CEO Marcelo Claure explained in an earnings call last year, “[a]s [the Altice MVNO] relates to how we plan to build our network in the future and whether we see other potential partnerships with cable companies, I think that’s wide open and I think they have – I believe that they have expressed the same potential partnerships for the future.”<sup>9</sup> He went on to say that “we want to prove the model. We want to prove that you can build an incredibly dense network by leveraging each other’s assets. And we’re doing that in two maybe smaller markets that could potentially serve as a proof point for any future potential partnership with cable companies.”<sup>10</sup>

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<sup>9</sup> Marcelo Claure, CEO, Sprint, Q3 2017 Earnings Call, Tr. at 13 (Feb. 2, 2018).

<sup>10</sup> *Id.*; *see also, e.g.*, Michel Combes, President & CFO, Sprint, Deutsche Bank 26th Annual Media, Telecom & Business Services Conference, Tr. at 10 (Mar. 7, 2018) (describing the Altice MVNO as “a nice framework that we have then extended to Cox, or part of it, not for all the bits and pieces, and that we could extend to other cable operators”); Tarek A. Robbiati, CFO, Sprint, Investor Call, Tr. at 9-10 (Nov. 6, 2017) (“What we wanted is to prove the concept both from an engineering standpoint, and that’s why we have undergone these trials with Altice already 6 month ago. So there is a technical feasibility that we wanted to prove, which is now proven. And there is also a transaction structuring/financial engineering structure that we wanted to crack. We feel we are there now. And with respect to the larger [cable] companies, anything is possible, if the terms are right.”).

<sup>11</sup> Sprint also claims that a deal with Comcast and Charter would not have made economic sense without a volume commitment. *See* Sprint Letter at 9. But, **{{BEGIN HIGHLY CONFIDENTIAL}}**

**{{END HIGHLY CONFIDENTIAL}}** *See*

Appendix A.

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Sprint likewise mischaracterizes Comcast’s and Charter’s MVNO agreements with Verizon and XM’s and Spectrum Mobile’s competitive positions in the wireless marketplace.<sup>12</sup> As detailed above, Comcast and Charter did not “reject” Sprint “as a wholesale provider in favor of Verizon.”<sup>13</sup> To be sure, as Sprint observes, Verizon’s high-quality nationwide network, combined with Comcast’s and Charter’s existing Wi-Fi and backhaul facilities, has allowed Comcast and Charter to launch wireless offerings that have enjoyed some early success, but that is far from the full picture. **{{BEGIN HIGHLY CONFIDENTIAL}}**

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<sup>12</sup> See Sprint Letter at 2-4, 17, 21-23.

<sup>13</sup> *Id.* at 4. **{{BEGIN HIGHLY CONFIDENTIAL}}**

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<sup>14</sup> See Comcast Nov. 19 RFI Response at 1; Charter RFI Response at 2.

<sup>15</sup> See Comcast Nov. 19 RFI Response at 2; Charter RFI Response at 2.

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**{{END HIGHLY CONFIDENTIAL}}** Contrary to Sprint’s claim, Wi-Fi offloading does not solve for these issues.<sup>16</sup> Because Wi-Fi cannot offer ubiquitous coverage to serve consumers on-the-go – i.e., in cars, trains, or even walking beyond the immediate boundaries of their homes and workplaces – it is an insufficient substitute for a truly mobile service.<sup>17</sup>  
**{{BEGIN HIGHLY CONFIDENTIAL}}**

**{{END HIGHLY CONFIDENTIAL}}** Indeed, even T-Mobile’s CEO John Legere scoffed on Twitter earlier today that, in his estimation, Comcast’s latest XM numbers “missed . . . expectations” and that “Comcast reported negative \$103M in EBITDA from wireless . . . that makes \$1.3B lost just in thy short time to get into mobile!”<sup>19</sup> **{{BEGIN HIGHLY CONFIDENTIAL}}**

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<sup>16</sup> See Sprint Letter at 18-19.

<sup>17</sup> See Charter RFI Response at 2.

<sup>18</sup> Sprint asserts that core control does not enable seamless integration (i.e., session continuity) when transitioning between two networks, and that access to Sprint’s mobile management experience (“MME”) is necessary. See Sprint Letter at 19-20. Comcast and Charter are not aware of any technical barriers to providing such access as part of a negotiated IMVNO arrangement.

<sup>19</sup> John Legere (@JohnLegere), Twitter (Apr. 25, 2019, 9:00am), <https://twitter.com/JohnLegere/status/1121398689442885633>.

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Respectfully submitted,

/s/ Elizabeth Andrion  
Senior Vice President  
Regulatory Affairs  
Charter Communications, Inc.

/s/ Kathryn A. Zachem  
Executive Vice President  
Regulatory & State Legislative Affairs  
Comcast Corporation

/s/ Francis M. Buono  
Senior Vice President  
Legal Regulatory Affairs &  
Senior Deputy General Counsel  
Comcast Corporation

cc: Kathy Harris

**Appendix A –  
Redacted In Its Entirety**