



May 6, 2019

**VIA ELECTRONIC FILING**

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

**Re: Applications of T-Mobile US, Inc. and Sprint Corporation, WT Docket No. 18-197**

Dear Ms. Dortch,

The Pennsylvania Retailers' Association (PRA) encourages the Federal Communications Commission to approve the merger of T-Mobile and Sprint, which promises to grow the retail industry throughout Pennsylvania and benefit the entrepreneurs and employees who support it.

The PRA is the premier retail trade association in Pennsylvania. Our encompassing membership consists of small and large independent retailers as well as the national retail chains. Founded in 1932, the PRA's mission is to protect and promote the welfare of those engaged in retailing, keep our members informed about laws and regulations affecting the retail industry, offer our membership money-saving services to assist them in growing their businesses, and represent the retailing industry in the state's legislative chambers.

The PRA believes that the expansion in New T-Mobile's post-merger retail footprint, particularly in rural areas throughout Pennsylvania, will fuel a virtuous cycle of economic development that will benefit Pennsylvania merchants and workers alike. New T-Mobile has committed to open at least 600 new retail stores and up to five new Customer Experience Centers following the merger. In its first year, New T-Mobile has calculated that it will add 3,500 more full-time U.S. workers than Sprint and T-Mobile would have together as standalone companies. The merger not only promises to create new retail jobs at new physical locations, but also promises to generate new jobs through the combined company's 5G network buildout and its planned expansion of enterprise sales. In fact, one nationally renowned economist projects the merger will support more than 24,000 new jobs between 2019 and 2023.

Based on our longstanding history of supporting local merchants, it is our view that opponents who assert that the merger will reduce retail jobs, including in Pennsylvania, fundamentally misunderstand the nature of the retail industry. The number of retail jobs is not a simple function

of the number of physical retail outlets. A retailer's employment strategy depends on a number of factors, including the size of the outlet, the volume of consumer foot traffic, the increased demand for services, the expansion of new value-added offerings, and the additive effect of larger "anchor stores" that surround a retailer. For example, the presence of a larger and busier retail outlet tends to encourage smaller merchants to take advantage of the increased foot traffic and locate nearby. The effect is that a larger employer with greater scale frequently creates new local jobs by stimulating the economic prospects of doing business in the immediate area.

That is precisely what PRA expects to happen following the merger of T-Mobile and Sprint. We understand that T-Mobile has approximately 80 million subscribers and Sprint has approximately 55 million subscribers. To serve the combined subscriber base, New T-Mobile's stores will need to be substantially larger than they are today and therefore employ more retail workers than currently exist. These larger stores, in turn, will serve as anchors that attract smaller merchants and drive more favorable employment prospects in shopping centers where New T-Mobile retailers are located. In our experience, one larger retailer can create more retail employment than would two smaller retailers combined.

Even so, it is not always true that merchants would find it profitable to de-duplicate nearby retail outlets. As PRA and its members know all-too well, every brand is different, and two retailers that offer nominally the same service will differ on the consumer segments they target and the look and feel of their stores. Even the precise location matters: some merchants, like coffee shops and gas stations, may find it necessary to maintain two retail outlets because they are on opposite sides of a major thoroughfare and therefore more convenient to the customer base. From that perspective, T-Mobile's repeated pledge to retain the Boost and Metro brands and to keep existing prepaid retail stores open is both sensible and credible.

The PRA supports this merger because it will yield a healthier retail ecosystem in Pennsylvania that promotes economic growth and creates American jobs. We thank you for the opportunity to present these views and encourage the Commission to swiftly approve this merger.

Very truly yours,

A handwritten signature in black ink, appearing to read "John Holub", with a long, sweeping flourish extending to the right.

John Holub  
Executive Director  
Pennsylvania Retailers' Association