

## **CONDITIONAL PETITION TO DENY**

This conditional petition to deny is filed by a Sprint customer in the Shentel region who wishes to receive public clarification on how the Shentel region will be handled as a result of the merger and ensure that it will be handled in a way that best serves the customers of the region.

### **Shentel Region**

Originally, the Shentel region consisted principally of the Shenandoah Valley from Augusta County north to south-central Pennsylvania. In 2015, Shentel and Sprint acquired nTelos, adding its vast territory in West Virginia, western Virginia, and parts of Kentucky and Ohio to the Shentel region. Through other minor expansion transactions with Sprint, more sections of Virginia, West Virginia, western Maryland, Kentucky, Ohio, and Pennsylvania have since been added.

Today, the Shentel region consists of most of the state of West Virginia, western Maryland, large portions of the state of Virginia west of the I-85 and I-95 corridors, south-central Pennsylvania, and small parts of Kentucky and Ohio near the West Virginia border. This region is generally rural, with difficult terrain and low population density outside its handful of moderately-sized cities. Historically, Internet services have suffered from poor availability and reliability in these areas, whether in fixed or mobile form.

However, as Shentel has taken over new areas, first from nTelos and then from Sprint, these areas have received service that is not just an attempt to fill a void on a map and prevent roaming charges, but actually seeks to serve the local population with dependable wireless service. As an example, in Buckingham County, Virginia, various carriers have between 1 and 10 cellular sites in the county, and none of those carriers serve the entirety of the county well. Shentel, in the past year, has built or proposed to build more than 15 cellular sites in the county, including at least two completely new towers. The ones that have been turned on already provide service to much of the county, and the rest, as construction is completed on them, will serve it even better. Other areas in the Shentel region are seeing similar expansions.

### **Shentel and the Merger Agreement**

According to SEC filings, Shentel has a three-step agreement with Sprint in the event that a merger between Sprint and another entity takes place. The steps are as follows:

- 1) The merged entity has 180 days after closing to decide whether to purchase Shentel's wireless operations. If it opts to do so, it will do so at a premium, and Shentel cannot, it appears, object to the purchase.
- 2) If it opts not to purchase Shentel, then Shentel has the option to purchase the customers in its region from the merged entity at a discount.
- 3) If Shentel declines to do so, then the merged entity must shut down its network in the Shentel region within two years.

As a result of this agreement, it appears that Shentel cannot object to the merger. In either Steps 2 or 3, it is my assumption that T-Mobile sites in unique locations may be added to the Shentel network, further strengthening it. My concern, as noted below, is that if Step 1 is exercised, it could lead to a decline in the services currently available in the Shentel region.

### **T-Mobile Comparison**

T-Mobile has gained a reputation as a company that is creating disruption in the wireless market, and among other things has been touting its rural build-out. While T-Mobile should be commended for investing in its network in rural areas, a comparison of the two networks in the Shentel region reveals that T-Mobile's cell site distribution in the region following this expansion pales in comparison to the investment that Shentel has made. It is my concern that if, as stated among the various materials surrounding the application, the T-Mobile network will form the basis of the merged network with Sprint sites used only as "fill in" where it is concluded that they are "needed," the resulting network could be inferior to the current service provided within the Shentel region today.

As an example, in Orange County, Virginia, Shentel has 11 sites, and is looking to add at least one more. In the town of Gordonsville, Shentel provides 5x5 MHz LTE on 800 MHz and 10x10 MHz LTE service in PCS. T-Mobile, by contrast, has 4 sites, none of which are in Gordonsville proper, and despite what its map indicates, leaves the town of Gordonsville largely without service or, in some spots outdoors, with a weak 5x5 MHz LTE on 700 MHz only. It is clear that Shentel is providing superior service, and loss of that service would harm customers in the town. Other areas of the Shentel region are in a similar situation, and should be protected.

### **Remedies**

This petition does not take a position on whether or not the merger itself should occur. However, I believe that some remedies should be put in place to protect customers in the Shentel region. I have several ideas that may help to make sure service is maintained within this region.

- 1) T-Mobile and Sprint should state affirmatively, now, whether or not there are plans to purchase Shentel outright. At present, the merger documentation does not indicate what will become of the Shentel region as a result of the purchase. Without this information, it is impossible to determine the exact impact of the merger on the customers in the Shentel region overall, and leaves only the ability to speculate.
- 2) T-Mobile and Sprint should permit Shentel a choice about whether or not to be acquired as part of Step 1. To the extent that Shentel is satisfied providing service in its region, it should be permitted to continue to do so, and the agreement noted above should move on to Step 2 wherein Shentel has the option to purchase the T-Mobile customers in the region.
- 3) If the above idea is disregarded and Shentel is acquired, or it is accepted and Shentel opts to be acquired anyway, T-Mobile and Sprint should commit to using the Shentel network, not the existing T-Mobile network, as the "base" network in the Shentel region, using T-Mobile sites to

complement the existing Shentel network as needed. In addition, T-Mobile and Sprint should commit to constructing all sites already planned for 2019 by Shentel, should commit to using existing T-Mobile sites to build on to the network already constructed by Shentel, and should commit to continuing the build-out in these regions after 2019 as Shentel would have done.

4) If Shentel remains in the wireless business and the merged entity decides to turn off 2.5 GHz LTE nationwide to make way for 5G services, T-Mobile and Sprint should commit to providing financial assistance or discounted equipment to Shentel in the event that adding AWS, 700 MHz, and/or 600 MHz LTE equipment to its sites is financially troublesome for them. A change in the usage policy of the merged entity's spectrum should not inadvertently penalize customers in the Shentel region.

### **Conclusion**

Admittedly, I would prefer that Shentel remain in the wireless business and continue to serve its region in the post-merger environment, given its strong record of keeping its promises and providing excellent service to the region. Shentel and its employees are extremely qualified to manage the network in this area. The current network they built and manage is far superior to other networks in the area, and I do not want to lose this or the other aspects of Shentel's management of the network in this region. It is highly unlikely that any other entity would be willing and able to provide the quality of service to this difficult rural area that Shentel has been providing and would continue to provide.

However, in the event that does not happen and Shentel is bought out, the above ideas would certainly provide some peace of mind. Those steps would help ensure that customers in the region continue to receive the service that they currently enjoy, whether through Shentel or the new combined entity.

Sincerely,

Stanley Besecker