

August 29, 2018

Via Electronic Filing

Marlene H. Dortch, Secretary
Federal Communications Commission
445 Twelfth Street, SW
Washington, D.C. 20554

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

Dear Ms. Dortch:

On August 27, 2018, Peter Adderton, Founder and former CEO of Boost Mobile, U.S.A.; Denis Magner, Chief Marketing Officer, Boost Global; and counsel to Mr. Adderton (Jack Quinn, Lisl Dunlop, and I — all of Manatt, Phelps and Phillips) met with Commissioner Michael O’Rielly. On August 28, 2018, the same individuals met with Chairman Ajit Pai, Commissioner Brendan Carr, and Commissioner Jessica Rosenworcel in separate meetings. During these meetings, Mr. Adderton made an oral presentation in which he shared his personal experience in the U.S. prepaid market and building the Boost brand, as well as his perspective on the proposed transaction between Sprint and T-Mobile.

In particular, Mr. Adderton discussed how he founded Boost Mobile, U.S.A. to bring affordable cellular service to low-income and credit-challenged Americans. This strategy relied on low-cost, no-contract, prepaid plans, and an extensive network of independent wireless dealers across the country. Boost and competing brands such as Metro PCS succeeded in connecting millions of Americans. Although these brands have subsequently been acquired by the major carriers, competition between them continues to provide lower prices and access to devices in the dynamic prepaid market. The prepaid market, Mr. Adderton explained, is distinct from the larger post-paid market as demonstrated, among other things, by the fact that many prepaid customers have no meaningful access to post-paid plans.

Mr. Adderton urged the Commission to pay special attention to the unique aspects of the prepaid market when conducting its antitrust and public-interest analysis of the proposed merger. If allowed to proceed without conditions, the combined companies would dominate the prepaid market, effectively ending the vigorous competition that has to date defined it, inevitably resulting in higher prices over time. Due the cost sensitivity of many of these customers, higher prices threaten to deprive individuals of meaningful access to cellular service at all, he argued,

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noting also that many prepaid customers rely on their cell phones as their only means of accessing the internet. Mr. Adderton also highlighted that the proposed merger threatens the continued viability of thousands of independent wireless dealers and, with them, tens of thousands of jobs.

Mr. Adderton expressed his belief that the anticompetitive and harmful public impact of the proposed merger can be effectively mitigated by the divestiture of one of the prepaid brands and transfer of approximately 8 million customers to an independent operator. Such a divestiture, he argued, must also be supported by a limited three-year agreement guaranteeing robust network access at reasonable rates. These steps, in Mr. Adderton's view, would preserve the current vibrant competition in the prepaid market and ensure the continued viability of the thousands of independent wireless dealers who fuel that competition. Moreover, these conditions would not undermine the positive business case for the proposed merger. Mr. Adderton also suggested the Commission consider requiring the parties to divest a limited amount of spectrum for the sole purpose of building wireless broadband networks in low income areas.

Pursuant to section 1.1206(b)(2) of the Commission's rules, 47 C.F.R. § 1.1206(b)(1), this *ex parte* notification is being filed electronically for inclusion in the public record of the above-referenced proceeding.

Respectfully submitted,

Gregg T Nunziata

/s/ Gregg T. Nunziata