Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of)
Applications of T-Mobile US, Inc. and Sprint Corporation for Consent to Transfer Control of Licenses and Authorizations)

JOINT COMMENTS OF DIGITAL BRIDGE HOLDINGS, LLC AND VERTICAL BRIDGE HOLDINGS, LLC

I. INTRODUCTION

Digital Bridge Holdings, LLC (“Digital Bridge”) and Vertical Bridge Holdings, LLC (“Vertical Bridge”) respectfully submit these comments in support of the proposed merger of T-Mobile US, Inc. (“T-Mobile”) and Sprint Corporation (“Sprint”). The transaction between T-Mobile and Sprint promises to create a mobile broadband operator with the scale and resources needed to accelerate the deployment of nationwide 5G networks, propel innovation and investment in American infrastructure, and create a more competitive wireless market in the United States.

Digital Bridge is the leading investor, owner and operator of communications infrastructure in North America. Digital Bridge owns and operates more than 21 data centers, 30,000 wireless small cells, 4,000 miles of fiber, and over 60,000 wireless rooftops and towers located across the United States. Digital Bridge is a major thought and capital leader in the buildout of 5G deployments here in the United States. Digital Bridge has a mandate to acquire,

1 Applications of T-Mobile US, Inc. and Sprint Corporation for Consent to Transfer Control of Licenses and Authorizations, Public Interest Statement, WT Docket No. 18-197 (filed June 18, 2018) (“Public Interest Statement”).
build and manage fiber networks, small cells, mobile towers and mission-critical data centers and has raised over $3.5 billion towards that goal.

Vertical Bridge, a Digital Bridge company, is the nation’s largest owner of broadcast towers and the nation’s largest private owner and manager of broadband towers. Vertical Bridge owns and master leases more than 61,000 assets located across the United States. Digital Bridge and Vertical Bridge have developed business relationships with every major wireless carrier in the United States, including T-Mobile and Sprint. We also work with content players, media broadcasters, state, local, and federal government agencies, and wireless internet service providers.

As key stakeholders in the mobile broadband ecosystem, Digital Bridge and Vertical Bridge are deeply invested in promoting strong telecommunications networks and have extensive visibility into the industry’s competitive dynamics. The T-Mobile and Sprint merger not only promises to yield a stronger mobile network operator with ample resources and every incentive to expediently deploy the infrastructure needed for a world-class nationwide 5G network, but also to increase competition within the industry. This will create significant business opportunities for entities like us and help secure the United States’ lead in 5G deployment. Given the broad coverage and supercharged capabilities of the combined entity, consumers all across the United States—including in rural areas—will also experience the positive effects of the transaction directly, in the way of higher quality services and lower prices. For these reasons, Digital Bridge and Vertical Bridge urge the Federal Communications Commission (“Commission”) to take a forward-looking approach to its review and approve the transaction.
II. DISCUSSION

A. The Combined T-Mobile and Sprint Will Have the Scale and Resources to Drive the 5G Revolution to the Benefit of American Consumers and Businesses, and Help the United States Maintain its Mobile Broadband Leadership Globally

Digital Bridge and Vertical Bridge support the merger of T-Mobile and Sprint because the combined entity’s investments in 5G network infrastructure will not only deliver faster, more reliable mobile wireless broadband service to people across the United States, but also help grow American businesses like ours. New T-Mobile’s powerful 5G network will also drive intense competition, helping ensure that the United States maintains its mobile broadband leadership globally.

The transition to 5G is expected to significantly stimulate economic growth and drive job creation. The evolution from 3G to 4G LTE, which allowed the United States to leapfrog the rest of the world in broadband leadership in just a short period of time, illustrates this point.\(^2\) America’s leadership in 4G propelled the economy, created jobs, and allowed the United States to lead in the app ecosystem.\(^3\) Many of the biggest success stories in the past five years—Uber, Snapchat, and Venmo—were American companies powered by the high-speed connectivity of 4G. In the years between 2011 and 2014, when 4G technologies were deployed, wireless jobs increased 84 percent.\(^4\) In terms of economic growth, America’s 4G leadership added almost

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\(^3\) See *id.* at 9-11.

\(^4\) *Id.* at 10.
$100 billion to the GDP by 2016. The same will be true of 5G: 5G deployment in the United States is expected to create 3 million jobs and $500 billion in GDP.

Delivering on the promises of the myriad benefits that 5G can deliver to American consumers and businesses requires economies of scale. Wireless operators must heavily increase investment and spending on towers and cell site construction to be able to support the high-throughput and low-latency connectivity that 5G applications will demand. T-Mobile’s and Sprint’s combination of spectrum, sites, and equipment promises to provide New T-Mobile with the scale and resources needed to rapidly construct and deploy its powerful 5G network.

Specifically, a merged T-Mobile and Sprint will be able to invest significantly more capital and deploy towers, small cells and other infrastructure more quickly than the two companies would be able to do separately. Indeed, the force multiplier of the combined entity is expected to invest nearly $40 billion in the first three years following the merger’s closing to accelerate innovation and 5G technology in America. This is approximately three times the amount that T-Mobile would have invested on its own without the merger. By 2024, the New T-Mobile network is expected to double the total capacity and triple the total 5G capacity of T-Mobile and Sprint combined, with 5G speeds four to six times what they could achieve on their own. The New T-Mobile’s 5G network’s mobile wireless speeds, capacity, and low prices will

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5 Id. at 9.


7 See Public Interest Statement at 15.

8 See id.

9 See id.

10 See id.

11 See id. at i.
even allow many customers to use their mobile wireless service as a complete substitute for in-home broadband, without sacrificing on quality or price.\textsuperscript{12}

Further, we expect that the investment from a merged T-Mobile and Sprint—with their corresponding speed and capacity gains—will pressure AT&T, Verizon and other competitors to make the additional network investments needed to ensure they remain competitive with the New T-Mobile. This will create even more business opportunities for entities like Vertical Bridge and Digital Bridge while helping secure the United States’ lead in 5G deployment.

\textbf{B. The Commission Should Review This Transaction With a Forward-thinking Perspective and an Eye towards Maintaining Our Nation’s Competitive Edge}

The mobile broadband marketplace is constantly evolving, and has in recent times seen significant change and growth. For starters, AT&T, Verizon, Sprint, and T-Mobile no longer compete just against each other. Rather, many new industries and businesses are racing to provide wireless connectivity to the billions of devices that 5G will support.\textsuperscript{13} Cable operators, for example, now offer wireless service, own radio spectrum, and have significant backhaul facilities. Their scale, distribution infrastructure and access to programming content allow these companies to exert significant competitive pressure on the traditional wireless providers. In fact, Comcast added more postpaid wireless subscribers than Sprint did in the final quarter of 2017,\textsuperscript{14} and analysts predict Comcast will increase its Xfinity Mobile customer base to around 1.3 million by the end of this year, to around 2.3 million by the end of next year, and to

\textsuperscript{12} See id. at 58-64.

\textsuperscript{13} For example, analysts predict that there will be more than 20 billion Internet of Things devices worldwide by the end of 2023. See \textit{IoT connections outlook}, Ericsson (Nov. 2017), \url{https://goo.gl/Myua4V}.


5
approximately 3.3 million by 2020. Charter also launched its Spectrum Mobile MVNO at the end of the second quarter of this year. And it is not just the cable incumbents who are entering the space. Tech titans such as Google and Apple have been pushing the FCC to release more millimeter wave spectrum for unlicensed use, and traditional television broadcasters will be rolling out a new technology called ATSC 3.0, which can provide mobile data services alongside traditional video streams.

In the context of an industry that is increasingly converging and becoming more fiercely competitive, the Commission should take a forward-looking approach when reviewing the T-Mobile and Sprint merger. Specifically, the Commission should focus on the actual expected short-, medium- and long-term effects of the transaction as they are discussed in the Public Interest Statement instead of any outdated notions that effective mobile wireless competition requires four traditional wireless providers. The T-Mobile and Sprint merger will lead to rapid and widespread deployment of a world-class 5G network in a market structure that will force competitors, including new entrants, to make rapid and significant investments in their networks so that they can compete on coverage and performance. This will bring the benefits of next-generation 5G technologies to more consumers across the United States and grow the economy by creating new business opportunities for companies like us.

16 Id.
III. CONCLUSION

The T-Mobile and Sprint merger will drive innovation and investment in infrastructure to deliver a robust, nationwide 5G network faster than either company would otherwise be able to accomplish, to the benefit of American consumers and businesses. This will also create a more competitive wireless market, thus helping the United States maintain its competitive edge.

We look forward to working with the New T-Mobile and other wireless providers to accelerate 5G deployment and bring digital connectivity to all parts of the United States.

Respectfully submitted,

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