

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

In the Matter of)
)
Applications of T-Mobile US, Inc. and Sprint) WT Docket No. 18-197
Corporation, Consolidated Applications for)
Consent to Transfer Control of Licenses and)
Authorizations)

COMMENTS OF REPUBLIC WIRELESS

Republic Wireless, Inc. (“Republic Wireless”) submits these comments in support of the proposed merger between T-Mobile US, Inc. (“T-Mobile”) and Sprint Corporation (“Sprint”). Republic Wireless came to market as an MVNO in 2011 using Sprint to provide mobile network access when Wi-Fi access was unavailable. We pioneered Wi-Fi first as a form of service and were able to offer extended coverage (*i.e.* - in places where Wi-Fi existed but cellular signals were weak) and significantly cheaper full service phone and data plans to members. We launched on T-Mobile in 2016 to further expand our cellular coverage and improve our network speeds to provide the best possible service to our members. In 2018, we launched a revolutionary new device called Relay, which provides a simpler, safer, screen-free alternative to smartphones for families.

The merger between Sprint and T-Mobile will be positive for the wireless industry because it will enable New T-Mobile to deliver the nation’s first high-speed, high-capacity 5G network. Critics of the transaction assert that reducing the number of nationwide carriers from four to three will harm competition, but these commenters overstate the impact of mere consolidation. Healthy competition has much less to do with the number of facilities-based nationwide operators in the market than it does the following three factors: the *strategies* the facilities-based competitors pursue; their *openness* to innovation on their networks; and the *economic terms* for access to their networks. Along all three dimensions, the U.S. wireless market has a demonstrated record of healthy competition.

The merger between Sprint and T-Mobile will not harm this dynamic. Rather, Republic Wireless expects the combination to enhance competition and provide smaller carriers with the tools they need to innovate and deliver more next-generation products and services to the wireless market.

I. STRATEGIES OF THE MAJOR COMPETITORS

Not all wireless carriers are created equal. T-Mobile has outpaced the U.S. wireless market in customer growth for 18 quarters in a row on the basis of its “Un-carrier” strategy, which is rooted in a very deliberate focus on consumer pain points, such as restrictive agreements and policies, higher prices, lack of transparency, and more.¹ This has been a winning strategy for both consumers and T-Mobile, and it would be hard to believe the company would abandon this approach post-merger simply because there were now three major players instead of four. Indeed, as Republic Wireless has had the opportunity to work closely with both T-Mobile and Sprint, Republic Wireless has seen that T-Mobile’s Un-carrier approach is deeply rooted in its leadership and organizational culture, not just its business strategies. If for some reason the New T-Mobile did veer away from its Un-carrier positioning, Republic Wireless and a long line of many other smaller competitors who embrace consumer friendly practices and philosophies would rapidly move to capitalize on such a blunder.

II. OPENNESS TO NEW ENTRANTS AND THIRD-PARTY INNOVATION

Healthy competition is a function not only of the number of players in a market, but also of the opportunities available for new competitors to enter the market and innovate. This is especially true for the wireless industry, where many new entrants are dependent on partnerships with one or more of the nationwide facilities-based carriers to provide access to their cellular networks.

¹ T-Mobile, Press Release, *T-Mobile Delivers Its Best Q2 Ever* (Aug. 1, 2018), <https://www.t-mobile.com/news/best-q2-ever>.

Republic Wireless is a perfect case study of innovation and the consumer benefits that can flourish with the openness both T-Mobile and Sprint have shown new entrants. In 2011, Republic Wireless pioneered the concept of Wi-Fi-first mobile service, which would leverage Wi-Fi networks wherever possible (and cellular only when necessary), to enable us to deliver some of the lowest prices in the industry (Republic Wireless customers, on average, still only pay between \$20-25 per month). Sprint was willing to be Republic Wireless's first cellular network partner, and together were able to save Americans hundreds of millions of dollars on their phone bills. In 2016, Republic Wireless added a second cellular network partner, T-Mobile, to further extend network coverage, improve speeds and continue to drive savings for consumers. It did exactly that.

A key part of the Republic Wireless strategy is to never be "just a reseller" of wireless service, but instead to be a software and product company that uses an MVNO agreement to deliver innovation into the market. In this vein, Republic Wireless just launched a revolutionary new product, Relay, with the continued openness and support of Republic Wireless's cellular network partners. Relay is a screen-free smartphone alternative for families that kids love and parents trust. Relay functions like a simple cellular walkie-talkie with unlimited range, but it also has the power of a smartphone inside, enabling features like location tracking and – coming soon – music, smart assistants, games, and more.

As excited as Republic Wireless is about Relay, its customers' experiences with the product will only be as good as the cellular network supporting it. This dynamic is not unique to Republic Wireless. All innovators in the mobile space need access to robust cellular networks to deliver high-quality products and services to their customers. As Republic Wireless looks to the future, we are much more interested in having access to the best possible network than having access to two different but lesser networks. Republic Wireless believes the combined resources and aggressive network plans the New T-Mobile has promised will result in an accelerated path to nationwide 5G with broader coverage faster than what either T-Mobile or Sprint would have if they continue building separate networks. T-Mobile has committed to invest nearly \$40 billion

over three years and combine its spectrum holdings with Sprint’s complementary spectrum assets to create a third network that will rival, if not surpass, those of AT&T and Verizon. That kind of network, paired with New T-Mobile’s continued openness to collaborating with innovative new entrants like Republic Wireless, is a strong recipe for massive value creation for American consumers.

III. ECONOMIC TERMS OF ACCESS TO CELLULAR NETWORKS

New entrants and innovators also need flexible, affordable rates and cost structures from their nationwide carrier partners to attempt new business models, as well as keep pace with a market where prices generally come down over time. For this reason, the staff of Republic Wireless was excited to see T-Mobile’s CEO John Legere’s Senate testimony about the impact the New T-Mobile’s larger scale and capacity would have on rates:

Indeed, as capacity goes up, the price per gigabyte goes down, so we will not only be incentivized to add customers, but to do so at lower prices. As a result, the business plan for New T - Mobile assumes we will lower prices to win more customers. This isn’t just for any segment of customers – this capacity dividend will be passed along to all customers, including our wholesale and prepaid customers.²

Mr. Legere’s public statements are consistent with Republic Wireless’s discussions with other senior T-Mobile executives, who have shared with us a similar vision. According to T-Mobile’s leadership, the increased capacity of the New T-Mobile will create an incentive for the company to partner with even more new entrants and innovators, offering them lower prices to attract more traffic to fill up the expanded capacity of their network. Ultimately, a stronger and more affordable third network, run by leaders with a strong track record of openness towards

² Testimony of John Legere, CEO, T-Mobile US, Inc., Before the U.S. Senate Committee on the Judiciary Subcommittee on Antitrust, Competition Policy, and Consumer Rights, *Game of Phones: Examining the Competitive Impact of the T-Mobile-Sprint Transaction* at 10 (June 27, 2018).

partnering with new entrants, will provide the necessary foundation for the development and delivery of next-generation mobile products and services.

IV. CONCLUSION

Republic Wireless supports the merger of T-Mobile and Sprint because healthy competition in the wireless industry is driven far more by strategy, openness, and economics than just the number of national facilities-based carriers. Republic Wireless is genuinely excited about the prospect of serving American consumers with the New T-Mobile, a better resourced partner, that has committed to creating the first nationwide 5G network and continuing to welcome and support innovative smaller partners like Republic Wireless for years to come.

Respectfully submitted,

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