

**Before the
Federal Communications Commission
Washington, D.C. 20554**

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

COMMENTS OF THE NATIONAL PUERTO RICAN CHAMBER OF COMMERCE

The National Puerto Rican Chamber of Commerce (“NPRCC”) supports the T-Mobile and Sprint¹ merger because it will expedite restoration of fast, reliable broadband service in Puerto Rico, which in turn will help encourage the continued recovery of Puerto Rico’s economy and communities after Hurricane Maria. In the long term, NPRCC is confident that the merger will enhance entrepreneurship and competition among small businesses and will improve the quality of life for the citizens of Puerto Rico.

I. INTRODUCTION.

NPRCC is a non-profit organization created to promote entrepreneurship, innovation and business expansion throughout Puerto Rico and the U.S. mainland. We act as a comprehensive resource for incubating business ideas, providing financing and planning assistance, leveraging new markets and opportunities, and advocating for policies that help our communities grow. NPRCC knows that access to broadband is crucial to Puerto Rico’s economic and entrepreneurial growth. Education about how consumers, entrepreneurs, and small businesses can leverage the

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”).

many benefits of broadband and advocacy for policies that will deliver high-speed broadband to as many Puerto Ricans as possible are key tenets of NPRCC's mission.

II. ACCESS TO BROADBAND IS VITAL TO PUERTO RICO'S ECONOMIC AND POST-HURRICANE RECOVERY. NEW T-MOBILE CAN HELP PROVIDE THIS MUCH-NEEDED CONNECTIVITY.

Broadband will be key to Puerto Rico's recovery and growth following years of economic downturn and the devastation caused by Hurricane Maria. The T-Mobile and Sprint merger ("New T-Mobile") can help provide this essential connectivity.

Puerto Rico has been suffering an economic downturn for over a decade.² Numerous factors contributed to the crisis, including population loss, a drastic decline in the island's job market, and overextended credit accompanied by significant debt.³ Even prior to Hurricane Maria, 43.5% of Puerto Ricans fell below the poverty line.⁴ Puerto Rican leadership is working diligently to change the country's economic landscape but there is much more work to be done.

As the Commission is well aware, Hurricane Maria wreaked havoc on an already economically depressed Puerto Rico in September 2017, and much of the island remains devastated. Before the hurricane, nearly 85% of Puerto Ricans had mobile broadband service,

² Patrick Gillespie, *Puerto Rico: 11 Years in Recession and Now No Electricity*, CNN Money (Sept. 20, 2017), <https://money.cnn.com/2017/09/20/news/economy/puerto-rico-maria-rebuilding/index.html>.

³ Nathan Bomey, *6 Reasons Why Puerto Rico Slid Into Financial Crisis*, USA Today (Oct. 4, 2017), <https://www.usatoday.com/story/money/2017/10/04/puerto-rico-debt-crisis-bankruptcy-donald-trump/731091001/>.

⁴ See *QuickFacts: Puerto Rico*, U.S. Census Bureau, <https://www.census.gov/quickfacts/fact/table/pr/PST045217> (last visited Aug. 24, 2018).

and approximately 35% had access to fixed wireless service.⁵ The storm destroyed 91% of cellphone coverage, leaving nearly all Puerto Ricans without mobile phone and Internet service—and many without any communications services at all.⁶ This had dramatic consequences. Too many of the Puerto Ricans who died as a result of Hurricane Maria perished because of delays in receiving medical care—delays that may have been avoided if those in need of care could have contacted medical providers or accessed information about where to get help.⁷ Nearly a year later, consumers frequently experience inconsistent cell service. Lack of reliable connectivity denies Puerto Ricans a crucial lifeline as the island continues to recover from the storm and makes much-needed entrepreneurship and innovation more difficult to sustain, even for those with better access to basic services.

Puerto Rico appreciates the strong support it has received from the Commission⁸ to help rebuild communications networks and is grateful to its leaders, businesses, and communities for

⁵ See *Broadband Internet in Puerto Rico*, BroadbandNow, <https://broadbandnow.com/Puerto-Rico> (last updated April 18, 2017).

⁶ See Elizabeth Weise, *Puerto Rico is Nearly Entirely Cut Off from Cellphone Service, Leading to Low Tech Solutions*, USA Today (Sept. 28, 2017), <https://www.usatoday.com/story/tech/2017/09/28/puerto-rico-cell-phone-service-tmobile-att-hurricane/710775001/>.

⁷ Compare Frances Robles, *Puerto Rican Government Acknowledges Hurricane Death Toll of 1,427*, N.Y. Times (Aug. 9, 2018), <https://www.nytimes.com/2018/08/09/us/puerto-rico-death-toll-maria.html> (noting lack of access to medical care was partly responsible for the storm's death toll) and April Glaser, *The FCC's Plan to Fully Restore Phone and Internet Service to Puerto Rico Comes with Some Big Trade-offs*, Slate (June 1, 2018), <https://slate.com/technology/2018/06/the-fcc-plan-to-restore-puerto-rico-internet-and-phone-service-has-a-trade-off.html> (noting a higher death toll and stating that one third of the hurricane's victims died because of delays in receiving medical care, often because they were unable to contact providers or obtain information regarding availability of care).

⁸ The Commission approved immediate funding to accelerate the restoration of communications networks in Puerto Rico and the U.S. Virgin Islands as result of the 2017 hurricane season and proposes to grant an additional almost \$900 million in medium- and long-term funding into expanding and improving broadband access in Puerto Rico and the U.S. Virgin Islands. See *The*

doing everything possible to confront the challenges facing the island. Despite these efforts, however, significant investment and deployment from private actors—including carriers like New T-Mobile, who are focused on expanding high-quality, reliable broadband service coverage—remains necessary to bring full recovery and true economic growth to the island.

A. New T-Mobile Will Help Restore Vital Communications Services, Improving the Economy, and the Health, and Quality of Life of Many Puerto Ricans.

After the merger, New T-Mobile will expand T-Mobile’s and Sprint’s existing coverage and capacity on the island to restore economy-boosting, life-saving communications services in Puerto Rico. T-Mobile and Sprint as standalone companies have faced challenges in competing with incumbents AT&T and the Puerto Rico Telephone Company (“PRT”) on the island. But together, the combination of Sprint’s 2.5 GHz high-capacity spectrum with T-Mobile’s 600 MHz low-band, broad coverage spectrum will enable New T-Mobile to deploy an industry-leading mobile 5G platform. New T-Mobile’s world-class 5G network will expand service coverage, improve signal quality and network capacity, increase speeds, and offer far better mobile in-home broadband options than Puerto Ricans have today, particularly those living in remote areas. The proposed transaction will enable further rural expansion, which will introduce more competition with AT&T and PRT, prompting rural investment and deployment in response. New T-Mobile has also pledged to continue its current small rural carrier assistance programs and relationships to promote wireless deployment in rural areas.⁹

Uniendo a Puerto Rico Fund and the Connect USVI Fund, et al. Order and Notice of Proposed Rulemaking, WC Docket No. 18-143 et al., FCC 18-57 (rel. May 29, 2018).

⁹ See Public Interest Statement at 69.

Access to New T-Mobile’s 5G network is also expected to be more affordable than access to other carriers’ networks. As New T-Mobile expands its capacity, the cost of delivering each gigabyte of data to customers will go down.¹⁰ This is especially important to the many Puerto Ricans who struggle to afford communications services or live below the poverty line—and who need access to this essential input to get back on their feet and contribute to the island’s economic recovery.

B. New T-Mobile’s Industry-Leading Network Will Provide Reliable Connectivity and Support the Next-Generation Applications That Will Promote Recovery and Economic Growth in Puerto Rico.

New T-Mobile’s 5G network will provide the high speeds, low-latency, and reliable connectivity necessary to enable enhanced capabilities in business, health care, and other applications that will help support recovery and promote economic growth.

First and foremost, New T-Mobile’s highly reliable network will provide critical connectivity in emergencies. 5G technologies promise to provide faster, nearly real-time, always-on connections to an almost unlimited number of access points.¹¹ Among other things, the high-capacity network will have the ability to transmit high-resolution video and audio to distant physicians, which will enable Puerto Ricans in remote parts of the island to access higher-quality medical care and to get it faster.¹² T-Mobile’s 5G network will also support next-

¹⁰ *See id.* at i.

¹¹ David S. Evans, Market Platform Dynamics, *Economic Analysis of the Impact of the Proposed Merger of T-Mobile and Sprint on the Deployment of 5G Cellular Technologies, the 5G App Ecosystem, and Consumers, Enterprises, and the Economy*, Public Interest Statement, Appx. G, ¶ 85 & n.131 (“Evans Declaration”).

¹² *See* Public Interest Statement at 57.

generation health care services including remote monitoring, care, and even surgery.¹³ Hurricane Maria was a painful reminder of how important it is to have reliable, high-quality connectivity to prevent unnecessary harm or loss of life.

Beyond the most basic needs, New T-Mobile's network will also provide the affordable, high-speed, high-capacity mobile broadband service that the many small businesses and entrepreneurs revitalizing Puerto Rico's economy depend upon.¹⁴ Traditional businesses in Puerto Rico have been struggling for years. But a new generation of Puerto Ricans and an influx of tech workers, including programmers, startup founders, and freelancers have created new companies and services as well as demand for a tech-oriented workforce and next-generation networks.¹⁵ The deployment of 4G LTE in the United States created a huge base of entrepreneurs who leveraged the new technology to spawn new businesses, products, and even new markets.¹⁶ And the arrival of 5G is expected to spur even more innovation and create even greater economic value,¹⁷ contribute to the overall U.S. economy, and reduce the Puerto Rican economy's reliance on transfers from the U.S. Federal Government. While Hurricane Maria set back some of this progress in Puerto Rico, entrepreneurs have applied their creativity to disaster relief efforts.¹⁸ And after hurricane recovery is substantially complete, Puerto Rico's

¹³ See, e.g., Evans Declaration ¶ 118.

¹⁴ See *Entrepreneurial Revolution in Puerto Rico*, Piloto151 (June 8, 2018), <https://piloto151.com/entrepreneurial-revolution-in-puerto-rico/>.

¹⁵ See *id.*

¹⁶ See, e.g., Evans Declaration ¶ 77.

¹⁷ *The Global Race to 5G*, CTIA, at 2 (Apr. 2018), <https://api.ctia.org/wp-content/uploads/2018/04/Race-to-5G-Report.pdf>.

¹⁸ See, e.g., Andy Isaacson, *How Entrepreneurship is Helping to Save Puerto Rico*, Entrepreneur (Mar. 29, 2018), <https://www.entrepreneur.com/article/310161>.

entrepreneurial communities will leverage the power of 5G to seize the many opportunities next-generation broadband connectivity provides and help Puerto Rico's economy rebound.

III. THE MERGER WILL INCREASE AND ACCELERATE INVESTMENT AND DEPLOYMENT IN PUERTO RICO.

T-Mobile has already committed to invest and deploy in Puerto Rico and will continue its commitment to the island post-merger. Under the status quo, T-Mobile has deployed its 600 MHz spectrum to more than 900 cities and towns throughout the United States and announced plans to bring 600 MHz Extended Range LTE to Puerto Rico in the fall of 2018, providing more LTE coverage and capacity than ever before, while also laying the foundation for 5G.¹⁹ T-Mobile also committed to continuing investment in Puerto Rico's future and in its network to expand and enhance LTE coverage after this initial deployment.²⁰ While these commitments are impressive, the merger will further increase and accelerate New T-Mobile's investments and deployments in Puerto Rico. As the applicants have explained, the transaction will generate approximately \$43.6 billion in synergies by 2024,²¹ and New T-Mobile will dedicate nearly \$40 billion to deploying its 5G network over the next three years, a portion of which will go toward the Puerto Rican network.²²

¹⁹ See Press Release, T-Mobile, T-Mobile 600 MHz Extended Range LTE Now Live in 900+ Cities & Towns, Coming to Puerto Rico (June 6, 2018), <https://www.t-mobile.com/news/extended-range-lte-puerto-rico>.

²⁰ See *id.*

²¹ See Public Interest Statement at 15.

²² See Public Interest Statement at 15 & n.40 (citing Declaration of G. Michael ("Mike") Sievert, President and Chief Operating Officer, T-Mobile, US, Inc., Public Interest Statement, Appx. C, ¶ 12, 15).

New T-Mobile has also demonstrated a genuine interest in expanding and improving its Puerto Rican network. The incumbent wireless providers in Puerto Rico, AT&T, PRT, and Comcast, did not invest in 600 MHz licenses in Puerto Rico when this spectrum came to auction.²³ T-Mobile did. The combination of T-Mobile and Sprint promises expanded facilities-based investment in Puerto Rico that will lead to better service and improved wireless broadband performance.

IV. THE PROPOSED MERGER WILL PROMOTE LOCAL MOBILE COMPETITION IN PUERTO RICO.

New T-Mobile's investments will promote competition with the incumbent providers in new areas.

The Commission has used a series of "screens" to determine the extent of competitive impact in its review of proposed mergers. The purpose of the screens is "to identify those local markets in which no competitive harm clearly arises from the transaction."²⁴ The screens currently employed for transaction review include: a spectrum screen; a market concentration screen; and a millimeter wave screen.²⁵ The Commission also adjusts its screens to account for variables in local markets.²⁶ When reviewing the relevant data for the T-Mobile-Sprint transaction the Commission will find that Puerto Rico, where T-Mobile and Sprint are both

²³ See Public Interest Statement, Appx. J: Low-Band Spectrum Aggregation, at 7-8.

²⁴ *Applications of AT&T Inc. and Centennial Communications Corp. For Consent to Transfer Control of Licenses, Authorizations, and Spectrum Leasing Arrangements*, Memorandum Opinion and Order, 24 FCC Rcd 13915 ¶ 34 (2009).

²⁵ See Public Interest Statement at 132-133.

²⁶ See *id.*

considered “genuine competitors” under the Commission’s definition,²⁷ is also served by AT&T and PRT.²⁸ Therefore, the merger would not bring the number of genuine competitors in Puerto Rico below three. In addition, the merger will create a stronger third competitor with the resources to bring about better, more accessible, and more widespread service including in rural areas, where New T-Mobile’s investments will promote competition with the incumbent Puerto Rican providers.

V. CONCLUSION.

New T-Mobile will deliver a reliable, high-speed, high-capacity 5G network that will provide a much-needed lifeline to the many Puerto Ricans who have lacked adequate communications and health services as a result of the economic downturn and, most acutely, in the wake of Hurricane Maria. New T-Mobile’s mobile broadband will also help promote the growth of the new businesses that are revitalizing the island’s economy. Finally, the merger will not harm local competition; instead, it will spur competitive responses from the incumbent providers particularly in more rural and remote parts of the island. The Commission should approve the merger to help Puerto Rico expedite its recovery and grow its economy.

Respectfully submitted,

National Puerto Rican Chamber of Commerce

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²⁷ As the applicants explain, “[t]he Commission typically requires a ‘genuine competitor’ also to cover at least 70 percent of the population in the CMA and to have a market share of at least 2 percent. The FCC Form 477, however, does not contain that information. In the absence of that information, in the Applicants’ view, it is reasonable to rely on the 50 percent coverage test as a proxy for the population and market share criteria. It appears likely that any carrier that covers at least 50 percent of a CMA would also cover at least 70 percent of the population and possess a minimum share of 2 percent.” *Id.* at 136 & n.458.

²⁸ *See id.* at 135-36.

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