

**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 for Consent to Transfer Control of)	
Licenses and Authorizations)	

COMMENTS OF TRACFONE WIRELESS, INC.

I. INTRODUCTION

TracFone Wireless, Inc. (“TracFone”) supports the proposed merger of Sprint Corp. (“Sprint”) and T-Mobile US, Inc. (“T-Mobile”).¹ With approximately 22 million subscribers, TracFone is the largest prepaid mobile virtual network operator (“MVNO”) in the United States.² TracFone resells wireless service primarily through wholesale wireless services agreements with mobile network operators (“MNO”) Verizon, AT&T, T-Mobile and Sprint. TracFone offers its wireless services under multiple brands, including TracFone, Straight Talk, NET10 Wireless, Total Wireless, SafeLink Wireless, SIMPLE Mobile, Page Plus, Walmart Family Mobile and GoSmart Mobile.

MVNO operators are interested in having reasonable access to wireless networks and services at reasonable prices and, going forward, the same access to 5G networks when available. TracFone has enjoyed a long-standing, strong and mutually-beneficial relationship

¹ *Applications of T-Mobile US, Inc. and Sprint Corporation for Consent to Transfer Control of Licenses and Authorizations*, Public Notice, WT Docket No. 18-197, DA 18-740 (rel. July 18, 2018); *see also* Description of Transaction, Public Interest Statement, and Related Demonstrations, WT Docket No. 18-197 (proceeding collectively “WT Docket No. 18-197”) (filed June 18, 2018) (“*Public Interest Statement*”).

² *Public Interest Statement* at 114.

with T-Mobile as an MNO partner and fully anticipates that the New T-Mobile entity will continue to support MVNOs as it has historically. Accordingly, TracFone expects that the strong 5G network to be built by the New T-Mobile, with the additional coverage, speed and capacity can only improve the wholesale market for MVNOs and thus TracFone's customers going forward.³

II. SPECTRUM POSITION

Whereas TracFone does not have a strong view generally on remedies suggested for approval of the proposed merger, we note that some commenters have proposed the divestiture of spectrum as one such necessary remedy. *See, e.g., Petition to Deny of Union Telephone Company, Cellular Network Partnership, Nex-Tech Wireless L.L.C., SI Wireless LLC* Docket No. 18-197 at 45 (filed August 27, 2018)(advocating that the merged entity should be required to divest spectrum and no entity should be allowed to hold more than 238.5 MHz in any county); *Comments of Frontier Communications and Windstream Services, LLC* WT Docket No. 18-197 at 6 (filed August 27, 2018)(requesting divestiture of “both traditional and mmW spectrum in counties or county equivalents where the companies would hold more than one-third of traditional or mmW spectrum.”); *Petition to Condition or Deny of Rural South Carolina Operators* WT Docket No. 18-197 at 4-6 (filed August 27, 2018)(requesting divestiture of all 2.5 GHz holdings in South Carolina given the New T-Mobile will have well above the spectrum screen in holdings including more than half of the spectrum in many counties.).

TracFone understands that the strong 5G network to be built by the New T-Mobile is based, in part, on the combination of the spectrum portfolios of the merging entities. Therefore, contrary to these commenters, TracFone believes that maintaining such spectrum position in the

³ *Public Interest Statement* at 116.

New T-Mobile is necessary to enable the more robust network promised that will ultimately benefit the MVNO wholesale market and their customers.

III. ANY VIABLE THIRD NATIONWIDE 5G NETWORK FOR MVNO RESALE WOULD BE POSITIVE FOR COMPETITION

The depth and scope of TracFone's wholesale relationship with each of the nationwide facilities-based MNO's is influenced by factors including the operator's network quality, capacity, coverage, and wholesale pricing. While today's wholesale market for MVNOs is generally competitive, the existing four nationwide MNO's from which TracFone can purchase network capacity are not equivalent alternatives in all markets. In rural areas, T-Mobile and Sprint historically have not offered sufficient coverage and/or speeds in these geographic pockets of the United States. Comparatively, AT&T and Verizon have been the primary suppliers for these wholesale market segments.

With the merger of T-Mobile and Sprint, and the resulting more rapid deployment of a nationwide 5G network with broader coverage,⁴ greater capacity⁵, higher throughput and lower latency, the wholesale market place will be more competitive with three full service competitors, rather than two. The increase in competition should have the greatest effect in rural areas.⁶ The resulting excess capacity would be available for MVNOs in these areas as a third option that has not been available in the current marketplace.

TracFone expects that the New T-Mobile will increase the MNO wholesale competition⁷ for TracFone's business and thus reduce wholesale costs. As a result, TracFone expects this new

⁴ *Public Interest Statement* at 41.

⁵ *Public Interest Statement* at 42.

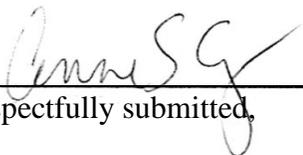
⁶ *Public Interest Statement* at 64-69.

⁷ *Public Interest Statement* at 119.

competition will enable it to continue to compete successfully in the retail wireless market.⁸ When T-Mobile delivers the stronger 5G network it projects, MVNOs may also explore the opportunity to enter new markets, including the Internet of Things, and other 5G-enabled wholesale services.

IV. CONCLUSION

TracFone encourages the Commission to evaluate these benefits to MVNOs and their customers in its review of this transaction and supports approving the merger of T-Mobile and Sprint.



Respectfully submitted,

TRACFONE WIRELESS, INC.

Anne S. Cruz
Tucker Ellis LLP
515 S. Flower St., 42nd Floor
Los Angeles, CA 90071
Counsel for TracFone Wireless, Inc.

TracFone Wireless, Inc.
9700 N.W. 112th Avenue
Miami, FL 33178

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⁸ *Public Interest Statement* at 114-116.