



Comments of the Regulatory Action Center

Re: T-Mobile US, Inc., and Sprint Corporation
For Consent to Assign or Transfer Control of Licenses and Authorizations
WT Docket No. 18-197

September 17, 2018

The Regulatory Action Center at FreedomWorks Foundation is dedicated to educating Americans about the impact of government regulation on economic prosperity and individual liberty. FreedomWorks Foundation is committed to lowering the barrier between millions of FreedomWorks citizen activists and the rule-making process of government bureaus to which they are entitled to contribute.

On behalf of over 5.7 million activists nationwide, FreedomWorks Foundation appreciates the opportunity to offer our comments to the Federal Communications Commission (FCC) in support of the proposed acquisition of Sprint Corporation (Sprint) by T-Mobile US, Inc. (T-Mobile). The proposed acquisition meets all core criteria of FCC's review of proposed mergers and acquisitions, particularly related to the public interest, competition, and private sector deployment of advanced services.

The public interest is, by definition, served by unimpeded mergers and acquisitions in any marketplace unfettered by extant government micromanagement. As advocates of free markets, it is our view that voluntary transactions result in the most efficient allocation of resources versus government planning. For any voluntary transaction to occur, both parties must perceive they will be better off as a result. Further, the goal of any business is to generate a profit, which, absent distortionary policies that harm competition, is a product of the value the business generates for its customers. All these incentives signal that mergers and acquisitions in competitive markets are necessarily in the public interest as both companies perceive benefit and

the remaining firm/new company believes the transaction will enhance their ability to serve their customers.

For the above model to ensure the public interest is served, the role of government in distorting or dissuading competition must be minimized. Some will undoubtedly object to this notion, claiming that extant large firms will simply acquire competitive upstarts and blunt the forces of competition on their own. In a market free of government barriers to competition, this is not a concern for many reasons irrelevant to the current proceeding. This proceeding relates to the acquisition of the fourth largest wireless telephone and internet service provider by the third largest. While this would certainly reduce the quantity of competitors in the wireless carrier market, it would increase the quality of competition. The number of firms in a market is irrelevant if those firms do not present a robust challenge to the dominant players. Allowing T-Mobile to acquire Sprint means that competition in the carrier market will be enhanced, not harmed, as the first and second largest providers rise to meet the challenge of a larger competitor.

Finally, as part of their effort to challenge the dominant firms in the wireless carrier industry, T-Mobile and Sprint have made the development and deployment of fifth generation or 5G networks a cornerstone of their mergers. FCC's review of mergers and acquisitions uniquely focuses on private sector deployment of advanced services. In terms of the wireless carrier market, 5G is the cutting edge—as indicated by current efforts at FCC to expedite 5G infrastructure deployment. Approving the acquisition of Sprint by T-Mobile would complement this agenda by allowing these firms to achieve an economy of scale and concentrate resources in 5G investment.

FreedomWorks Foundation again appreciates the opportunity to offer these comments in support of the proposed acquisition of Sprint by T-Mobile. The fundamental free market principles we seek to advance make a clear case for allowing this transaction to occur and that the result will ultimately produce the greatest public benefit, strengthen the competitive forces in the wireless carrier market, and complement FCC's efforts to ensure the rapid development and deployment of 5G technology.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Patrick Hedger". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Patrick Hedger
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