



December 13, 2018

**EX PARTE PRESENTATION**

Ms. Marlene H. Dortch  
Secretary  
Federal Communications Commission  
445 12<sup>th</sup> Street, SW  
Washington, DC 20554

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

Dear Ms. Dortch:

Pursuant to Section 1.1206 of the Commission's rules, 47 C.F.R. § 1.1206, the 4Competition Coalition submits this letter and attached press release into the record of the above-captioned proceeding. The 4Competition Coalition is comprised of a diverse array of concerned companies, consumer organizations, labor unions, and industry associations that have come together to tell policymakers that the Sprint/T-Mobile merger as currently proposed must be blocked.

/s/  
4Competition Coalition

Enclosure

**FOR IMMEDIATE RELEASE**  
**December 13, 2018**

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## **4Competition Coalition asks FCC to reject Sprint/T-Mobile Merger**

*Fewer choices means higher prices and less competition –  
without any of the benefits alleged by the companies*

Washington, D.C., December 13, 2018 – A diverse array of concerned companies, consumer organizations, labor unions, and industry associations today announced the formation of the 4Competition Coalition, a new alliance to tell policymakers that the Sprint/T-Mobile merger as currently proposed must be blocked.

“Americans deserve more choices for wireless service, not fewer,” said Phillip Berenbroick, Public Knowledge Senior Policy Counsel. “If this merger is approved, consumers would likely face a price increase of more than 15 percent in many cases for their wireless service – without seeing any of the benefits that these companies promise. The proposed merger is anti-competitive and presumptively unlawful. The bottom line is that when it comes to wireless, consumers need more choices and more competition. Moving from four nationwide carriers to three would be a disaster.”

The 4Competition Coalition believes this merger as currently proposed runs afoul of our nation’s antitrust laws and gives the combined company both the incentive and ability to raise prices and block new players from entering the market. Given the clear reduction in competition, false promises made by Sprint and T-Mobile, and tens of thousands in potential job losses, there is no way to solve the anti-competitive harms this deal would cause:

- **Higher prices:** Reducing consumer choice from four to three wireless carriers means higher prices for consumers in every corner of the country. Letting two “maverick” companies like Sprint and T-Mobile combine into one mega-carrier drastically reduces their incentive to compete on price and match innovative service offerings. Wireless prices for consumers could go up by more than 15 percent in many cases, according to one credible analysis. Sprint and T-Mobile’s own economists have confirmed that prices will go up as a result of this deal.
- **Foreclosing competition:** Giving consumers a truly competitive marketplace over the long term requires new entrants that can shake up the wireless landscape. Some facilities-based Mobile Virtual Network Operators (MVNOs), which marry their technology with a nationwide carrier’s network to provide wireless service, are entering the wireless market and creating the potential for competition as new players. But if this deal goes through, the New T-Mobile

would be in a position to block these new competitors. And, while Sprint and T-Mobile have claimed that Sprint cannot continue to compete on its own, the truth is that Sprint is not a failing firm and does not need this merger to continue competing.

- **Job losses:** Letting these two companies combine is a bad deal for workers. The deal threatens to eliminate as many as 30,000 jobs across the country, according to the Communications Workers of America. Sprint and T-Mobile have promised billions in “cost synergies” – that’s corporate-speak for job cuts.
- **5G:** Sprint and T-Mobile say that the deal is necessary for America to have a nationwide 5G network – but their own words prove them wrong. Before the deal was announced, both firms aggressively touted their ability and plans to launch 5G networks as standalone companies. And both Verizon and AT&T also plan to deploy 5G. The promise of 5G wireless is already on its way without this merger – we don’t need to sacrifice competition to get there.
- **Harm to rural consumers:** Sprint and T-Mobile are also dangling promises of improved rural coverage in front of regulators. But this is a false promise, contradicted by their own filings to the FCC and lack of desire of either entity to build out rural networks in the past. The truth is the deal does nothing to help out rural Americans and could mean they pay even higher prices or lose coverage altogether. Indeed, the proposed transaction will likely raise costs for rural consumers due to the increased cost of roaming associated with the elimination of Sprint from the wireless marketplace.

The vague and false promises offered by the applicants in support of the merger do not come close to addressing the obvious harms.

“Consumers deserve more competition from our wireless industry, not less,” said Jeff Blum, DISH Network Senior Vice President for Public Policy and Government Affairs. “Sprint and T-Mobile have not shown that this merger as it is currently proposed will serve the public interest. Instead, they have admitted that consumer prices will rise. Further, there’s no evidence 5G investment would accelerate as a result of this deal, nor have Sprint and T-Mobile proven any of their other claimed benefits. We are joining the coalition to advocate for a competitive wireless industry that serves consumers’ interests.”

As of December 13, the members of the 4Competition Coalition are:

- AFL-CIO
- Common Cause
- C-Spire
- CWA-Union

- DISH Network
- Fight for the Future
- New America's Open Technology Institute
- NTCA-The Rural Broadband Association
- Open Markets Institute
- Public Knowledge
- Rural Wireless Association
- The Greenlining Institute
- Writers Guild of America West

For more information, please visit [www.4competition.org](http://www.4competition.org)

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“T-Mobile’s takeover of Sprint, as proposed, should be rejected,” said Ben Moncrief, vice president of government relations, C-Spire. “The record before the FCC clearly demonstrates that this deal proposes an alarming increase in market concentration and will result in a dangerous oligopoly market structure. This result would be particularly harmful to consumers outside the nation’s dense urban areas, as many rural Americans depend upon non-nationwide regional carriers for essential wireless services. And these competitive carriers need access to critical inputs, in particular wholesale (roaming and MVNO) arrangements from the nationwide providers in order to offer the ubiquitous coverage that all consumers need and expect. The proposed transaction, in addition to increasing retail wireless prices, ultimately harms consumers by significantly driving up wholesale prices.”

“T-Mobile and Sprint’s vague promises to create jobs and provide better service to rural America do not meet the public interest test for approval of the merger,” said Debbie Goldman, research and telecommunications policy director, Communications Workers Association. “The data and the companies’ own track records demonstrate how the merger would hurt U.S. workers and consumers. The merger would eliminate 30,000 jobs across the country, while reducing competition and raising prices for consumers, especially for price-conscious pre-paid wireless customers. T-Mobile’s January 2018 acquisition of iWireless, a regional carrier in Iowa, shows exactly what happens to U.S. jobs when T-Mobile takes over: the company closed more than 72 percent of iWireless corporate stores and more than 93 percent of authorized dealer stores after the acquisition. Unless the companies make a binding commitment not to eliminate jobs, to stop violating federal labor laws, and to fully respect workers’ rights, regulators should not approve this merger.”

“T-Mobile and Sprint’s merger is a bad deal any way you look at it,” said Barry Lynn, executive director, Open Markets Institute. “It would mean less competition among providers, hence higher prices and worse service. It’s a scheme driven by predatory foreign capitalists who specialize in making monopolies. The result will harm the

American public, and especially rural and suburban communities. The Department of Justice and Federal Communications Commission should block this takeover.”

“Far from benefitting rural America, the proposed transaction’s negative effect on both the domestic roaming and secondary spectrum markets would actively harm both rural and urban consumers,” said Carri Bennet, general counsel, Rural Wireless Association. “The loss of Sprint as a partner would increase roaming rates for small rural carriers and their customers, and T-Mobile’s unwillingness to engage in bilateral roaming agreements means that, post-merger, 40 million more consumers would be deprived of access to rural networks that their own universal service fund contributions helped to build. Further, current Sprint spectrum leases will not be renewed and buildout data analysis shows that a combined T-Mobile/Sprint barely moves the needle on LTE/5G build out in rural areas over the next six years – which means that more spectrum would lie fallow in rural areas, not less. RWA has grave concerns that T-Mobile’s recent rural call completion abuses – for which the company was fined \$40 million – are just a preview of the lengths to which New T-Mobile will go to improve its bottom line to the detriment of consumers.”

“In their race to peddle the proposed merger as part of a broader push toward 5G services, Sprint and T-Mobile have failed to back up their promises and failed to address more immediate harms their merger would have on services available now in rural America,” said Shirley Bloomfield, CEO, NTCA-The Rural Broadband Association. “For example, NTCA members and other small rural operators have traditionally worked well with Sprint to establish mutually beneficial nationwide roaming and spectrum leasing arrangements, but those are at risk under a ‘New T-Mobile.’ The loss of such agreements would hinder urban customers’ ability to use mobile services in rural areas, while also undermining those smaller operators dedicated to rural service. NTCA urges the FCC to deny the petition to merge because it is contrary to the public interest.”

"This merger should be rejected. The companies' argument for merging hinges on a false premise—that this merger is necessary for the two to compete in the upcoming 5G market,” said Amir Nasr, policy program associate, New America’s Open Technology Institute. This claim goes against years of testimony from the two companies to the press, to investors, and to the public that they are both equipped and in the process of deploying nationwide 5G networks."

“The Sprint/T-Mobile merger will further weaken competition in wireless broadband, giving fewer firms greater power over both consumers and online video providers,” said Laura Blum-Smith, director of research and public policy, Writers Guild of America West. “Instead of competing for customers with lower fees or innovative wireless offerings, the remaining three providers will be able to raise prices and limit consumer choice. Mobile video consumption supports content creators and fuels competition in wireless broadband, but higher prices and fewer options will hurt the mobile video market and leave everyone worse off.”

“It really doesn’t matter who your cell phone provider is – if the government approves this deal you’re going to end up getting screwed,” said Josh Tabish, tech exchange fellow, Fight for the Future. “If the U.S. drops to just three national providers every single person with a cell phone plan is going to face higher bills, lower data caps, and crappier customer service – and it’s going to hit low-income communities the hardest. Students, families, and anyone looking for a deal are going to be out of luck when Sprint and T-Mobile’s low-cost offerings disappear from the market. If the merger goes through, mobile customers are going to be angry – and we’ll be right there to help them hold lawmakers accountable.”