

June 26, 2018

The Honorable Michael S. Lee
United States Senate
361A Russell Senate Office Building
Washington, DC 20510

The Honorable Amy Klobuchar
United States Senate
302 Hart Senate Office Building
Washington, DC 20510

The Honorable Charles E. Grassley
United States Senate
135 Hart Senate Office Building
Washington, DC 20510

The Honorable Dianne Feinstein
United States Senate
331 Hart Senate Office Building
Washington, DC 20510

Dear Senators Lee, Klobuchar, Grassley & Feinstein:

We understand that the Subcommittee on Antitrust, Competition Policy and Consumer Rights of the Committee on the Judiciary will hold a hearing on June 27 to examine whether “the proposed merger between T-Mobile and Sprint benefits consumers in a manner consistent with existing antitrust law.” **We believe that the proposed transaction between T-Mobile US, Inc. and Sprint Corporation is consistent with existing antitrust law because it will be greatly beneficial to consumers and favor the transaction’s completion.**

This merger will promote healthy competition for broadband across the board, both wireless and wireline, in terms of prices, customer service, and deployment of the Fifth Generation (5G) wireless network. This administration has its eye on a nationwide 5G network, and the best way for America to regain its lead is through competition.

Their combination bolsters competitiveness in the wireless industry. While both T-Mobile and Sprint would, without the merger, continue to serve their customers; upgrade their networks; and, push towards 5G service, they will be nowhere near as effective without combining their assets. The combined company plans to invest almost \$40 billion between 2019 and 2021 to construct its post-merger 5G — three times as much as T-Mobile could have invested alone.¹ According to the companies: “By 2024, the New T-Mobile network will have approximately double the total capacity and triple the total 5G capacity of T-Mobile and Sprint combined, with 5G speeds four to six times what they could achieve on their own.”²

We encourage you to assess the broadband market holistically. Wireless 5G and even the current 4G LTE services, are competitive with wireline broadband services. We can expect the speed, capacity, and low consumer cost for 5G service to accelerate “cord-cutting,” as Americans increasingly opt for mobile broadband. 5G wireless

¹ Public Interest Statement of T-Mobile US, Inc. and Sprint Corporation (June 18, 2018) at 15, available at <https://goo.gl/7QeHaJ>.

² *Id.* at 72.

services promise speeds over 100 Mbps. The combined company plans to provide this kind of service to 90 percent of the country by 2024, but with the two companies trying to deploy two separate networks, reaching that goal would cost an additional \$43.6 billion³ — making this timeline impossible. Combining the two companies' spectrum assets, tower locations and investment in network upgrades will allow the network to have the breadth and depth necessary to deploy 5G throughout the country – in rural and urban areas.

Americans can look forward to more competitive pricing for mobile broadband.

T-Mobile has a history creating pressure in the wireless market to lower prices and improve service offerings. The new T-Mobile can continue that trend as it competes for subscribers. Currently, T-Mobile and Sprint rank 3rd and 4th respectively for wireless subscribers. A post-merger T-Mobile will have 126 million subscribers, making it a closer competitor to Verizon's 150 million subscribers and AT&T's subscribership of 142 million. Furthermore, there are nearly 100 wireless providers nationwide, giving most Americans the choice between at least three or more service providers.

Having more robust, cheaper and widely available 5G offerings will also pressure today's wireline providers to improve service, and to invest more heavily in building their own wireless networks to offer customers the mobility they increasingly demand. This will make the wireless market even more dynamic than it would have been without the merger.

Increased competition among wireless and wireline broadband providers will produce enormous consumer benefits. The industry competitive response is expected to result in as much as a 55 percent decrease in price per GB and a 120 percent increase in cellular data supply for all wireless customers. As a result, Americans will not only benefit from better service, but also by paying lower prices for that improved service. In addition, T-Mobile will launch innovative services to serve business, home, and the IoT markets.

In general, when private businesses decide to join forces, government should not stand in the way — absent compelling evidence of actual demonstrable harms to consumers. **The proposed combination will bring undeniable benefits to consumers, increase competition for broadband of all kinds, and help maintain America's global leadership in mobile broadband. Thus, the merger should be approved without conditions and without delay.**

Regards,

Americans for Tax Reform
President
Grover G. Norquist

James L. Martin
Founder
60 Plus Association

³ *Id.*

Saulius "Saul" Anuzis
President
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Steve Pociask
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American Consumer Institute
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Chuck Muth
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President
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George Landrith
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Frontiers of Freedom

Pete Sepp
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Mary Adams
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Maine Center Right Coalition

William L. O'Brien
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New Hampshire Center Right Coalition

Jeff Kropf
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Oregon Capitol Watch Foundation

Mike Stenhouse
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Paul Gessing
President
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David Williams
President
Taxpayer Protection Alliance

Berin Szoka
President
TechFreedom

CC: All Members of the Senate Committee on the Judiciary