



October 8, 2019

Mr. Scott Scheele
Chief, Telecommunications and Broadband Section
Antitrust Division, U.S. Department of Justice
450 Fifth Street NW, Suite 7000
Washington, D.C. 20530

Dear Mr. Scheele,

On behalf of National Taxpayers Union (NTU), the nation's oldest taxpayer advocacy organization, I write to express our strong support in favor of the proposed merger between Sprint Corporation and T-Mobile US. We are pleased that the Department of Justice (DOJ) recently gave its approval to the merger, so long as they meet their divestiture requirements. From our own thorough analysis we believe that this agreement will greatly benefit consumers and taxpayers and unleash new technological investment in underserved communities across the country. DOJ should be commended for their swift action to move forward with this sound agreement.

Our country is indeed at a crossroads: we can either work to solidify America's standing as a leader in technological innovation, or allow the status quo and its challenges with providing underserved communities digital access to persist. As DOJ is fully aware, the creation of an expansive and modern 5G network is vital to being globally competitive in a fast changing and digitally dependent world. This new evolution into wireless technology has the potential for enormous economic and social benefit - both of which increase our standard of living.

Taxpayers are important stakeholders in the development of this network. For years, taxpayers have been on the hook for expensive and ineffective government subsidies and policies to foster the expansion of broadband and wireless internet services. Worse yet, barriers at each level of government continue to inhibit the advancement of this important transition. However, it must be capital-backed private companies and investors that finance the development of 5G and other services, not government with taxpayer funds. Unlike government actions, private entities have an incentive to allocate capital in a cost-effective manner to ensure each dollar's value is maximized.

One significant step to address these challenges in a market-driven way would be for the federal government to swiftly approve the aforementioned transaction to create New T-Mobile, which has already announced a commitment to invest \$40 billion to expedite the development of their 5G network system. With approval, it would amount to an important win for consumers, without forcing taxpayers to cover the cost.

The United States currently has four major wireless carriers: AT&T, Verizon, Sprint, and T-Mobile. Opponents argue that by allowing T-Mobile and Sprint to merge, and thus reducing the number of major carriers down to three, it would limit competition and harm consumers. However, this market combination should not be

dismissed as innately harmful to consumers, as it would iron out inefficiencies and improve the new company's ability to compete and offer lower prices. Furthermore, the Commission should bear in mind that wireless is not the only means of providing voice or data communication. Voice over Internet Protocol and "over the top" services such as Skype, while not directly comparable to wireless, nonetheless provide competitive pressures from outside what would be a realm of three wireless companies.

To that end, increasing efficiencies will allow New T-Mobile to boost profitability, which would free up capital for new projects including 5G deployment. Sprint and T-Mobile had a combined 5G investment of just over \$6 billion in 2016, far less than AT&T's \$10 billion and Verizon's \$11 billion. It's clear that these two companies, when combined, will be better positioned to compete.

After DOJ's comprehensive review of the proposed merger, and the settlement with divestitures, we applaud your actions to ensure impressive consumer, taxpayer, and economic benefits that will result from this merger. We sincerely appreciate your consideration of these remarks. If you have any questions or concerns, please do not hesitate to reach out to me directly at Thomas.aiello@ntu.org

Sincerely,

Thomas Aiello
Policy and Government Affairs Associate