



October 10, 2019  
By Mail and Email

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

Re: Tunney Act Comments in Support of the T-Mobile / Sprint Merger Settlement in *United States v. Deutsche Telekom AG, T-Mobile US, Inc., Softbank Group Corp. and Sprint Corp.*, United States District Court for the District of Columbia, No. 1:19-cv-02232 (“Merger Lawsuit”)

Dear Mr. Scheele:

The undersigned Attorneys General for the States of Utah and Arkansas have closely followed the proposed merger of T-Mobile and Sprint since it was announced. We write to express our support for the proposed Final Judgment in the T-Mobile / Sprint Merger Lawsuit. Our offices have reviewed many detailed public documents that have been presented by the Department of Justice (DOJ) and the merging parties in various forums, including the settlement documents filed in the Merger Lawsuit, along with various public documents filed by the merging parties with the Federal Communications Commission (FCC). In particular, we have studied – and agree with – the conclusions in the DOJ’s Competitive Impact Statement.

It is natural for antitrust attorneys to be highly skeptical of what appears initially to be a “four to three” merger. However, we recognize that the story in this case is not that simple. The wireless service provider industry is clearly on the verge of a major transformation in network technology. The deployment of 5G technology is a game changer, which could be as significant as the transition from early flip cell phones to current smart cell phones. Any facilities-based competitor who cannot offer robust deployment of the new technology within a reasonable timeframe will be at a serious competitive disadvantage. The proposed merger seeks to provide a strong technological and financial basis upon which the New T-Mobile will be able to compete with the two dominant firms, Verizon and AT&T. Without the merger, there is a real possibility that Sprint would be unable to survive the transition to 5G, and that T-Mobile would be unable to meaningfully compete with Verizon and AT&T. But for the merger, there could be a duopoly of wireless service providers for many customers. This real possibility if the merger is rejected needs to be kept in mind when evaluating the proposed settlement.

Furthermore, the proposed settlement in the Merger Lawsuit contains a powerful divestiture component designed to enable the Dish Network to become a fourth competitor for wireless services. There are critics who have questioned whether this approach will work. Ultimately, there are no guarantees whenever a new competitor enters any market. However, in this instance there are very encouraging provisions that greatly increase the probability that Dish will become a successful and significant fourth competitor in the market. These include the multifaceted and detailed nature of the defined “Divestiture Assets” (including prepaid assets, spectrum assets, cell site assets, and retail assets), Dish’s willingness to be bound as a party pursuant to the Stipulation and Order, and the various provisions allowing for DOJ and FCC verification, all backed by the potential of significant monetary penalties for non-compliance. We believe that giving Dish – an American company – a chance to become a strong fourth competitor in the wireless services industry is better than leaving a void that might be filled by a foreign competitor whose interests are not aligned with those of American consumers.

We believe that this merger, as currently constructed with the divestitures to Dish, offers the best likelihood for maintaining four viable competitors in the wireless services market over the long run. Another important consideration in favor of this merger is that it will significantly expand output by employing currently unused or underused spectrum to give consumers not only a choice of vendors, but a choice of 5G technology. Many consumers will be able to choose the spectrum that works best for their needs (e.g. mid-band versus mmWave) and will also have a choice of at least two vendors for that spectrum.

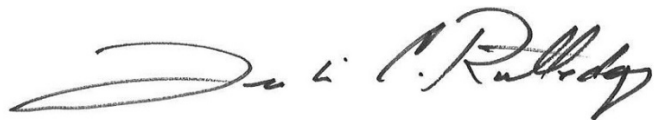
A critical component of this merger is that the New T-Mobile has made specific verifiable commitments to the DOJ and FCC to build out 5G services in rural areas of the nation. Many of those areas are unserved or underserved currently both in terms of cell phone service and in terms of highspeed internet service generally. New T-Mobile's planned development of mid-band 5G technology, coupled with the deployment of fixed wireless access (FWA) as described in the merging parties' FCC Application, should bring highspeed internet technology to our rural residents and can have a transformative effect on the economies and lifestyles of small towns across the nation.

For all of the foregoing reasons, we believe that the settlement embodied in the proposed Final Judgment is in the public interest, mitigates the potential harms that the merger could otherwise have created, and offers benefits to rural communities while maximizing output and consumer choice for all Americans. We urge the court to accept the terms of the merger and execute the proposed Final Judgment.

Signed,



Sean D. Reyes  
Utah Attorney General



Leslie Rutledge  
Arkansas Attorney General