

**STATE OF NEW YORK
PUBLIC SERVICE COMMISSION**

In the Matter of the)	
)	
Joint Application of)	
)	
T-Mobile USA, Inc., and)	
Sprint Communications Company L.P.)	Case 18-C-0396
)	
Concerning an Indirect)	
Transfer of Control)	
)	
)	

APPLICANTS' COMMENTS

T-Mobile USA, Inc. ("T-Mobile USA") and Sprint Communications Company L.P. ("Sprint Communications") (collectively, "Applicants") appreciate this opportunity to submit these comments in response to the Commission's Notice Inviting Comments, issued October 19, 2018,¹ with respect to the above-captioned Joint Application.² As more fully described below, the indirect transfer of control of Sprint Communications to T-Mobile USA ("the Indirect Competitive Local Exchange Carrier ("CLEC") Acquisition") is in the public interest and should be expeditiously approved pursuant to Sections 99 and 100 of the New York Public Service Law ("PSL").

There is no risk of competitive harm resulting from the wireline operations of Sprint Communications being acquired by a new corporate parent. Neither T-Mobile nor its subsidiaries have a registered entity in this State that provides wireline services in competition with Sprint Communications. Furthermore, the Indirect CLEC Acquisition will be transparent to

¹ *Joint Petition of T-Mobile USA, Inc. and Sprint Communications Company L.P. Concerning an Indirect Transfer of Control*, Notice Inviting Comments, Case 18-C-0396 (Oct. 19, 2018) ("Notice").

² *Joint Application of T-Mobile USA, Inc. and Sprint Communications Company L.P. Concerning an Indirect Transfer of Control*, Application, Case 18-C-0396, at 1 (Jul. 6, 2018) ("Joint Application") (Note: While the terms "Joint Application" and "Applicants" are used herein, these terms should be considered synonymous with the terms "Joint Petition" or "Petitioners" as used by the Commission or elsewhere in this proceeding).

existing customers of Sprint Communications, who will receive the same services from Sprint Communications immediately following the Indirect CLEC Acquisition as they do immediately prior thereto. Finally, Applicants are committed to meeting Sprint Communications' contractual obligations to its customers, including obligations as the provider of telephone relay service for the hearing impaired ("TRS") in New York State.

While the Commission's review in this docket is limited to approving the Indirect CLEC Acquisition, the Commission should nevertheless also recognize the significant benefits the broader transaction will have for New York consumers and businesses.³ The Applicants, therefore, also provide a detailed review of the massive benefits that will flow to New York consumers from the world class 5G network that the merged company will invest in and deploy as a result of the broader transaction. Such benefits include the creation of New York-based jobs required to deploy the 5G network and expansion of fiber-like services to an overwhelming number of residents, including those in rural areas. In addition, such investment will further intensify competition historically fostered by this Commission's policies. For these reasons, the Applicants urge the Commission to expeditiously grant the Joint Application in order to bring these benefits to the consumers of New York.⁴

³ In 1997, the Legislature suspended application of the Public Service Law to cellular telephone services. PSL §5(6). In its Staff Assessment of Telecommunications Services dated June 23, 2015, the Commission noted that, with respect to Commission approval of transfers of control under §100 of the PSL, "wireless carriers, however, are not currently subject to these PSL regulations." *See In the Matter of a Study on the State of Telecommunications in New York State*, Staff Assessment of Telecommunications Services, Case 14-C-0370, June 23, 2015 at 31. Additionally, the Commission made clear that it views wireless carriers as distinct from wireline telephone service providers when it excluded wireless carriers from contributing to the New York State Universal Service Fund. *Id.* at 27-28 (stating only incumbent phone carriers contribute to the SUSF). *See also*, 47 U.S.C. §332(c)(3)(preempting state regulation of commercial mobile radio service ("CMRS") market entry and rate regulation).

⁴ In recent similar proceedings involving the transfer of control of a CLEC at the parent company level, the Commission has acted expeditiously, averaging under three and ½ months from the application filing date to approval, with the longest review concluding in approximately six months. In fact, in none of those proceedings did the Commission take the unprecedented step of inviting comments, as it has in this case. The Commission has noted that "[i]n the absence of any statutory requirement for an evidentiary hearing, this matter will be reviewed through notice and comment procedures." Notice at 1. Moreover, there is no basis to conduct a public statement hearing to accept additional comments. While notice and comment adds time to the approval process, the Applicants are

I. BACKGROUND

On July 6, 2018, Applicants filed the Joint Application with the Commission requesting approval of the Indirect CLEC Acquisition,⁵ pursuant to PSL §100 and the rules of the Commission. On July 26, the Applicants filed a letter with the Commission indicating that the Applicants had agreed with Department of Public Service Staff to also request Commission approval of the Indirect CLEC Acquisition under PSL §99 to the extent such provision is applicable, and thereby amending the Joint Application accordingly.⁶

On September 6, 2018, the Commission issued a letter notifying the Applicants that, rather than allowing the Joint Application to be deemed approved within 90 days of filing, the Commission would instead review the Joint Application in detail and issue a written decision.⁷ On October 19, 2018, the Commission invited interested parties to submit comments regarding the Joint Application by November 16, 2018.⁸

Applicants submit these comments in response to the Notice and request that the Commission approve the Indirect CLEC Acquisition as it is clearly in the public interest. There is no competitive harm because T-Mobile does not provide CLEC services in New York and there will be synergies from the combination that will inure to the benefit of the customers of Sprint Communications as a result of the transfer. Moreover, the grant of the transfer will

confident the Commission can nevertheless approve the Indirect CLEC Acquisition within the six month timeframe in which it reviewed and approved CenturyLink's acquisition of Level 3. *See* Attachment A for a summary of applicable similar proceedings.

⁵ The Indirect CLEC Acquisition will result from the merger (the "Merger") of Sprint Corporation ("Sprint"), an indirect parent of Sprint Communications, and T-Mobile US, Inc. ("T-Mobile"), the parent of T-Mobile USA.

⁶ Letter from Steven D. Wilson to Hon. Kathleen H. Burgess, filed July 6, 2018 in Case 18-C-0396.

⁷ *See* Letter from Debra LaBelle, Director of the Office of Telecommunications of the New York Department of Public Service to Steven Wilson, Harris Beach, PLLC, Counsel to T-Mobile USA and Sprint Communications, dated September 6, 2018 at 1.

⁸ Notice at 1.

expedite enormous benefits for New York consumers that result from the Merger and the combination of T-Mobile and Sprint's wireless networks, spectrum and resources.

II. DISCUSSION

A. Standard of Review

The Commission has a “long-standing policy that a competitive market advances the public interest and, therefore, transfers that further competition are in the public interest, unless potential market power resulting from the transfer would undermine effective competition.”⁹

The Commission has explained that:

An entity providing telecommunications services on a competitive basis does not require the degree of regulatory scrutiny that applies to monopoly public utilities. Therefore, the Commission imposes minimal regulation upon CLECs operating in a competitive marketplace. The ease of entry and ability to buy and sell telecommunications companies is essential to the operation of a competitive market.¹⁰

Accordingly, in framing the applicable public interest standard of review for CLEC transfers of control under both PSL §99(2)¹¹ and §100, the Commission has held that:

The major consideration in the Commission's analysis relating to a proposed merger or transfer involving telephone corporations that operate in a competitive market is the likely effect on advancing the public interest in development and promotion of competitive markets. . . . After identifying the competitive effects of a CLEC merger or transfer, we weigh the competitive public interest benefits against any claimed public interest harm. In looking at potential harm ensuing from a proposed transfer or merger, the Commission would evaluate the potential opportunity resulting from the transaction for the exercise of market power to the detriment of the competitive marketplace.¹²

⁹ See *Joint Petition of PAETEC Holding Corp., Intellifiber Networks, Inc., McLeodUSA Telecommunications Services, LLC, US LEC Communications, LLC, PaeTec Communications, Inc., Talk America Inc., LDMI Telecommunications, Inc. and Windstream Corporation for Approval of an Indirect Transfer of Control of Authorized Telecommunications Providers*, Order Authorizing Transfer, Case 11-C-0425, at 2 (Nov. 17, 2011) (“PAETEC Order”)

¹⁰ *Id.* at 13.

¹¹ As the Commission has noted, “[a]lthough PSL §99(2) does not specify a standard of review, all such utility transfers have been interpreted as requiring an affirmative public interest determination by the Commission.” *Joint Petition of Verizon Communications et al.*, Order Asserting Jurisdiction and Approving Merger Subject to Conditions, Case 05-C-0237, at n. 46 (issued November 22, 2005).

¹² PAETEC Order at 12-13.

In addition to its impact on competition, the Commission will consider the effect of a CLEC transfer of control on the CLEC's customers.¹³ The Commission looks at whether the transaction will be seamless to the CLEC's customers, including the continuation of services "without interruption and without any immediate change in rates, terms and conditions."¹⁴ Finally, the Commission will also consider whether a CLEC transfer of control "will result in a stronger entity provisioning the unified company's portfolio of service offerings."¹⁵

B. The Indirect CLEC Acquisition Causes No Competitive Harm and Serves the Public Interest

1. Effect on Competition

The Indirect CLEC Acquisition clearly satisfies the Commission's competition-focused standard because it creates no competitive harms. As described in the Joint Application, following the Indirect CLEC Acquisition, Sprint Communications will remain a wholly-owned indirect subsidiary of Sprint. Also, pursuant to the Merger, Sprint itself will become a wholly-owned direct subsidiary of T-Mobile USA. However, neither T-Mobile USA nor its parent, affiliates, or subsidiaries provide wireline services in competition with Sprint Communications. Therefore, no increase in the concentration of wireline telecommunications providers under control of the new entity would occur. And, accordingly, there is no harm to wireline competition in New York resulting from the transaction.

In fact, the transaction will enhance Sprint Communications' ability to provide wireline services in New York, thus increasing competition in this market. The Indirect CLEC

¹³ *Id.* at 14-15.

¹⁴ *Id.* at 15.

¹⁵ Petition of RGT Utilities, Inc., ConvergeOne, Inc. for Approval of a Transfer or Lease of Property with an Original Cost of Over \$100,000, Order Granting Transfer, 17-C-0257, at 4 (June 16, 2017). *See also, In the Joint Petition of Sprint Communc'ns Co. L.P. and Starburst II, Inc.* Order Approving as Recommended at 4, 12-C-0532 (transfer in public interest because infusion of capital will allow Sprint Nextel to invest in both its wireless and wireline network).

Acquisition will significantly increase the managerial, technical, and financial resources available to Sprint Communications. Together, the two companies will realize valuable scale efficiencies and Sprint Communications will become part of a much larger entity with substantially greater financial resources. This will benefit existing customers by improving the quality and breadth of services that Sprint Communications can provide. Not only will Sprint Communications be able to offer its customers an improved and expanded network, it will also be able to offer a wider array of services and offer its services to more New York customers when combined with the assets of T-Mobile USA and its affiliates.¹⁶

2. Effect on CLEC Customers

As described in the Joint Application, the Indirect CLEC Acquisition will be transparent to existing customers of Sprint Communications. Upon consummation of the Indirect CLEC Acquisition, Sprint Communications will continue to provide the services that it currently provides to customers in this State, subject to Sprint Communications' existing plans to discontinue its TDM services and transition customers to Internet Protocol ("IP") services. All existing Sprint Communications contracts and contractual obligations to customers will be honored, including transitioning customers to IP services. In particular, following the Indirect CLEC Acquisition, the Applicants will continue to meet all of Sprint Communications' obligations as the TRS provider in New York, pursuant to the Commission's Order¹⁷ and Sprint Communications' State Tariff No. 7. In addition, Sprint Communications will maintain its Syracuse relay service center.¹⁸ Accordingly, no harm to the CLEC's customers will result from the Indirect CLEC Acquisition.

¹⁶ Joint Application at 6-7.

¹⁷ See Order Approving Recommendation, Docket No. 12-C-0257, December 19, 2012.

¹⁸ PSL §92-a(2).

In fact, the transfer of control will result in improved services for consumers. Currently, Sprint operates one of the largest global Tier-1 IP networks in the world and delivers its IP based services via facilities-based fiber-optic backbone.¹⁹ Sprint's IP backbone architecture and engineering principles provide world-class network performance, redundancy and security, thus ensuring the highest levels of quality of service and industry-leading service level agreements.²⁰ Furthermore, the Sprint Global IP Network is supported by advanced network management tools and fully redundant network operations centers that provide Sprint's enterprise customers with a degree of reliability and performance among the best in the industry.²¹ Sprint's network and IP products provide a full suite of managed network solutions including IP/MPLS, SD-WAN as well as a range of fully managed and integrated security solutions.²² Customers can also access Sprint's Global SIP voice network and unified communications solutions with the ability to manage their experience through a customer web portal.²³

The Indirect CLEC Acquisition will increase the managerial, technical, and financial resources available to Sprint Communications. This will benefit existing Sprint Communications customers by creating the opportunity to deploy a more extensive network. As a result of the Indirect CLEC Acquisition, Sprint Communications will also be able to offer a wider array of services that can be bundled with wireless services and create far greater value for New York

¹⁹ See *Applications of T-Mobile US, Inc. and Sprint Corporation for Consent to Transfer Control of Licenses and Authorizations*, WT Docket No. 18-197, Joint Opposition of T-Mobile US, Inc. and Sprint Corporation (filed Sept. 17, 2018) ("Joint Opposition") at 108. The Joint Opposition is available at [https://ecfsapi.fcc.gov/file/109171182702890/FINAL%20Joint%20Opposition%20091718%20\(Public\).pdf](https://ecfsapi.fcc.gov/file/109171182702890/FINAL%20Joint%20Opposition%20091718%20(Public).pdf). Appendices to the Joint Opposition are available at [https://ecfsapi.fcc.gov/file/109171182702890/Appendices%20A-K%20\(Public\).pdf](https://ecfsapi.fcc.gov/file/109171182702890/Appendices%20A-K%20(Public).pdf).

²⁰ *Id.*

²¹ *Id.*

²² See Sprint Corporation, Annual Report (Form 10-K), at 46 (May 24, 2018), <http://d18rn0p25nwr6d.cloudfront.net/CIK-0000101830/f87fb089-cbf4-415a-accf-2122a5b0323f.pdf>.

²³ See Sprint, My Sprint Business, <http://ecenter.sprint.com/mysprint/jsp/landingPage/wireline.jsp> (last visited Sept. 16, 2018).

customers than could be achieved by Sprint as a standalone company.²⁴ New T-Mobile will be able to manage and balance pricing and costs across multiple offerings to more economically provide appealing services to New York customers. Further, the combination will benefit from a larger team of marketing and salespeople, enabling Sprint Communications to aggressively market its services to more New York consumers than previously possible. This will permit Sprint Communications to compete more effectively in the marketplace to the benefit of consumers in the State.

C. While This Proceeding Does Not Involve Review and Approval of the Transfer of Control of Applicants' Wireless Operations, the Result of Such Transfer Will Be Enormous Benefits for New York Consumers

As explained above, the Joint Application before the Commission pertains only to the transfer of control of Sprint's CLEC operations in New York. This proceeding does not involve review and approval of the transfer of control of Applicants' subsidiaries and/or affiliates providing CMRS in the State.²⁵ The Commission should, nevertheless, also recognize the significant benefits the broader transaction will have for New York consumers and businesses, which are described in detail below.

The larger Merger transaction will benefit New York consumers in numerous ways, while intensifying competition in the State's markets for mobile wireless and broadband services. New Yorkers will benefit from:

- A powerful 5G network, with greater speed, capacity, and coverage than either T-Mobile or Sprint could achieve as standalone companies;
- Lower prices for a better service, including for prepaid and MVNO customers, and increased competition for all consumers;

²⁴ See e.g., Joint Opposition at 109.

²⁵ See n. 3, above. The proposed merger of T-Mobile and Sprint is currently being reviewed at the federal level, pursuant to processes that have supported extensive public commentary regarding the public interest of this transaction and collaboration with the States.

- Enhanced coverage and service in rural New York, including expanded retail locations serving small towns and rural areas;
- Broadband choice and hundreds of millions of dollars in annual savings; and
- Employment growth and new jobs for New Yorkers.

1. The Merger Will Not Harm and, in Fact, Will Increase Competition for Mobile Wireless Services

The Applicants’ various submissions, including the Public Interest Statement (“PIS”),²⁶ Joint Opposition²⁷ filed with the FCC, and their attendant economic declarations and merger simulations, confirm that the Merger will increase, not harm, competition. In fact, it will intensify competition in the market for mobile services and enhance consumer welfare. The transaction will also provide the merged entity with the network, scale and resources to aggressively enter adjacent markets, such as the provision of in-home broadband and video services, increasing competition in those markets as well.

With respect to unilateral effects, the Merger, and the powerful 5G network it will create, will provide New T-Mobile with substantial added network capacity and significant cost-savings over what would be possible for T-Mobile and Sprint to achieve on their own. The declaration of Dr. David Evans appended to the Applicants’ PIS demonstrates that such added capacity has historically reduced unit prices for consumers, and will do so here.²⁸ As discussed in the PIS, New T-Mobile will need to vigorously compete for consumers to maximize the value of its network investment²⁹ and fill the newly created capacity as quickly as possible to take advantage

²⁶ See generally *Applications of T-Mobile US, Inc. and Sprint Corporation for Consent to Transfer of Control of the Licenses and Authorizations*, WT Docket No. 18-197, Description of Transaction, Public Interest Statement, and Related Demonstrations (filed June 18, 2018) (hereinafter referred to as the “PIS”). The PIS and its appendices are also available at

[https://ecfsapi.fcc.gov/file/10618281006240/Public%20Interest%20Statement%20and%20Appendices%20A-J%20\(Public%20Redacted\)%20.pdf](https://ecfsapi.fcc.gov/file/10618281006240/Public%20Interest%20Statement%20and%20Appendices%20A-J%20(Public%20Redacted)%20.pdf)

²⁷ See generally Joint Opposition.

²⁸ See PIS, Appx. G, Declaration of David S. Evans at ¶¶66-71 (“Evans Decl.”).

²⁹ See PIS at 101.

of the significant cost synergies the capacity creates.³⁰ Indeed, Dr. Evans concludes that New T-Mobile's nationwide 5G network will provoke competitive responses from Verizon, AT&T and other wireless providers that will 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.³¹

Dr. Evans' conclusion is further bolstered by the merger simulation modeling submitted with the Joint Opposition, which supports the conclusion that "the proposed transaction is projected to generate significant marginal cost savings, which will strengthen the combined firm's incentive and ability to compete for users by offering lower quality-adjusted prices."³² The additional capacity and lower prices will further benefit consumers because they will enable the merged entity to "increase competitive pressures on rival service providers."³³ Furthermore, the merger simulations demonstrate that "the proposed transaction will generate significant quality improvements, which will benefit consumers and increase competitive pressures on rival service providers."³⁴

The Applicants' economic modeling also shows that the Merger will not result in anticompetitive coordination between market participants. With the PIS, the Applicants provided an economic analysis by Prof. Steven C. Salop and Dr. Yianis Sarafidis explaining why post-merger coordination among Verizon, AT&T, and New T-Mobile is unlikely.³⁵ This analysis makes clear that the structure and dynamics of competition in the wireless marketplace, the efficiencies flowing from the transaction, and New T-Mobile's competitive incentives, make post-transaction coordination implausible and finds that "there is no credible basis to conclude

³⁰ See *id.* at 119.

³¹ See *id.* at 52.

³² See Joint Opposition at ii.

³³ *Id.*

³⁴ *Id.*

³⁵ See generally PIS, Appx. H, Joint Declaration of Prof. Steven C. Salop and Dr. Yianis Sarafidis ("Salop/Sarafidis Decl.").

that the Merger on balance would enhance the vulnerability of the market to successful coordination.”³⁶ The PIS and Joint Opposition demonstrate that, “armed with added capacity and low average costs, as well as a qualitatively superior network, New T-Mobile has every incentive not only to continue T-Mobile’s disruptive conduct in the mobile industry, but to extend that maverick behavior to a variety of adjacent services.”³⁷ And, New T-Mobile’s increased scale and improved network will enable the merged company to compete more effectively against Verizon, AT&T and new large entrants into the wireless market³⁸—and also in the converging broadband market—and elicit competitive responses from these larger rivals that will benefit competition and consumers.

While the PIS primarily documented the pro-competitive benefits of the Merger in the context of a discussion of the national market for wireless services, the unilateral and coordinated effects discussions in the PIS are equally applicable to the local New York market.³⁹ First, because wireless prices are set nationally, New York will reap the benefits of increased competition nationally. Moreover, the planned integration of the T-Mobile and Sprint networks in New York post-closing will yield a network with significantly increased speed and capacity as compared to the networks of the standalone entities. As explained above, that increased capacity will not only enhance the consumer experience but drive down the price per GB in New York. In addition, the improved network and lower prices will also trigger competitive responses from other wireless providers in the State. For these reasons, the proposed transaction plainly will not harm competition for wireless services in New York.

³⁶ See Salop/Sarafidis Decl. at ¶12.

³⁷ PIS at 124.

³⁸ Despite aggressive competitive efforts by T-Mobile and Sprint, Verizon and AT&T consistently have held leading positions in the wireless industry for well over a decade.

³⁹ PIS at Section IV.E.

2. The Merger Will Provide a More Powerful 5G Network with Faster Speeds, More Capacity and Greater Coverage

New T-Mobile will invest nearly \$40 billion over the next four years to combine the complementary spectrum, sites, and assets of T-Mobile and Sprint to deliver a robust, nationwide world-class 5G network and services sooner than otherwise possible. Current Sprint customers will realize 4G LTE coverage benefits; T-Mobile customers will realize improvements from the greater depth of spectrum; and, as the 5G network is built out, the speed and capacity gains will be significant. 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 either T-Mobile or Sprint could achieve on their own.⁴⁰

3x 5G Capacity (Exabytes)	• 3x 5G capacity (Exabytes) compared to the summation of both standalone networks (total capacity with LTE included is likely closer to 2x by 2024)
3.9x to 5.8x Average Throughput (Mbps)	• 3.9 to 5.8x average throughput (Mbps) compared to the standalone networks
1.5x to 5.8x Peak Throughput (Mbps)	• 1.5 to 5.8x peak throughput (Mbps) compared to the standalone networks
1.6x to 2.8x US pops served at >100 Mbps	• 1.6 to 2.8x US pops will be served by the New T-Mobile network at throughputs of 100 Mbps

For New Yorkers, the improved service resulting from the Merger would be clear. Currently, T-Mobile has: a substantial amount of low-band 600 MHz spectrum, which has limited capacity but provides excellent coverage; a small amount of mid-band spectrum (i.e., AWS and PCS bands), which provide high capacity but is less well-suited for coverage; and geographically limited amounts of high-band, millimeter wave spectrum, which has very high

⁴⁰ See *id.* at i.

capacity but very short range.⁴¹ Sprint, however, has very little low-band spectrum, large amounts of mid-band spectrum (i.e., 2.5 GHz, AWS, and PCS bands), and no high-band spectrum.⁴² As a result, without the Merger, T-Mobile would be able to provide 5G coverage by deploying its 600 MHz spectrum across the state, including in many rural areas, but would only be able to deploy its limited amount of higher-capacity mid-band spectrum in a handful of population dense areas—the Buffalo, Rochester, Syracuse, Binghamton, Albany and New York City metropolitan areas. In most areas, this would mean 5G coverage, but not a lot of capacity. Conversely, Sprint as a standalone, because it lacks adequate low-band spectrum would need to rely on its mid-band spectrum for 5G deployment. Therefore, Sprint would be unable to provide any 5G coverage for the overwhelming majority of New York’s geography because its mid-band deployment would be limited to a few population dense areas. However, T-Mobile and Sprint have complementary spectrum portfolios and their combination would allow New T-Mobile to deploy mid-band spectrum far more expansively than either company could as standalones, providing mid-band coverage over the majority of New York’s geography and thus expanding capacity and improving performance. Finally, the breadth of New T-Mobile’s 5G broadband coverage across more rural parts of New York would not come at the expense of the network’s urban capabilities. New T-Mobile will be able to offer very high speeds using 2.5 GHz, and some 28 GHz and 39 GHz spectrum, in New York’s urban areas.⁴³

The combination of Sprint and T-Mobile will directly and dramatically promote a key stated initiative of Governor Cuomo for the state of New York. Through his “Broadband For

⁴¹ See *id.* at 20-25.

⁴² *Id.*

⁴³ In fact, this coverage even extends underground and T-Mobile and Sprint have already partnered with the state to provide wireless connectivity in New York City’s subways. See, e.g., Transit Wireless, *Governor Andrew M. Cuomo Announces Cellular Connectivity In Underground Subway Stations One Year Ahead of Schedule* (Jan. 5, 2017), <https://transitwireless.com/governor-cuomo-announces-cellular-wifi/>.

All” initiative, the Governor has made broadband access for every New Yorker a top administration priority.⁴⁴ New York is seeking to provide access to broadband download speeds of at least 100 Mbps to most of the state and speeds of 25 Mbps to the state’s more remote areas, and has invested hundreds of millions of dollars in that effort.⁴⁵ New T-Mobile’s lightning fast broadband capabilities will help New York achieve Governor Cuomo’s targets without expending a single taxpayer dollar. As illustrated in the throughput/population distribution charts below, for both 2021 and 2024, the New T-Mobile 5G network provided by the Merger will enable drastically faster speeds for more New York customers than will either standalone network. By 2021, New T-Mobile will provide average speeds of at least 100 Mbps to REDACTED

REDACTED

⁴⁴ See New York State, *Programs: Broadband For All*, <https://www.ny.gov/programs/broadband-all> (last visited Nov. 8, 2018).

⁴⁵ *Id.*

⁴⁶ REDACTED

REDACTED

3. The Merger Will Result in Lower Prices for New Yorkers

As discussed above, the New T-Mobile network will enable a 2x increase in overall, and a 3x increase in 5G, network capacity.⁴⁷ As a matter of fundamental economics, significantly increasing the supply of available capacity puts substantial downward pressure on the per unit price of capacity.⁴⁸ New T-Mobile's business plan tracks this fundamental economic tenet by recognizing that the optimal strategy to monetize the combined network's additional capacity is to reduce prices. As T-Mobile President and Chief Operating Officer Mike Sievert put it in his declaration: "[w]e will compete aggressively with lower prices to take market share from Verizon and AT&T, allowing more customers to enjoy the benefits of our increased capacity."⁴⁹ Consistent with these economic incentives, "the [New T-Mobile] financial model projects passing scale benefits on to customers in the form of an over 6 percent reduction in average revenue per user ('ARPU'), going from [REDACTED] [REDACTED] by 2024."⁵⁰ Furthermore, factoring in the massive quality improvements created by the Merger, "the lower marginal costs and higher product quality will create downward pressure on New T-Mobile's quality-adjusted prices that will outweigh any upward price pressure from the loss of a competitor, thus benefiting consumers."⁵¹

In addition to enabling New T-Mobile to build a world-leading 5G network in New York, the network's capabilities and capacity will force New T-Mobile's competitors to respond in kind with improved and accelerated 5G network investment and deployment across the state to the betterment of all New York consumers. The Applicants' economic analyses concluded that

⁴⁷ *Supra* at 12.

⁴⁸ See Joint Opposition at 4; *see also*, Evans Decl. at Section V.C., ¶¶220-44.

⁴⁹ PIS, Appx. C, Declaration of G. Michael ("Mike") Sievert, President and Chief Operating Officer, T-Mobile US, Inc., at ¶21 ("Sievert Decl.").

⁵⁰ See PIS, Appx. D, Declaration of Peter Ewens, Executive Vice President, Corporate Strategy, T-Mobile US, Inc., at ¶8.

⁵¹ See PIS, Appx. F, Declaration of Compass Lexecon at 3 ("Compass Decl.").

building the New T-Mobile nationwide 5G network will provoke competitive responses from Verizon and AT&T that 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.⁵² Because nationwide wireless carriers price wireless services nationally, a six percent reduction in ARPU and 55 percent decrease in price per GB will be felt in New York and all across the country. Moreover, the fundamentals of the proposed transaction and its massive increase in wireless capacity and output will benefit competition and consumers across all segments of the wireless market, including retail services provided through both prepaid and postpaid plans, as well as services sold at wholesale to MVNOs and other hybrid participants in the wireless ecosystem.⁵³

4. New T-Mobile Will Continue T-Mobile's and Sprint's Commitment to Low-Income and Value-Conscious Consumers

The Applicants have demonstrated a longstanding commitment to serving low-income and value-conscious consumers across New York. For many low-income and value-conscious customers their wireless device is their primary means of accessing the Internet, making their mobile wireless service a critical part of their lives. In fact, customers on prepaid plans use as much, or more, data as customers on postpaid plans.⁵⁴ Both T-Mobile and Sprint have invested in supporting low-income consumers, communities of color, the elderly, and immigrant communities through their products, pricing, and corporate philanthropy.⁵⁵ Serving low-income

⁵² See Evans Decl. at Section V.C.

⁵³ See Joint Opposition at 4.

⁵⁴ *Id.* at 78.

⁵⁵ For example, through T-Mobile's Matching Program, T-Mobile matches its employees' charitable donations to a range of charities, dollar-for-dollar, up to \$2,000 per calendar year. Additionally, the foundation gives \$10 for each hour an employee spends supporting causes that inspire them. T-Mobile also runs a program called "Huddle Up" which helps children from high-need areas around the country. Since launching Huddle Up in 2005, 16,500 T-Mobile volunteers have touched the lives of over 78,000 young people, giving more than 127,000 hours of service valued at over \$3 million. Through Huddle Up, T-Mobile also provides volunteer grants to employees to assist them in their philanthropic efforts at the local level. See T-Mobile, *Empowering Our People: Connecting with Local Communities*, <https://www.t-mobile.com/responsibility/community/empowering-people> (last visited Nov. 15, 2018). Similarly, Sprint's signature corporate philanthropy, the 1Million Project, is addressing the homework gap for high school students in New York and across the nation that do not have access to the Internet in their homes. It

and value-conscious consumers is part of both companies' core corporate ethos. And, Applicants' success in doing so is reflected by the enthusiastic support that representatives of these communities have exhibited for the Merger.⁵⁶

After closing, the benefits created by the Merger will enable New T-Mobile to continue, and improve upon, the Applicants' legacies of serving low-income and value-conscious consumers. The massively increased capacity of the New T-Mobile 5G network and other non-network efficiencies will reduce substantially the cost per GB of delivering service to all consumers.⁵⁷ Because of its drastically lower costs, New T-Mobile will be able to price services more aggressively to attract customers, regardless of whether they are using prepaid or postpaid offerings. Customers on prepaid plans thus stand to benefit as much as, if not more than, those on postpaid plans from this capacity increase, corresponding lower cost, and more innovative service features.⁵⁸ New T-Mobile will deliver better service at a lower price, which will benefit low-income and value-conscious consumers across New York. Finally, New T-Mobile has committed to continue the Lifeline services currently provided by Sprint.⁵⁹

New T-Mobile's approach will build on T-Mobile's strong record of serving New York's low-income and value-conscious consumers both through its T-Mobile-branded prepaid and postpaid offerings and its Metro-branded prepaid offerings. T-Mobile's low prices and innovative product features have made it a favorite among value-conscious and low-income

has awarded devices and Internet connectivity to 32,415 students in 127 high schools in New York in two years. See: <http://www.1millionproject.org> (last visited Nov. 15, 2018)

⁵⁶ See generally Letter from U.S. Black Chambers, Inc., WT Docket No. 18-197 (filed Oct. 3, 2018); Letter from U.S. Hispanic Chamber of Commerce, WT Docket No. 18-197 (filed Oct. 24, 2018); Letter from National Puerto Rican Chamber of Commerce, WT Docket No. 18-197 (filed Sept. 10, 2018); Letter from National Hispanic Caucus of State Legislators, WT Docket No. 18-197 (filed Oct. 31, 2018).

⁵⁷ See Joint Opposition at 78; see also Compass Decl. at 74-77 (describing that the Merger is expected to create a number of other non-network efficiencies that will reduce New T-Mobile's marginal costs by generating cost savings that could not be realized absent the transaction, likely resulting in an additional savings for prepaid customers).

⁵⁸ See Joint Opposition at 78.

⁵⁹ PIS at 51, n. 177.

customers. T-Mobile's "Taxes and Fees Included" program introduced "what you see is what you pay" plans that bundle all monthly taxes, surcharges, and fees up front, giving subscribers consistent bill certainty. Also, T-Mobile's separation of phone subsidies and phone payment plans from mobile rate plans created greater bill certainty for customers. As a result of these "Un-carrier" initiatives, T-Mobile has created postpaid plan options that provide value-conscious, low-income consumers, adults 55+, and our US Military with affordability, predictability, and transparency that once were available in the industry only via prepaid plans.

T-Mobile's prepaid brands have also long provided valuable options for low-income and value-conscious consumers. MetroPCS, now known as "Metro by T-Mobile" ("Metro"), has provided New York's low-income and value-conscious consumers with excellent service at low prices since its founding and that service has improved exponentially since the brand's acquisition by T-Mobile five years ago. Prepaid customers were once relegated to subpar devices, service and coverage. However, Metro has been steadily changing the prepaid landscape by offering a wide variety of both Android and iOS smartphones for every price point, including the latest releases; providing service on the same nationwide 4G LTE network that hosts T-Mobile postpaid customers; and continuing to offer some of the lowest-priced prepaid products available. Currently, Metro customers can save as much as 45 percent compared to Verizon and AT&T for a two-line plan, potentially saving a customer over \$1,000 a year.⁶⁰ Metro customers can also now choose from two new unlimited plans featuring partnered services from Amazon Prime and Google One.⁶¹

Due to these innovations, nationally Metro has doubled its customer base, doubled the number of Metro store locations, tripled the number of employees supporting the brand,

⁶⁰ *Id.*

⁶¹ *Id.*

quintupled the number of markets it serves, and increased data usage and speed by a factor of ten. In New York, Metro's performance is equally impressive. Over the last five years Metro subscribership has grown from approximately [REDACTED] [REDACTED] in New York. The growth Upstate has been particularly strong; since 2013, subscribership in Upstate New York has rocketed from [REDACTED] [REDACTED] subscribers to approximately [REDACTED] [REDACTED]. In the same period, store locations Upstate have increased from [REDACTED] [REDACTED].

New T-Mobile will also draw upon Sprint's impressive record of serving low-income and value-conscious consumers. For example, Sprint's Boost brand recently launched the BoostUP! program to provide phone loans (such as are typically available to customers on postpaid plans) to Boost's existing prepaid customers as a way of fostering higher consumer satisfaction. Obtaining the offered loan does not require a credit check because the customer's own history of on-time payments is the only criterion used in deciding whether to allow the customer to participate in the plan. Sprint also participates in the FCC's Lifeline Program, through its Assurance Wireless brand, and through this program provides Android devices and makes mobile broadband and voice available to qualifying low-income consumers at no cost to the Lifeline subscriber.

New T-Mobile will extend this track record and bring all customers—whether they choose prepaid or postpaid plan structures—real and substantial benefits. All New T-Mobile customers will be on the same network and will enjoy massively increased capacity, broader

coverage, and dramatically higher speeds. Metro, Boost, and Virgin⁶² will become some of the first prepaid brands in the State to have access to a true 5G network. Through these brands, and the low prices provided under New T-Mobile's postpaid plans, New York's value-conscious and low-income consumers will have access to the most powerful 5G network in the country with a combination of speed, capacity, and coverage never before experienced in the State.

Sprint customers with compatible handsets, including many on the Boost Mobile and Virgin Mobile USA brands, will quickly see significant benefits in network quality soon after the deal is closed.⁶³ Nationwide, more than 7 million Boost devices are compatible with the T-Mobile LTE network.⁶⁴ These subscribers will quickly experience significant improvements in coverage on the New T-Mobile network, as Sprint's prepaid customers with compatible handsets will for the first time enjoy LTE-quality data experiences in new locations by accessing the expanded New T-Mobile network where Sprint's network has LTE coverage gaps.⁶⁵ Finally, Boost subscribers will benefit from access to a deeper and much larger (approaching ten times greater) handset ecosystem that will provide better functionality at the same price, or the same functionality at the same or lower prices.⁶⁶

Finally, in addition to the direct benefits outlined above, the Merger will result in increased competition that will also benefit low-income and value-conscious consumers. The increase in network capacity will put substantial downward pressure on prices for all wireless

⁶² As T-Mobile has publicly stated, New T-Mobile will maintain the Boost Mobile, Virgin Mobile USA, and MetroPCS brands as separate brands. *See* Senate Committee on the Judiciary, Subcommittee on Antitrust, Competition Policy, and Consumer Rights Testimony of John Legere, CEO, T-Mobile US Inc. (June 27, 2018), <https://www.judiciary.senate.gov/imo/media/doc/06-27-18%20Legere%20Testimony.pdf>. *See also* Joint Opposition, Appx. A, Reply Declaration of G. Michael Sievert, President and Chief Operating Officer, T-Mobile US, Inc., at ¶11 ("Sievert Reply Decl.").

⁶³ *See* Joint Opposition at 82.

⁶⁴ *Id.*

⁶⁵ Boost customers do not currently receive data roaming services and so are limited to the footprint of the Sprint-operated network.

⁶⁶ Joint Opposition at 82.

plans, including prepaid plans. More broadly, prepaid customers of other carriers will also benefit from the increased competition facilitated by the Merger as Verizon, AT&T, TracFone, and others respond to New T-Mobile with lower prices, increased investment, and enhanced service offerings. To that end, from an economic and business perspective, it will be in New T-Mobile's business interest to offer all of its prepaid subscribers more access to a variety of service plans and options at attractive prices.

The increased competition created by the Merger will also produce benefits for MVNOs and their customers. These benefits are expressly confirmed by the supporting comments of a number of MVNOs, including TracFone and Ultra/Mint mobile—both of which have substantial presence in New York. According to TracFone, “New T-Mobile will increase the MNO wholesale competition for TracFone’s business and thus reduce wholesale costs.”⁶⁷ Ultra/Mint affirms that the Merger “will help create networks with better coverage, more capacity, greater throughput, and lower latency than would otherwise be available”, will allow it to “get more data for less money and pass the savings on to” its subscribers,⁶⁸ and “will drive down prices, reducing wireless connectivity costs for both the MVNOs and U.S. consumers they serve.”⁶⁹

5. New T-Mobile Will Provide Improved Service to Rural and Upstate New York

New T-Mobile will bring broadband and advanced 5G services to millions of rural Americans and hundreds of thousands of rural New Yorkers. The Merger will enable improved indoor and outdoor mobile coverage, high speed wireless in-home broadband, new video capability, and a range of other applications that will greatly benefit rural New Yorkers (*e.g.*,

⁶⁷ Comments of TracFone Wireless, Inc., WT Docket No. 18-197, at 3 (filed Sept. 13, 2018) (“TracFone Comments”).

⁶⁸ Mint Mobile Twitter Account (July 26, 2018), <https://twitter.com/MintMobile/status/1022540191989420032> (“How can Mint Mobile keep offering wireless plans as f*!ing low as \$15/month (we said foxing)? By crushing better deals in the market! If @TMobile and @Sprint merge, Mint Mobile can get more data for less money and pass the savings on to you. #MintMobile #ShopClever #mvno.”).

⁶⁹ Comments of Ultra Mobile and Mint Mobile, WT Docket No. 18-197, at 1 (filed Aug. 28, 2018).

online learning tools for rural education, rural healthcare, and wireless products for precision agriculture). In addition to delivering new broadband capabilities for rural New York consumers, New T-Mobile's 5G network will open up new opportunities for rural businesses that today cannot take full advantage of the Internet.

The combination of T-Mobile's 600 MHz spectrum along with Sprint's 2.5 GHz spectrum will allow for deeper and better broadband services to New York's rural areas than either company could provide on its own.⁷⁰ The merger synergies associated with the transaction allow for more radios with 2.5 GHz capabilities to be added to more sites throughout the New T-Mobile network⁷¹ because, as New T-Mobile deploys its low-band 600 MHz radios to drive better 5G coverage, the marginal cost of also deploying 2.5 GHz radios is relatively low.⁷² Since the company will already be adding radios to these sites and providing coverage where Sprint would not on a standalone basis, the incremental cost of adding a 2.5 GHz radio at the same time will be greatly reduced.⁷³ The greater subscriber scale of New T-Mobile also allows for this incremental network investment to be spread over a larger customer base, improving the financial basis for adding 2.5 GHz radios to more towers in more areas.⁷⁴

New T-Mobile will also make another significant economic investment in the future of rural New York— new retail and customer care operations to serve small towns and rural communities. New T-Mobile expects to open an estimated **REDACTED** **REDACTED** new retail stores located to serve New York's small towns and rural areas. These locations will create new jobs in the rural communities they serve and, with this

⁷⁰ See generally, Joint Opposition at 96.

⁷¹ *Id.*

⁷² *Id.* at 97.

⁷³ *Id.*

⁷⁴ *Id.* at 92.

greater rural presence, New T-Mobile will provide better broadband capabilities to these communities.

New T-Mobile's customers will not be the only ones to enjoy these benefits. Rural customers of MVNOs that partner with New T-Mobile will also benefit from the Merger. New T-Mobile's decreased capacity costs will result in lower wholesale costs for MVNOs that can be passed on to their subscribers. New T-Mobile's broad and deep 5G nationwide network will also finally provide a meaningful third choice (beyond Verizon and AT&T) for MVNOs to reach rural America, including rural areas in New York. The New T-Mobile network will provide a breadth and depth of coverage in rural New York and Upstate that would be impossible for either T-Mobile or Sprint to achieve as standalone companies. TracFone underscores this point, observing that "[t]he resulting excess capacity would be available for MVNOs in [rural] areas as a third option that has not been available in the current marketplace."⁷⁵ MVNO customers will further benefit from avoiding roaming costs passed along in the form of higher rates, enabling them to enjoy the full capabilities of the New T-Mobile network without having their service throttled as a cost-savings measure.⁷⁶

6. The Merger Will Provide New In-Home Broadband Options and Competition for New Yorkers, Saving New Yorkers Millions

As noted previously, by 2024, New T-Mobile's 5G network will deliver average speeds of at least 100 Mbps to 95 percent of New Yorkers. The network's fiber-like speeds will enable the merged company to aggressively enter the in-home broadband market with offerings that will disrupt the uncompetitive wired broadband marketplace. New T-Mobile will provide a *bona fide* alternative to today's limited broadband choices—both as a new, in-home broadband offering available to millions of households and as a genuine wireless alternative to traditional in-home

⁷⁵ Comments of TracFone at 3.

⁷⁶ See Joint Opposition at 85.

broadband providers. The merged company's in-home broadband offering will be priced lower than traditional wired broadband services and will be available in areas across New York where the available capacity exceeds mobile requirements and is sufficient to support the in-home services.⁷⁷ The resulting broadband competition will create significant benefits and savings for New York consumers.

Dr. Harold Furchtgott-Roth has quantified the benefits of this new broadband service to New Yorkers from: (1) customers purchasing New T-Mobile in-home wireless broadband offering; (2) customers initiating in-home broadband services; (3) customers who "cord cut" and substitute New T-Mobile mobile 5G broadband service for fixed broadband providers; and (4) customers remaining with their current broadband provider but benefiting from the competitive response of other in-home broadband providers. Dr. Furchtgott-Roth estimates the cumulative consumer welfare benefits for New Yorkers will be as much as **REDACTED**

REDACTED.⁷⁸

Today's uncompetitive in-home, wired broadband marketplace is in need of disruption by an aggressive and consumer-friendly broadband provider, like New T-Mobile. The Commission itself has noted the lack of true broadband competition in many parts of New York, noting that "[t]he Commission must also consider that, in today's market, many New Yorkers lack adequate access to communication choices."⁷⁹ New T-Mobile will change all that. Applicants project that 9.5 million customers nationwide will subscribe to New T-Mobile's in-home wireless broadband offering by 2024.⁸⁰ Dr. Furchtgott-Roth estimates that approximately **REDACTED**

⁷⁷ Sievert Reply Decl. at ¶6.

⁷⁸ See Supplemental Declaration of Dr. Harold Furchtgott-Roth at 3 ("Furchtgott-Roth Supplemental"), attached as Attachment "B."

⁷⁹ See *Joint Petition of Charter Communications and Time Warner Cable for Approval of a Transfer of Control of Subsidiaries and Franchises, Pro Forma Reorganization, and Certain Financing Arrangements*, Order Granting Joint Petitions Subject to Conditions, Case 15-M-0388, at 26 (Jan. 8, 2016).

⁸⁰ Sievert Reply Decl. at ¶7.

REDACTED New York households could switch to New T-Mobile's in-home wireless broadband service by 2024 and that these households collectively could save REDACTED

⁸¹ Dr. Furchtgott-Roth further projects that wired broadband competitors will be forced to respond, with as many as REDACTED

REDACTED New York consumers initiating in-home broadband services with another provider in response to lower price offerings, and saving as much as REDACTED dollars by 2024.⁸²

The millions of consumers who choose to eliminate their in-home wireline or cable broadband service altogether and rely exclusively on New T-Mobile's wireless services for their in-home needs will also realize substantial savings. Dr. Furchtgott-Roth estimates that approximately 380,000 New York consumers will unsubscribe from fixed broadband services altogether and rely only on New T-Mobile's mobile service and their mobile devices, saving REDACTED by 2024 and at least REDACTED.⁸³ These substantial numbers will make a significant difference to New York consumers.

Savings will additionally flow to customers of traditional wireline broadband providers. Large, traditional broadband providers are likely to respond to New T-Mobile's market entry and aggressive pricing by lowering their own prices and improving their services to meet this new competitive threat. Because New T-Mobile will offer its in-home broadband and mobile offerings in many areas across the country, these providers would need to lower prices in all markets, including New York. Dr. Furchtgott-Roth has estimated that 4 million New York in-

⁸¹ Furchtgott-Roth Supplemental at 2.

⁸² *Id.*

⁸³ *Id.*

home fixed broadband consumers will remain with their traditional provider, yet will still benefit from their competitive response and lower prices provided by other in-home broadband providers. Dr. Furchtgott-Roth projects that, in New York, these customers would save REDACTED by 2024, and pay REDACTED

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The substantial and widespread consumer savings resulting from New T-Mobile's broadband services will promote the broader consumer welfare by leading to increased adoption of broadband services across New York. The reduced prices for in-home broadband services will attract new customers—some for New T-Mobile, some for other providers—who previously had found broadband unaffordable.⁸⁵ Other customers will be attracted to the higher quality broadband services that result from the increased marketplace competition. Overall, the Furchtgott-Roth Declaration concludes that the Merger will attract millions of new broadband customers to the marketplace.⁸⁶ New T-Mobile will help close the digital divide by driving further adoption of broadband services to ensure that all New Yorkers experience the transformational benefits of broadband technology and, in the process, will significantly reduce the areas needing New York State or Federal high-cost broadband deployment funding.

7. The Merger Will Create New York Jobs

The Merger will grow jobs in the U.S. and New York from day one and for the foreseeable future. New T-Mobile will need more employees than the standalone companies have to integrate and upgrade network infrastructure; expand the combined company's retail footprint; extend the T-Mobile "Team of Experts" model of customer care to millions of Sprint subscribers; and perform other critical functions. Projections of job losses in the United States or

⁸⁴ *Id.* at 3.

⁸⁵ Joint Opposition, Appx. J, Declaration of Dr. Harold Furchtgott-Roth Decl. at 5.

⁸⁶ *Id.* at 2-3.

New York posited by certain FCC commenters are baseless and fail to recognize the magnitude of the investment in network infrastructure and human capital that the new business will require following the combination.

T-Mobile's *pro forma* business plans show that within three years of closing New T-Mobile will employ thousands more direct internal and external employees than the two standalone companies collectively would have without the Merger.⁸⁷ The rationale for direct job creation is simple: more investment means more jobs. New T-Mobile will generate some 12,000 new jobs across the country to serve small towns and rural communities by spending nearly \$40 billion dollars over the next four years to combine the complementary spectrum, sites and assets of T-Mobile and Sprint to build its nationwide world-class 5G network.⁸⁸ New T-Mobile will also need to fill some 5,000 positions to support the opening of at least 600 new stores serving small towns and rural areas that neither company would have opened but for the Merger.⁸⁹ New T-Mobile will create approximately 5,600 new jobs when it opens up to five new technologically advanced Customer Experience Centers in small towns and rural communities to implement the company's innovative "Team of Experts" customer care and business model.⁹⁰ New T-Mobile will create another 1,800 new jobs dedicated to transitioning the companies' networks in rural areas and expanding rural coverage and add approximately 1,000 new jobs to enhance its sales and support of the enterprise sector and other new business opportunities that the combined companies increased scale will allow.⁹¹ While some job losses will occur as duplicative back office and frontline positions are identified, the job gains from new network investment and expansions in customer care and retail will net out to thousands more

⁸⁷ Sievert Decl. at ¶19.

⁸⁸ *Id.* at ¶ 18.

⁸⁹ *Id.* at ¶ 17.

⁹⁰ *Id.*

⁹¹ *Id.*

employment opportunities with the Merger than without it. And, as the fourth-most populous state in the country and an important market for New T-Mobile's overall growth strategy, New York will benefit from the job creation that the Merger of T-Mobile and Sprint will bring.⁹²

To validate the company's internal analysis and project macroeconomic effects, T-Mobile retained a respected, independent economic consulting firm to analyze the jobs effects of the proposed transaction. Like T-Mobile, the economic consultant projected major job gains following the Merger of T-Mobile and Sprint. The economic consultant considered both the immediate and medium-term effects of the proposed Merger. The analysis included direct, indirect and induced effects on employment following the Merger due to changes in capital and operating expenditures and increases in economic activity associated with New T-Mobile's ability to provide new and enhanced services. According to the economic consultant, the proposed Merger will contribute a cumulative total of approximately 51,200 job-years to the U.S. economy in the five years following consummation (2019-2023) or approximately 10,240 job-years for each year of the five-year study period.⁹³ This increase represents the net effect of three sets of changes in capital and operating expenses, net savings in operating costs, and new or expanded business opportunities made possible by the Merger. The economic consultant also projected additional job gains in years three, four and five following the Merger because the combined company will deploy 5G more rapidly than the two standalone companies could have. According to the economic consultant, accelerating the pace of 5G deployment will contribute an *additional* 117,500 job-years from 2021 through 2023.⁹⁴ Combining these short- and intermediate-term job gains associated with the Merger brings total job creation from 2019 to

⁹² U.S. Census Bureau, *Quick Facts*, <https://www.census.gov/quickfacts/fact/map/US/PST045217> (last visited Nov. 6, 2018).

⁹³ PIS, Appx. I at ¶34.

⁹⁴ Joint Opposition, Appx. K at ¶ 56.

2023 to approximately 168,600 job-years.⁹⁵ The demonstrable, transaction-specific job growth at New T-Mobile and in the broader American economy represents a key public-interest benefit of the Merger.⁹⁶

T-Mobile has documented each and every one of its claims of merger-specific job growth. In addition, the companies have provided information and documentation in response to the FCC's request for "all plans, analyses, and reports discussing the creation or loss of jobs if the Proposed Transaction were to be consummated."⁹⁷ Finally, the companies have independently verified the employment projections in New T-Mobile's business plans through the expert report from the economic consultant. The handful of naysayers who question the ability of this merger to generate American jobs rely on cursory speculation in news reports or, more commonly, no support whatsoever. New T-Mobile will need more employees than the standalone companies to achieve the business synergies necessary to accelerate the deployment of a new, powerful nationwide 5G network.

8. The Merger Will Create Public Safety Benefits and a Safer New York

Applicants understand the importance of communications during crises. To ensure that their networks are fully functional when their customers and first responders need them most, the Applicants have national engineering and crisis management teams standing ready 24/7/365; network operation centers to manage network traffic, including with backup equipment and

⁹⁵ *Id.*

⁹⁶ See, e.g., *Applications of Comcast Corporation, General Electric Company, and NBC Universal for Consent to Assign Licenses and Transfer Control of Licenses*, Memorandum Opinion and Order, 26 FCC Rcd 4238, 4330 ¶224 (2011); *AT&T Inc. and Bell South Corporation Application for Transfer of Control*, Memorandum and Opinion and Order, 22 FCC Rcd 5662, Appx. F (2007); *Applications of Puerto Rico Telephone Authority and GTE Holdings (Puerto Rico) for Consent to Transfer Control of Licenses and Authorizations*, Memorandum Opinion and Order, 14 FCC Rcd 3122, 3148 ¶¶57-58 (1999); *Application of Ameritech Corp. and SBC Communications Inc., for Consent to Transfer Control of Corporations Holding Commission Licenses and Lines*, Memorandum and Order, 14 FCC Rcd 14712, 14947 ¶567 (1999).

⁹⁷ Federal Communications Commission, WT Docket No. 18-197, General Information and Document Request for T-Mobile, at Spec. 45 (Aug. 15, 2018).

power supplies; pre-locate cell sites on wheels (“COWS”) to provide additional wireless capacity to hard hit areas; and undertake consistent readiness drills throughout the year to ensure rapid, effective responses to disasters and other network congestion events.⁹⁸ The Applicants have also deployed enhanced 9-1-1 Phase I and Phase II throughout much of the country, and remain committed to partnering with public safety organizations to provide the best possible 9-1-1 service to their subscribers and roaming customers in times of emergency.⁹⁹ T-Mobile’s demonstrated commitment to 9-1-1 has been recognized by the National Emergency Number Association (“NENA”), which took what it described as the unusual step of filing in support of the Merger and noting that New T-Mobile’s customers will benefit when dialing 9-1-1.¹⁰⁰ NENA highlights the work T-Mobile is doing in the emergency communications space, including actively participating in developing the National Emergency Address Database, providing more precise text-to-9-1-1, implementing native Real-Time-Text, implementing OTDOA (a network-based location technology for LTE), advancing Next Generation 9-1-1 readiness, and being among the industry leaders in Wi-Fi calling and DIGITS (which allow customers to call 9-1-1 when there is no wireless service).¹⁰¹

Applicants recognize the critical role public safety communications play in New York, and are excited about the enhanced public safety benefits the New T-Mobile 5G network can bring. The New T-Mobile 5G network promises enhanced reliability, availability, and capacity—as well as more widespread and deeper coverage—which is essential for emergency communications. With the New T-Mobile 5G network, first responders could rely on

⁹⁸ T-Mobile, *Emergency Response*, <https://www.t-mobile.com/responsibility/community/emergency> (last visited Nov. 5, 2018).

⁹⁹ T-Mobile, *Safety 9-1-1*, <https://www.t-mobile.com/responsibility/consumer-info/safety/9-1-1> (last visited Nov. 5, 2018).

¹⁰⁰ Comments of the National Emergency Number Association, WT Docket No. 18-197 (filed Sept. 17, 2018).

¹⁰¹ *Id.*

interoperable voice and data communications that are secure, fast, and reliable—making public safety communications more efficient and effective. The New T-Mobile 5G network could also support new public safety use cases, such as enabling real-time mission critical push-to-talk communications, vehicle-to-vehicle emergency stop, and enhancements to user location reporting. In sum, New T-Mobile’s 5G network will help make New York communities safer.

III. CONCLUSION

Applicants urge the Commission to expeditiously approve the Indirect CLEC Acquisition pursuant to Sections 99 and 100 of the New York Public Service Law.

Respectfully submitted,

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