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More rural carriers announce opposition to Sprint/T-Mobile merger

Five new organizations line up to dispute T-Mobile claims that merger will benefit rural Americans and call on regulators to reject the deal

Washington, D.C., January 24, 2019 – More wireless companies serving predominantly rural consumers today joined the 4Competition Coalition, illustrating the growing opposition to the Sprint/T-Mobile merger from rural businesses and advocates.

Western New York-based Blue Wireless and Alabama-based Pine Belt Cellular announced their opposition to the deal, as did Mobile Beacon, a wireless provider that serves more than 450,000 Americans through anchor institutions like schools and libraries in many rural and unserved areas. Telsasoft, which provides network management services to rural carriers across the country, and the North American Catholic Educational Programming Foundation (NACEPF) also joined the Coalition.

“This transaction would do away with the low-cost provider of wholesale wireless service, which carriers like us rely on to provide a great, competitive consumer product,” said Brian Gelfand, CEO of Blue Wireless, which serves customers in western New York and western and northeastern Pennsylvania. “The reality is this transaction poses many of the same serious threats to the wholesale market that T-Mobile and Sprint have previously raised as critical issues to the FCC. They may have changed their tune in self-interest, but the harms are still real and permitting this merger could have dire consequences for companies like ours and for consumers in our markets.”

The 4Competition Coalition, an alliance of nearly two dozen concerned companies, public interest groups, labor unions and industry associations, has continued to highlight for policymakers the clear harms of the proposed transaction, including hurting rural Americans’ access to critical mobile services.

“Sprint and T-Mobile claim their merger is a boon to rural Americans, but we don’t buy it and neither should regulators,” said John Nettles, CEO of Alabama-based Pine Belt Cellular. “T-Mobile has historically been no friend to rural consumers. They have consistently been unwilling to enter into fair reciprocal roaming agreements with rural carriers like Pine Belt, something that is a disservice to both their customers and to those of the rural carrier. If this merger goes through, it is all but certain that they will not change their position on the matter and, even if they did, their ability to unilaterally dictate the terms of such agreements will be that much greater leading the higher costs for most and less service for many.”

“This merger would threaten the affordable, high-speed internet access that Mobile Beacon provides to anchor institutions that serve millions of students, low-income families, and rural Americans in all 50 states – many of whom were previously unserved,” said Katherine Messier, executive director of Mobile Beacon and director of development for NACEPF. “Our current service is only made possible by our EBS spectrum leases with Sprint, but T-Mobile hasn’t committed to preserving these existing programs, which so many vulnerable populations rely on for connectivity. We’re very concerned that T-Mobile is also advocating that the FCC eliminate any requirement to continue to provide educational benefits through these agreements.” Mobile Beacon is a wholly-owned subsidiary of NACEPF.

“As a company that helps make sure rural wireless carriers provide great service to their customers, it’s clear how the Sprint/T-Mobile merger would be detrimental to local mobile providers,” said Roger Schmitz, CEO of Telsasoft. “By limiting the number of nationwide carriers, this deal would give the combined company more power to raise rates on the roaming agreements that regional carriers need.”

These five entities join the 4Competition Coalition’s 18 other members, including three other rural mobile carriers: C Spire, Indigo Wireless, and United Wireless Communications. Collectively, the coalition’s membership provides mobile service in dozens of counties across six states. Rural-focused industry associations NTCA-The Rural Broadband Association, the Rural Wireless Association, and the Wireless Internet Service Providers Association are also outspoken members of the coalition.

For more information, please visit: www.4competition.org. The coalition’s current membership of 23 is composed of: AFL-CIO, The American Antitrust Institute, Blue Wireless, Common Cause, C Spire, CWA-Union, Demand Progress Education Fund, DISH Network, Fight for the Future, The Greenlining Institute, Indigo Wireless, Mobile Beacon, the North American Catholic Education Programming Foundation, New America’s Open Technology Institute, NTCA-The Rural Broadband Association, Open Markets Institute, Pine Belt Cellular, Public Knowledge, the Rural Wireless Association, Telsasoft, United Wireless Communications, the Wireless Internet Service Providers Association, and Writers Guild of America West.

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