

FOR IMMEDIATE RELEASE

Pai's/Carr's Support of T-Mobile/Sprint Merger Strikes Critical Blow to Mobile Wireless Competition & Rural America

The Rural Wireless Association (“RWA”) is extremely disappointed that, in issuing statements expressing support for the proposed merger between T-Mobile and Sprint, Chairman Pai and Commissioner Carr chose to ignore the record evidence of the harm to rural consumers and rural carriers that will result from allowing Sprint to exit the market for national mobile wireless service. Allowing T-Mobile to acquire Sprint, and thus reduce the number of nationwide facilities-based wireless competitors from four to three, will result in higher prices for consumers and the reduced ability of consumers travelling through rural areas to access mobile wireless service.

The vague, unsubstantiated conditions proposed by T-Mobile and Sprint, and accepted as true by Chairman Pai and Commissioner Carr without further investigation and public comment, are drastically insufficient to protect consumers against the clear harms this market-consolidating merger would bring. Moreover, the proposed “penalties” for failing to comply with the conditions offered are illusory and will not force T-Mobile to keep its promises, as the carrier will only be fined a small fraction of the \$100-billion-plus of rural network buildout costs that it will take to meet the conditions imposed.

As RWA and numerous other parties have explained in the past, nothing T-Mobile says or promises with respect to rural America should be taken at face value. T-Mobile has a history of misleading the Commission – such as by overstating its rural coverage in the FCC’s Mobility Fund Phase II proceeding – and of ignoring its obligations to rural consumers – such as by failing to enter commercially reasonable bilateral roaming agreements and by failing to complete hundreds of millions of calls intended for rural America, for which it paid a \$40 million-dollar forfeiture penalty in 2018. Indeed, T-Mobile’s vague and open-ended statements in its proposed set of conditions provide zero assurance that it will follow through. Among other things, those conditions contain no explanation of *how*, exactly, T-Mobile will deploy the large amount of fiber needed to provide 5G coverage in rural America.

Chairman Pai has previously chastised merger applicants for the type of ambiguous, undefined promises and behavioral conditions proposed by T-Mobile and Sprint, and RWA believes that the Chairman and Commissioner Carr had substantial grounds to take the same action, here. RWA encourages the other Commissioners, the Department of Justice, and state attorneys general to not make the same mistake, and to take immediate action against this massive, anti-competitive merger on behalf of the millions Americans who will be worse off if it proceeds.