



T-Mobile's Compelling Case For Driving Innovation And Competition

By: Henry Waxman And Billy Tauzin, February 11, 2019

Among the most critical responsibilities given to the United States Congress is oversight of government and industry, aimed at protecting and advocating on behalf of the American public. As former chairs of the House Energy and Commerce Committee, we took this responsibility seriously, making genuine efforts to seek accountability where it was merited and bring a critical eye to both the intended and unintended consequences of policy decisions. Despite serving on opposite sides of the aisle, we shared the belief that this approach contributed to better public policy and more effective regulation.

This week, the leadership of T-Mobile and Sprint will have an opportunity to testify before the House Energy and Commerce and Judiciary committees to articulate the public benefits of the New T-Mobile. Telecommunications and technology innovators know all too well that they must be responsive to the changing needs and priorities of their customers and the communities they serve if they want to thrive in the competitive American marketplace. We believe they bring a compelling case that together, they can better serve the public and create a more robust telecommunications sector overall.

The New T-Mobile has the potential to boost competition, create jobs, accelerate innovation, and put downward pressure on the price of broadband.

T-Mobile has succeeded by putting customers first. As customers grew frustrated with the limitations of provider contracts, T-Mobile was the first company to do away with mandatory two-year contracts. The company also recognized that wireless service should travel seamlessly with customers across borders, which led them to include international data service in its most popular plans — at no extra cost. As others followed suit, these steps and many others changed industry standards and customer expectations for the better.

This disruptive approach reflected a customer-driven strategy focused on delivering results to consumers, rooted in a belief that responsiveness and innovation always have the greatest potential to take companies, their customers, and the user experience to new levels. And it's this approach that will continue to drive the decision making and success of the New T-Mobile.

Leveraging the integration of Sprint's networks, the New T-Mobile has committed to investing nearly \$40 billion in infrastructure and services to create the first nationwide 5G network, using both companies' complementary assets to rapidly deploy a 5G network. Truly, both companies' networks will be stronger together, and by 2024, they will be able to deliver nearly three times the capacity and four-to-six times the speeds than they could achieve independently.

Access to broadband is critically important to ensure no community is left behind as we move into the 5G future. 5G is coming — the question is who will have access and when. The New T-Mobile will enable the creation of a broad and deep nationwide 5G network more efficiently and more quickly than otherwise possible, opening it up to a greater number of communities. That is critical, because the 5G future must be inclusive. Whether it's allowing students in California to access advanced online tools through a fast and reliable internet connection or giving farmers in rural Louisiana the ability to leverage precision agriculture technologies to boost crop yields, creating an accessible 5G connection is essential to maintaining American leadership and competition.

But what good is a network if there's a chance the merger could discourage competition?

While critics argue this combination will decrease competition by lowering the number of wireless competitors from three to four, extensive research demonstrates the New T-Mobile will dramatically increase capacity in the marketplace, placing more pressure on its competitors. As a result, the per gigabyte price for consumers could drop as much as 55 percent, while wireless data supply could increase by as much as 120 percent. Moreover, in a letter submitted to the Federal Communications Commission, the New T-Mobile committed to making the same or better rate plans available for services as those offered today by T-Mobile or Sprint.

To deliver on these commitments, retain customers, and attract new customers, the New T-Mobile will also create new jobs. It's anticipated that the infrastructure buildout required on both the technical and service sides will require thousands of additional workers. And T-Mobile recently announced that, following the merger, they will be building five new customer experience centers across the country, creating 5,600 jobs by 2021 to help to ensure a smooth transition for customers. Ultimately, these new team members are only part of the New T-Mobile's plans to create more than 11,000 jobs at T-Mobile— jobs necessary to stay competitive and deliver on their commitments.

We know the responsibility lawmakers feel to protect the interests of their constituents and the public at large. And we believe that members of Congress, once they fully examine the merits of this proposed transaction, will support the New T-Mobile and the innovation, broadband access, and opportunity that will come with it.

Billy Tauzin is a former U.S. representative from Louisiana's 3rd District and served as chairman of the House Energy and Commerce Committee from 2001-2004. Henry A. Waxman served as chairman and ranking member of the House Energy Committee while in his role as a U.S. representative for California's 33rd District. Both authors currently serve as advisers to T-Mobile.

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