



The Honorable Frank Pallone, Jr.
Chairman
U.S. House Energy and Commerce Committee
2125 Rayburn House Office Building
Washington, DC 20515

The Honorable Greg Walden
Ranking Member
U.S. House Energy and Commerce Committee
2322A Rayburn House Office Building
Washington, DC 20515

The Honorable Michael Doyle
Chairman
U.S. House Energy and Commerce Subcommittee on Communications and Technology
2125 Rayburn House Office Building
Washington, DC 20515

The Honorable Bob Latta
Ranking Member
U.S. House Energy and Commerce Subcommittee on Communications and Technology
2322A Rayburn House Office Building
Washington, DC 20515

February 12, 2019

Dear Chairman Pallone and Ranking Member Walden,
Chairman Doyle and Ranking Member Latta,

On behalf of millions of U.S. consumers already counting on the boundless promise of 5G technology to revolutionize our lives and spark our economy with billions of dollars in new investment, CASE urges you to thoughtfully consider the overwhelming benefits to both people and technology by supporting the proposed merger between wireless carriers Sprint and T-Mobile.

It is no secret that in the race to 5G, America's position as the world leader in technology is being challenged. Nations in Asia and Europe are investing billions into 5G with the aim of gaining an advantage in proprietary technologies which will determine future economic winners and losers in the digital economy. Such advantages, in the form of patents, licenses and industry standards will reap untold rewards both in economic power and technological dominance for foreseeable generations. In order for our nation to secure and strengthen our economic future, it is absolutely critical that America win the race to 5G, just as we won past races involving 4G LTE and 3G technologies.

The key to winning this crucial race is investment in technology and infrastructure. The proposed merger between Sprint and T-Mobile brings over \$40 billion in proposed investment into building a national 5G network to the U.S. market, complete with network and mobile technologies that will make 5G a reality in America faster than could otherwise be achieved. By combining the complementary wireless bandwidths of each company, this sizable investment presents a tremendous opportunity for consumer choice, economic expansion, and leadership in burgeoning digital technologies.

This merger further empowers consumer choice by creating a third national carrier to compete with the current duopoly of Verizon and AT&T, each of which now has a larger subscriber base than Sprint and T-Mobile combined. The joining of two smaller carriers into a true nationwide carrier challenges the status quo, leading to more competition, greater choice, and downward pressure on prices for data and wireless service for U.S. consumers.

As you are aware, the proposed merger has already been thoroughly scrutinized by top level cabinet agencies with respect to national security, including “Team Telecom” review collectively by the Department of Defense, the Department of Justice, and the Department of Homeland Security, none of whom offered security-related objections to the proposed merger. The deal also earned the approval of the Committee on Foreign Investment in the U.S. (CFIUS), sending another strong signal that this merger poses no threat to U.S. economic or security interests. On the state level, 16 of the 19 required state utility commissions needed for approval of this merger have given their stamp of approval, including New York.

Concerns this merger will harm workers or consumers remain largely unfounded. A private investment of \$40 billion is a direct injection of economic stimulus into the critical innovation sector of our economy that will create thousands of new, high-skilled jobs. The companies have further announced plans to build five additional customer service centers across the nation, in essence putting the “now hiring” sign up front and center.

The significant investment at stake will lead to further creation of countless other new jobs that arise indirectly from this investment. The companies have taken the issue of worker concerns head-on, allaying fears of job losses by pledging to keep combined employment at current levels or higher for at least three years after the merger is complete. If anything, this proposed merger can’t be considered as anything other than a job creator.

It should give comfort to the Committee that T-Mobile has pledged to keep consumer costs – those within its control -- at current levels for three years after the merger receives final approval. This is an unprecedented step and a powerful show of confidence by a company over which state and federal regulators will retain significant leverage after the merger is complete. This pledge on prices signals the sincerity of corporate efforts to retain and affirm their “uncarrier” label by which their customers have come to know them.

To conclude, the proposed merger of Sprint and T-Mobile exemplifies the change that is happening across the digital economy, and how companies are forging innovative deals to stay competitive and serve public and national interests. Much is at stake, both here at home and globally as America strains every muscle in the race to win 5G. Through months of scrutiny and analysis, it is clear the investment at stake and combined assets involved in the making of the New T-Mobile advances the interests of consumers, workers, and our nation.


In a rapidly changing world of technological innovation, there is much that we cannot control. What is within our control is to give America every advantage to succeed and retain our global leadership in creativity and innovation. Now is not the time to stand still. We urge you to embrace the many benefits and unbounded opportunities that the creation of a new T-Mobile will bring for consumers and our nation.

Sincerely,

Matthew Kandrach, President



Gerard Scimeca, Vice President



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