

February 12, 2019

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

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

As a longtime Sprint mobile service subscriber, I am writing today in favor of the proposed merger between Sprint and T-Mobile.

Most of the arguments against it claim that it will reduce competition in this dynamic market by reducing the number of major competitors from four to three. I think such objections are short-sighted. Not approving the merger could very well result in reducing the number of major competitors from four to two, which would almost certainly be less in the public interest.

As you know, there are four major players in the mobile communications market at this time: Verizon, AT&T, T-Mobile and Sprint. The first two are each more than double the size of the third and fourth. If Sprint and T-Mobile do merge, their merged customer base would still be in third place, but of a similar order of magnitude.

One of the major future events in the mobile communications market is the adoption of 5G technology. Implementing it will require enormous amounts of capital. While Verizon and AT&T can be expected to meet that high capital cost, Sprint and T-Mobile as smaller independent entities may well take longer to

raise the necessary capital. If they are unable to satisfy their customer base by implementing the latest technology as quickly as Verizon and AT&T, they could both lose market share, further widening the size gap between them and the big two and even become takeover targets, ultimately resulting in only two surviving major carriers. Two competitors can easily degenerate into a duopoly in which the public benefits of competition are minimized. Therefore, I believe three competitors are the practical minimum for a competitive marketplace.

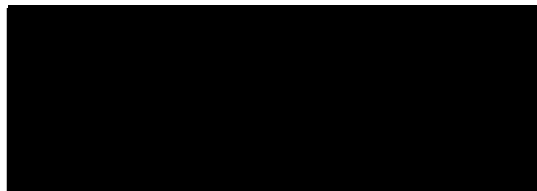
Combining Sprint and T-Mobile increases the likelihood that the merged third competitor could hold its own against the two market leaders; in fact, both have shown a competitive aggressiveness that I would call "feisty." They don't compete with each other so much as they compete with the two bigger players. Combining them, therefore, makes all the sense in the world to me.

As I have thought further, there's another aspect of the proposed merger that benefits the public good: the probability of increased service to presently under-served areas.

Deploying 5G technology will almost certainly depend upon the likelihood of profitability on an area-by-area or tower-by-tower basis. In an under-served area, the two smaller carriers may well conclude that a given area is unlikely to be incrementally profitable. However, on a combined basis, that same under-served area might well meet the threshold test for capital investment. That would be in the public interest, and provides an additional, but little-discussed, benefit to the mobile communications consumer population at large.

I hope that you, as Members of the House Energy and Commerce Committee, find these simple arguments from a single but avid mobile phone user to be of some help as you conduct hearings on this proposed merger.

Very truly yours,

A large black rectangular redaction box covering the signature of Colin A. Hanna.

Colin A. Hanna
President