

Attachment—Additional Questions for the Record
Subcommittee on Communications and Technology
Hearing on
“Protecting Consumers and Competition: An Examination of the T-Mobile and Sprint
Merger”
February 13, 2019

Ms. Carri Bennet, General Counsel, Rural Wireless Association, Inc.

The Honorable Billy Long (R-MO)

- 1. Press reports indicate President Trump will soon sign an Executive Order that, once adopted, will ban U.S. wireless carriers from using 5G telecommunications equipment manufactured in certain adversarial countries. The Executive Order is aimed primarily at Huawei and ZTE equipment. Does RWA support an executive order prospectively banning the use of Huawei-manufactured 5G network equipment in the U.S.? Why or why not?**

Response: RWA has not seen the purported Executive Order and cannot comment on text that it has not reviewed. To date, none of RWA’s members have purchased or installed 5G equipment from *any* vendor, and RWA will support what is in the best interests of the United States.

- 2. At the hearing T-Mobile CEO John Legere said that T-Mobile has not deployed Huawei or ZTE network equipment and committed to ensuring New T-Mobile will not use this equipment either. Please explain how this merger creates national security risk when the New T-Mobile network will not include any Huawei or ZTE equipment.**

Response: T-Mobile US, Inc. is owned by Deutsche Telekom AG (a German company) and Sprint Corp. is owned by Softbank Group Corp. (a Japanese company). Deutsche Telekom¹ and Softbank² both deploy Huawei equipment in Europe and Asia, respectively. These same mobile

¹ “Deutsche Telekom, Intel and Huawei Achieve World’s First 5G NR Interoperability in Operator Environment,” Deutsche Telekom Press Release (February 20, 2018); see <https://www.telekom.com/en/media/media-information/archive/dt-and-partners-achieve-5g-nr-interoperability-515364> (“The text is based on Huawei’s 5G commercial base station...and [i]t is a critical step towards the early deployment of full commercial 5G equipment in 2019, accelerating the 5G ecosystem.”).

² “Softbank and Huawei’s X Labs Sign Connected Robot MoU to Explore New Cloud Robotics,” Huawei Press Release (November 24, 2017); see <https://www.huawei.com/en/press-events/news/2017/11/Huawei-Wireless-XLabs-SoftBank-MOU> (“SoftBank and Huawei’s Wireless X Labs recently signed a memorandum of understanding (MoU) regarding connected robots. SoftBank plans to offer Cube and Kibako (automated cubed robots), while Huawei provides 5G wireless networks. Joint efforts will be conducted to implement 5G-based smart service robots by 2018.”).

networks are interconnected with T-Mobile and Sprint in the U.S., and U.S. embassies and military bases located in foreign countries may be utilizing these networks. To the extent that New T-Mobile will potentially be 69% owned and controlled by foreign companies, promises made today to not use equipment banned in the U.S. does not mean that those promises can be enforced two, three or more years down the road. Additionally, to the extent the New T-Mobile network is interconnected to foreign networks that utilize Huawei and/or ZTE for the delivery and receipt of voice and data calls, there remains a risk to U.S. national security.

- 3. RWA provides a partial list of “some of [its] members” on its website but has not publicly disclosed a full list of its members. Please provide a complete list of RWA’s current members (including carrier members, supporting members and associate members) so that the Committee can better understand who RWA represents.**

Response: RWA’s membership list is only available to RWA members. RWA’s members are made up of small, rural carriers, each of which serves 100,000 or fewer subscribers. Many of RWA’s members fear retaliation by nationwide companies when RWA takes positions in opposition to those companies. Throughout the merger process, T-Mobile has made it very clear to many of RWA’s members that it does not appreciate the position RWA has taken on the proposed merger with Sprint. Indeed, RWA’s members have specifically requested that RWA not identify them because of this fear. To the extent that the Committee still desires to have a list of RWA members, RWA will consider providing one under a properly executed non-disclosure agreement wherein the Committee does not disclose its members.

- 4. Nine directors on RWA’s Board represent wireless carriers according to RWA’s website; the tenth Board member is a Vice President of Sales for Huawei. Can you confirm that the current list of Board members on RWA’s website is accurate? How long has a representative of Huawei sat on the RWA Board? What role do members of the Board play in deciding which policy positions RWA will adopt?**

Response: RWA has nine members on its Board of Directors.³ Of these, seven are wireless carrier members who each have a vote.⁴ Additionally, RWA has two Associate Members on its Board of Directors who are not allowed to vote. Bill Levy, a U.S. citizen who is the Vice President of Sales for Huawei, has held one of the two non-voting Associate Member seats since October 1, 2016, and his term will expire on September 30, 2019. With respect to RWA’s

³ The following individuals currently serve on RWA’s Board of Directors: Mike Kilgore (Sagebrush Cellular/NEMONT), Bert Potts (STRATA Networks), Jana Wallace (Panhandle Tel. Coop), Jake Baldwin (Bravado Wireless), James Dunn (Copper Valley Telecom), Todd Housemann (United Wireless), John Nettles (Pine Belt Wireless), Bill Levy (Huawei), and Roger Schmitz (Telsasoft).

⁴ Per RWA’s Bylaws, the association’s immediate past-President and Chief Executive Officer (currently Brian Woody, Union Wireless) serves “as an Ex Officio member of the Board with no voting authority” and no set term limit.

advocacy, its members - through the Public Policy Committee – determine the issues and positions that RWA undertakes. Huawei is not represented on any of RWA’s committees.

5. Did RWA decide to oppose the T-Mobile/Sprint merger before or after T-Mobile said it would not purchase any Huawei gear?

Response: RWA does not have any knowledge of T-Mobile’s decision on whether it should purchase Huawei equipment or the timing of that decision. RWA decided to oppose the proposed Sprint/T-Mobile merger after the deal was publicly announced (on April 29, 2018). After consultation with its members and Public Policy Committee, RWA’s Board of Directors formally voted to oppose the merger in May of 2018.

6. According to RWA’s website the organization has several membership categories and each category contributes a set amount of dues to the association. Please provide the Committee with the current number of carrier members (including Carrier 1, Carrier 2 and Carrier 3 members), supporting members and associate members of RWA. Additionally, please disclose any deviations from the publicly disclosed dues amounts (e.g., has RWA either discounted dues for any entity (other than the special introductory rate for carriers advertised on the website) or accepted from one or more members “dues” in excess of the published dues amounts)?

Response: RWA invoices its membership dues on a fiscal year basis (October 1 thru September 30). As with many trade associations, not all membership dues are paid on or before the current fiscal year commences. RWA Carrier Members pay annual dues based on their number of subscribers, between \$3,450 - \$11,500. Promotional introductory membership rates are offered at a lower membership rate. Supporting members and associate members who do not have voting rights pay membership dues at lower rates. Huawei is an associate member and has paid dues of \$2,500 or less than one-percent of the total amount of dues invoiced to all RWA members.

7. How is RWA funding its advocacy against the Sprint/T-Mobile merger? Has RWA charged any of its members any special assessments or received any funding outside the organization’s ordinary course for use (in whole or in part) in its opposition to the deal? If so, please disclose the source(s) of any such funding and the amounts paid.

Response: RWA is funding its advocacy on the proposed merger through its dues and a special Carrier Member assessment assessed only on its Carrier Members.

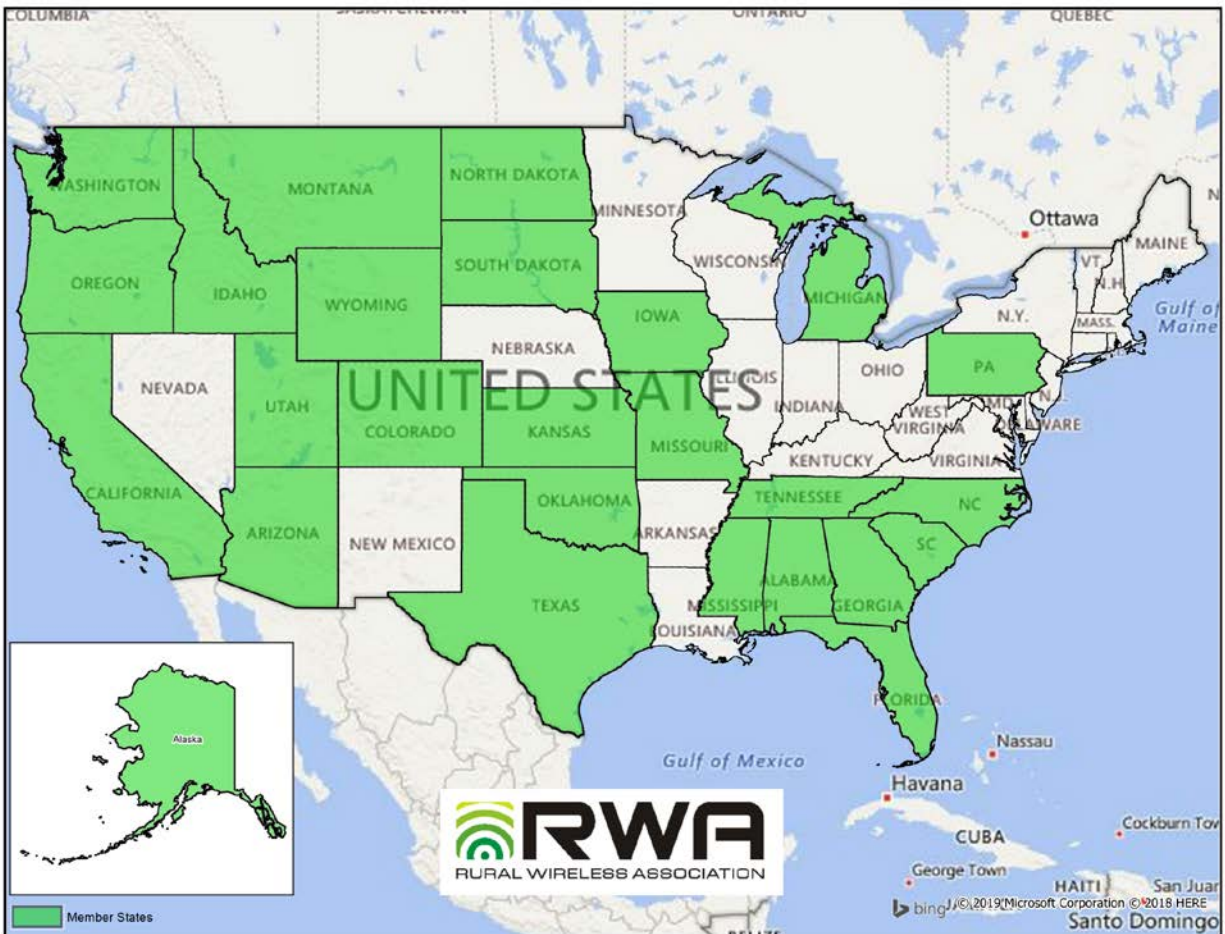
8. T-Mobile testified that its merger with Sprint will result in nearly \$40 billion in investments over the next three years. How does T-Mobile’s anticipated investment compare to recent network investments of RWA’s members? Please

provide the total amount of network capital expenditures of RWA’s members in 2018 and the amount of network capital expenditures by individual RWA member.

Response: RWA does not track this information.

9. The internet offers little information on RWA’s members and the areas they serve. Please provide coverage maps for each RWA member networks (or the collective area served by RWA’s members’ networks), including information on where RWA’s members provide 4G LTE coverage versus 2G or 3G network connectivity.

Response: RWA does not have coverage maps for its members. RWA members provide 2G, 3G, and 4G LTE coverage, or hold FCC licenses, in the following states: Alabama, Alaska, Arizona, California, Colorado, Florida, Georgia, Idaho, Iowa, Kansas, Michigan, Mississippi, Missouri, Montana, North Carolina, North Dakota, Oklahoma, Oregon, Pennsylvania, South Carolina, South Dakota, Tennessee, Texas, Utah, Washington, and Wyoming. See map below.



10. RWA cited many benefits of rural wireless service providers' networks in its testimony, including increased innovation and economic development. Low-band spectrum (which can be thought of as spectrum below 1 GHz) has unique propagation characteristics and competitors need access to this critical input to deploy wireless network service in rural America. Do RWA's members have licenses for low-band spectrum (i.e., spectrum below 1 GHz)? If so, then how many megahertz of low-band spectrum do RWA members hold on average? How does the size of RWA's members' low-band spectrum holdings compare to T-Mobile's low-band spectrum holdings?

Response: RWA does not have information concerning the details of its members' low-band spectrum holdings. RWA members hold "low-band" spectrum in the following bands: 600 MHz Band, 700 MHz Band, and 850 MHz (Cellular) Band. A review of the FCC spectrum license database (Universal Licensing System)⁵ would provide the Committee with a better response as to which companies hold which low-band, mid-band, and high-band spectrum in specific areas of the country. RWA notes that T-Mobile holds significant low-band spectrum in the 600 MHz Band and that AT&T and Verizon dominate in the 700 MHz and 850 MHz Bands, with US Cellular and C-Spire coming in a distant fourth and fifth place, respectively. US Cellular and C-Spire are not RWA members as they serve greater than 100,000 subscribers each.

11. T-Mobile recently acquired licenses for low-band spectrum through the FCC's 600 MHz incentive auction. T-Mobile has built-out service to more than 2,700 U.S. cities and towns using 600 MHz band spectrum since acquiring the licenses in 2017. Many of the locations where T-Mobile has deployed 600 MHz spectrum are in rural areas. For how many years have RWA's members held licenses to low-band spectrum? For those of your members acquiring 600 MHz licenses, how many cities and towns have they deployed service in using 600 MHz spectrum? Have RWA's members consistently met the FCC's buildout deadlines associated with their low-band spectrum holdings?

Response: RWA does not track this information for its members.

12. At our hearing you claimed that T-Mobile "has consistently refused to enter into reciprocal roaming agreements" with rural carriers. But many rural operators disagree. Viaero Wireless, for example, told the FCC that T-Mobile "has been a long-term roaming partner for approximately 20 years" and "has been a good roaming partner and has always negotiated reasonably for rates and spectrum." Why is there such stark disagreement between RWA and other rural operators, such as Viaero, who until very recently was listed as a member of your organization?

Response: Viaero Wireless joined RWA on July 20, 2017 and remained a carrier member through the end of 2018. Viaero Wireless, which has deployed Huawei throughout its network,

⁵ See <https://www.fcc.gov/wireless/systems-utilities/universal-licensing-system>.

apparently has been supportive of the proposed merger since the beginning, and it is an anomaly among the RWA membership. It should be noted that Viaero is the beneficiary of *multiple* long-term spectrum leases with T-Mobile.⁶ The fact that Viaero is one of the few rural carriers supporting the merger speaks volumes to the rest of the 80 plus rural wireless carriers in the U.S.

13. Smith Bagley, Inc., a small carrier in northeast Arizona that operates the most extensive mobile wireless network serving the Navajo Nation, recently told the FCC that it serves its customers despite its limited footprint because of its long-term roaming agreement with T-Mobile. Smith Bagley's submission flatly contradicts RWA's claim that T-Mobile refuses to negotiate roaming arrangements with rural carriers. What is your response to this evidence of T-Mobile's willingness to negotiate reciprocal roaming agreements in the areas where it makes good business and technical sense to do so?

Response: Smith Bagley, Inc. is not an RWA member. Smith Bagley filed a letter of support of the proposed merger with the FCC on February 19, 2019 in which it admits that it has both a long-term roaming agreement *and* a long-term spectrum lease with T-Mobile.⁷ These two facts immediately distinguish Smith Bagley from RWA carrier members.

14. Are there any technical reasons why T-Mobile may restrict its customers from roaming on certain rural carriers' networks? My understanding is that T-Mobile's 3G network is based on the Global System for Mobile (GSM) standard, which is different from most rural carriers' Code-Division Multiple Access (CDMA) 3G standard. What do these different technical standards mean for T-Mobile subscribers roaming onto rural carriers' networks? For example, would T-Mobile subscribers be able to simultaneously make a voice call and initiate a data session on their phones while roaming on an RWA member's CDMA-based network?

Response: RWA members operate both GSM and CDMA networks for 3G voice and data services. For 4G LTE data roaming and Voice-over-LTE (VoLTE) roaming, the historic issue of network incompatibility is no longer applicable. Yet, RWA members cannot get LTE and VoLTE roaming agreements in place with T-Mobile. Historically, the 2G/3G GSM networks that RWA members operate have not posed an incompatibility issue for T-Mobile. Instead, the higher prices set by T-Mobile in negotiations has been a bar to workable roaming agreements, as has the location area code (LAC) restrictions T-Mobile imposes to keep its own customers from accessing fully-compatible rural carrier networks.

⁶ See e.g., <https://wireless2.fcc.gov/UlsApp/UlsSearch/leaseMain.jsp?parentKey=8921&licKey=3602601>

⁷ See https://ecfsapi.fcc.gov/file/102202190706120/2019%200219%20SBI%20TM-Sprint%20Merger_Ltr%20to%20FCC%20FINAL.pdf