

# United States Senate

WASHINGTON, DC 20510

January 24, 2019

The Honorable Roger Wicker  
Chairman  
Committee on Commerce, Science,  
and Transportation  
555 Dirksen Senate Office Building  
Washington, DC 20510

The Honorable Maria Cantwell  
Ranking Member  
Committee on Commerce, Science,  
and Transportation  
511 Hart Senate Office Building  
Washington, DC 20510

Dear Chairman Wicker and Ranking Member Cantwell:

We write to request that the Senate Commerce, Science, and Transportation Committee hold a hearing to examine the impact of the proposed merger of T-Mobile US, Inc.'s (T-Mobile) and Sprint Corporation (Sprint) on consumer choice and competition in the wireless telecommunications marketplace. While we recognize that the Senate Subcommittee on Antitrust, Competition Policy and Consumer Rights held a hearing on the proposed T-Mobile and Sprint merger last June, there are several complex issues that remain regarding how this merger might affect wireless consumers, prices, and innovation. As the Committee of jurisdiction over the wireless industry and the Federal Communications Commission, we also have a responsibility to assess the effects of this potential consolidation.

The merger of T-Mobile and Sprint would reduce the number of national wireless carriers from four to three. This reduction in competition raises a number of important questions that the Committee should address. Since the merger was announced, some have argued that it will lead to harmful repercussions for consumers such as higher prices, fewer choices, and less flexibility in switching carriers. For example, both T-Mobile and Sprint consistently offer competitive products that have exerted pressure on AT&T and Verizon to offer more consumer-friendly data plans and eliminate restrictive long-term contracts. We should examine the impact of combining these two disruptors into one mega company. Additional questions have been asked about how this merger could adversely impact low-income consumers because T-Mobile and Sprint are currently direct competitors in offering prepaid services.

This past year, the Committee held hearings on the need to build-out 5G wireless services. As part of this examination, the Commission should consider the impact this merge will have on the deployment of 5G. T-Mobile and Sprint have argued that their merger is necessary for successful deployment of a robust nationwide 5G network, despite previous individual assertions by each company made prior to the merger boasting of their own progress building towards 5G. This Committee should evaluate T-Mobile and Sprint's current 5G claims and the consequences this merger would have on American wireless network innovation.

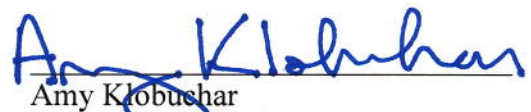
In 2011, when AT&T proposed acquiring T-Mobile both the Department of Justice and the Federal Communications Commission found that the reduction of the number of wireless carriers from four to three would harm consumers. At that time, 35 % of Americans owned smartphones.<sup>1</sup> Today, that number is 77%<sup>2</sup> and growing as we are increasingly reliant on mobile devices for access to the internet. In fact, for as many as 20% of Americans, smartphones are the primary means of internet connection.<sup>3</sup> Given how many more people rely today on smartphones for connectivity than in 2011, regulators should be just as, if not more, skeptical of this latest consolidation effort and the subsequent decrease in mobile competition.

Finally, we need to understand this proposed merger in historical context. The presence of robust competition amongst wireless carriers has produced the vibrant and dynamic marketplace consumers enjoy today. Nearly three decades ago, only two providers dominated the then-limited market for wireless services. Consumers paid many cents per minute, per call. It was only when new entrants arrived, in part because of greater access to spectrum, that the wireless revolution arrived, dramatically driving down prices and pushing cell phones into the pockets, purses, and palms of most Americans. In 2019, we cannot afford to move backwards.


The potential consequences of this merger are too great for the Senate Commerce, Science, and Transportation Committee to ignore. Thank you for your attention to this important matter.

Sincerely,

  
Edward J. Markey  
United States Senator

  
Amy Klobuchar  
United States Senator

  
Tom Udall  
United States Senator

  
Tammy Baldwin  
United States Senator

  
Richard Blumenthal  
United States Senator

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<sup>1</sup> *Mobile Fact Sheet*, Pew Research Center (Feb. 5, 2018), <http://www.pewinternet.org/fact-sheet/mobile/>.

<sup>2</sup> *Ibid.*

<sup>3</sup> *Ibid.*