

ONE HUNDRED FIFTEENTH CONGRESS
Congress of the United States
House of Representatives

COMMITTEE ON ENERGY AND COMMERCE

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April 30, 2018

The Honorable Greg Walden
Chairman
Committee on Energy and Commerce
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Marsha Blackburn
Chairman
Subcommittee on Communications
and Technology
Committee on Energy and Commerce
U.S. House of Representatives
Washington, D.C. 20515

Dear Chairmen Walden and Blackburn:

We write to request that the Energy and Commerce Committee schedule a hearing to review the proposed merger between T-Mobile US (T-Mobile) and Sprint Corporation (Sprint). As the Committee with primary jurisdiction over the wireless industry, we have a responsibility to understand the potential effect of this merger on consumers, workers, and the communications market.

T-Mobile has entered into a definitive agreement to pay approximately \$59 billion to purchase Sprint, thereby creating a combined company worth about \$146 billion. The merger would create a new wireless behemoth by shrinking the number of nationwide wireless providers from four to three. The transaction would directly affect the 120 million wireless subscribers for the two companies, but it would also trigger ripple effects for everyone who uses a mobile phone. Considering that the combined company would be overwhelmingly controlled by foreign entities, this transaction also raises significant questions about foreign control of major players in the U.S. wireless market.

This Committee has spent significant time studying the overhaul in the wireless market as it transitions to fifth-generation (5G) infrastructure. We have heard how 5G technology is necessary for new connected services and to deliver high-definition video over wireless networks. And we have learned that wireless networks are unlikely to build into many unserved areas without further government investment such as that authorized in our LIFT America Act.

Yet, we have not held a single hearing to examine the state of competition as the industry makes this change or how a loss of a competitor could affect consumers or workers. For instance, both T-Mobile and Sprint have already made significant commitments to invest in new

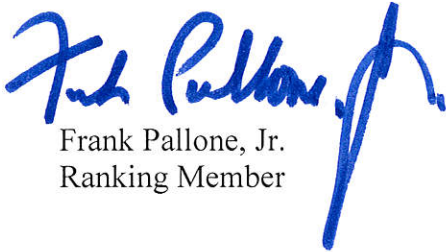
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infrastructure in 5G technologies. Yet, reports indicate that as many as 35,000 cell sites will be abandoned as part of this deal. The public deserves to understand whether further consolidation will speed up or slow down that deployment and what the change will do for American workers. Just as urgently, the American people want to know what a transaction such as this will do to wireless prices.

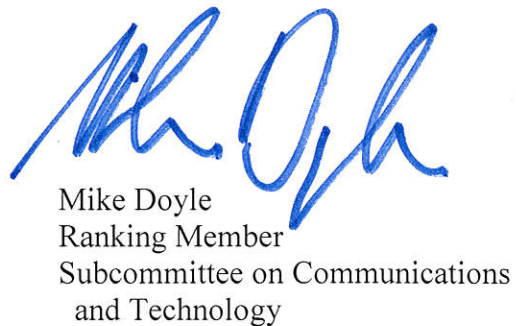
Finally, the Federal Communications Commission (FCC) has pointed to competition in the communications market as justification for many of its efforts to eliminate consumer protections such as net neutrality. While we do not agree that this rationale has ever made sense, certainly this Committee has an obligation to take a fresh look at the FCC's actions in light of this—and other recent—proposed communications mergers. For those reasons, we request that the Energy and Commerce Committee schedule a hearing to review the proposed merger between T-Mobile and Sprint.

Thank you for your attention to this serious matter.

Sincerely,



Frank Pallone, Jr.
Ranking Member



Mike Doyle
Ranking Member
Subcommittee on Communications
and Technology