



AMERICANS *for* TAX REFORM

Grover G. Norquist
President

October 10, 2019

Scott Scheele
Chief, Telecommunications and Broadband Section
Antitrust Division, U.S. Department of Justice
450 Fifth Street, N.W., Suite 700
Washington, D.C. 20530

722 12th Street N.W.

Fourth Floor

Washington, D.C.

20005

T: (202) 785-0266

F: (202) 785-0261

www.ATR.org

Re: United States of America et al. v. Deutsche Telekom AG et al.; Case 1:19-cv-02232

Dear Mr. Scheele:

The T-Mobile–Sprint merger will facilitate healthy broadband competition, benefit Americans and help close the digital divide. Companies should be able to merge or split without government permission, and doom and gloom rhetoric should not stand in the way of innovation and job creation. **For these reasons, I urge the Department of Justice to approve the merger.**

By combining T-Mobile and Sprint into one company, the **New T-Mobile will serve as a stronger competitor to the leading wireless companies.** According to data from Strategy Analytics, the new company will have 126.2 million subscribers, allowing it to compete more fully with Verizon and AT&T, which each have approximately 150.5 and 141.6 million subscribers.¹

Increased competition would incentivize these carriers to invest more in their networks, deploy 5G technology, develop new services and products, and offer competitive pricing.

The merger will lead to lower prices. T-Mobile and Sprint have a consistent historical record of providing innovative services at lower prices. The companies have made considerable voluntary commitments for their new network, including pledging to create a 5G network that covers 99 percent of Americans within six years² and to not raise prices for the next three years.³

Mergers are signs of healthy competition.⁴ For example, within the airline industry, mergers have proven to be pro-competitive. Following recent airline mergers, ticket prices for

¹ Rani Molla, "A merged T-Mobile and Sprint will still be smaller than AT&T or Verizon," *Vox*, April 30, 2018, <https://www.vox.com/2018/4/30/17300652/t-mobile-sprint-att-verizon-merger-wireless-subscriber-chart>.

² "Re: Applications of T-Mobile US, Inc. and Sprint Corporation for Consent to Transfer Control of Licenses and Authorizations; WT Docket No. 18-197," Federal Communications Commission, May 20, 2019, [https://ecfsapi.fcc.gov/file/10520302189557/Redacted%20FCC%20Commitments%20Ex%20Parte%20\(05.20.2019\).pdf](https://ecfsapi.fcc.gov/file/10520302189557/Redacted%20FCC%20Commitments%20Ex%20Parte%20(05.20.2019).pdf).

³ John Legere, "New T-Mobile: Lower Prices and Better Service. Period." *NewTmobile.com*, March 20, 2019, <https://www.t-mobile.com/news/new-t-mobile-lower-prices-better-service>.

⁴ Patrick Hedger, "Will T-Mobile/Sprint Merger Increase Prices?," Competitive Enterprise Institute, August 21, 2019, <https://cei.org/blog/will-t-mobilesprint-merger-increase-prices>.



AMERICANS for TAX REFORM

722 12th Street N.W.

Fourth Floor

Washington, D.C.

20005

T: (202) 785-0266

F: (202) 785-0261

www.atr.org

Americans have decreased overall.⁵ The New T-Mobile will have the same impact on the wireless industry.

Americans – particularly those in rural areas – stand to benefit from the combination in myriad ways, including shrinking the digital divide, rapid 5G deployment, and job creation across the nation. Florida, Kansas, Louisiana, Nebraska, Ohio, Oklahoma and South Dakota have formally supported the consent decree. Leaders from Utah⁶, Mississippi⁷, the Navajo Nation⁸, and other states have also shown their support.

T-Mobile and Sprint have committed to deploy a 5G network that will cover almost the entire country, with 97 percent of the United States population and 85 percent of rural America covered within three years.⁹ These commitments will transform the lives of millions of Americans – many of whom reside in states that support the merger – who lack reliable internet access.

The T-Mobile–Sprint merger will also create jobs across the United States. The companies have pledged to create 12,400 jobs in small towns and rural America by 2021, create 7,500 customer care jobs by 2024, and open 600 new retail locations across the United States.¹⁰

This will bring life to many rural or underserved communities. As Navajo Nation President Jonathan Nez wrote in a letter to the Federal Communications Commission and Department of Justice, a post-merger T-Mobile will be “essential to [the Navajo Nation’s] economic recovery.”¹¹

In short, **the T-Mobile–Sprint merger will lead to increased broadband competition, greater connectivity, and economic growth.**

I urge the Department of Justice to support free-market values and encourage you to approve the creation of the New T-Mobile. If you should have any questions or comments, please contact me or Katie McAuliffe by phone, 202-785-0266, or email, kmcauliffe@atr.org.

Onward,

Grover Norquist

⁵ Dennis Carlton et. al, “Are legacy airline mergers pro- or anti-competitive? Evidence from recent U.S. airline mergers,” *International Journal of Industrial Organization* 63 (2019): 58-95.

⁶ Utah Office of the Attorney General, “Utah Attorney General Reyes: The T-Mobile/Sprint Merger Will Benefit Rural Utah,” *Utah Office of the Attorney General*, August 9, 2019, <https://attorneygeneral.utah.gov/t-mobile-sprint-merger-proceeding/>.

⁷ Mississippi Office of the Attorney General, “AG HOOD SETTLES CONCERNS ON T-MOBILE-SPRINT MERGER, INCREASES SERVICES AVAILABLE FOR MISSISSIPPIANS,” *Mississippi Office of the Attorney General*, October 9, 2019, <https://www.ago.state.ms.us/releases/ag-hood-settles-concerns-on-t-mobile-sprint-merger-increases-services-available-for-mississippians/>.

⁸ Jonathan Nez to Federal Communications Commission and Department of Justice, August 28, 2019, <https://ecfsapi.fcc.gov/file/10907790307322/Navajo%20Nation%20merger%20support.pdf>.

⁹ “Re: Applications of T-Mobile US, Inc. and Sprint Corporation for Consent to Transfer Control of Licenses and Authorizations; WT Docket No. 18-197,” May 20, 2019.

¹⁰ T-Mobile and Sprint, “Creating Thousands of Jobs from Day One,” *NewTMobile.com*, <https://newtmobile.com/our-plan-to-create-jobs/>.

¹¹ Jonathan Nez to Federal Communications Commission and Department of Justice, August 28, 2019.