

United States Senate

WASHINGTON, DC 20510-4804

COMMITTEES
APPROPRIATIONS
ARMED SERVICES
ENERGY AND NATURAL RESOURCES
VETERANS' AFFAIRS

March 12, 2019

Mr. John J. Legere
Chief Executive Officer
T-Mobile USA, Inc.
12920 SE 38th Street
Bellevue, WA 98006

Mr. Marcelo Claure
Executive Chairman
Sprint Corporation
6200 Sprint Parkway
Overland Park, KS 66251

Dear Mr. Legere and Mr. Claure,

According to the Federal Communications Commission (FCC), nearly 18% of West Virginians do not have access to broadband. As the world becomes increasingly plugged-in and economic opportunities continue to shift toward places with reliable, high-speed broadband service, it is imperative that rural Americans are in the forefront of our minds when we consider the impacts of major mergers like the one you are seeking today. In West Virginia, we hear the same thing every time major companies want less regulation – set us free and competition will flourish, your service will improve, and your bills will come down. Unfortunately, that's rarely how the story ends.

While I am very intrigued by the benefits you both have said this merger will have across the country, particularly in rural America, I have heard from a number of West Virginians who are concerned that your proposal will actually reduce investment in our state. We have found ourselves on the losing side of the digital divide time and again, and we fear that major cities and urban centers will be the only beneficiaries of further consolidation and the race to 5G. Before the Department of Justice (DOJ) and the FCC make a final decision on this merger, I want your assurance that this proposal is in the best interest of my constituents. Therefore, I ask for a prompt and thorough response to the following concerns:

Investing in West Virginia

You have stated “with a nearly \$40 billion investment in the business, [you] plan to build a broad, deep, nationwide 5G network – next generation wireless broadband – that will be available for everyone...in virtually every part of every state.” While the prospect of faster, better quality internet service is exciting, I am concerned about the validity of this claim since there are some places in West Virginia that are still struggling to even get 3G and 4G.

1. Should this merger go through, are there plans for buildout of this 5G network in West Virginia?
2. For those areas still lacking 3G and 4G service, what type of investments will you make to improve the quality and quantity of voice and internet services?
3. If the answer is yes to either of these questions, can you provide me with maps that illustrate these coverage plans both in 2021 and 2024?

High Deployment Costs

My state's low population density, coupled with our challenging terrain makes us less attractive to the average provider looking for a large return on investment. The average tower in West Virginia, for instance, costs roughly \$1 million, whereas the average tower in Oklahoma costs around \$250,000.

4. How will you ensure that a portion of the major investment promised by this merger is invested in serving the most expensive, hardest to reach places like West Virginia?

Higher Prices

You have said that you will not raise your prices for three years following the completion of the merger, but that is only a temporary solution. I am also concerned about the impact this deal will have on the ability of full Mobile Virtual Network Operators (MVNOs) to enter the wireless market. With less players competing for our business, the high costs of broadband deployment in our challenging terrain, and the small, working-class communities that typify our state, it seems highly likely that West Virginians will pay more, not less in the long run.

5. How can you ensure my constituents will not have to pay exorbitant rates and fees after the temporary freeze expires?
6. How will you ensure that this merger will not stifle MVNOs as nationwide competitors in the wireless market?

Job Security

The Communications Workers of America (CWA) project that the proposed T-Mobile/Sprint merger could result in the loss of retail jobs in West Virginia and call center jobs throughout the country, yet you both claim this deal will create jobs. Your West Virginia employees deserve transparency and certainty that this merger will not have adverse implications for their rights or their livelihoods.

7. What assurances can you give me that existing West Virginia jobs will not be lost in this deal?
8. What assurances can you give me that call center jobs will not be moved offshore?
9. What are your plans to create new jobs in West Virginia?
10. Will you adopt a policy of complete neutrality with respect to your workers' rights to organize?

I appreciate your attention to this matter and would welcome the opportunity for you to meet with me in Washington, D.C or, better yet, West Virginia, to ensure your companies are keeping in mind the challenges and opportunities West Virginia is presented with when it comes to deployment of mobile wireless services throughout this process. It is my hope that this merger will result in noticeable, positive changes for my state. I look forward to your response and continuing to work with you both to bridge the digital divide in this country.

Sincerely,

A handwritten signature in blue ink, appearing to read "Joe Manchin III". The signature is fluid and cursive, with a large initial "J" and "M".

Joe Manchin III
United States Senator