



October 29, 2020

**VIA ELECTRONIC FILING**

Ms. Marlene H. Dortch, Secretary  
Federal Communications Commission  
45 L Street, NE  
Washington, DC 20554

Re: *Application for Consent to Transfer Control Of International Section 214 Authorization*, File No. ITC-T/C-20200930-00173

Dear Ms. Dortch:

T-Mobile US, Inc. (“T-Mobile”) hereby replies to the October 23, 2020, letter<sup>1</sup> from Verizon Wireless, Inc. (“Verizon”), TracFone Wireless, Inc. (“TracFone”) and América Móvil, S.A.B. de C.V. (“América Móvil”) (collectively, “Applicants”) reiterating their request for streamlined treatment of their application (“Application”) in the above-captioned matter.<sup>2</sup> As T-Mobile and others have made clear, streamlined review is wholly inappropriate given the size, scale, and significance of the proposed transaction.<sup>3</sup> The Response fails to address critical facts, misunderstands key elements of the Commission’s merger analysis, and continues to dodge questions about Applicants’ intentions for Lifeline and low-income customers.<sup>4</sup> While clearly not the Applicants’ intent, their arguments for streamlined treatment serve to highlight the array of important issues in dispute that warrant public and Commission review prior to any final determination on whether the transaction serves the public interest.

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<sup>1</sup> Letter from William H. Johnson, Verizon Communications Inc., Alejandro Cantú Jiménez, General Counsel, América Móvil, S.A.B. de C.V., and Richard B. Salzman, Executive Vice President and General Counsel, TracFone Wireless, Inc. to Marlene H. Dortch, Secretary, FCC, File No. ITC-T/C-20200930-00173 (Oct. 23, 2020) (“Response”).

<sup>2</sup> Application for Consent to Transfer Control of International Section 214 Authorization, File No. ITC-T/C-20200930-00173 (Sept. 30, 2020) (“Application”).

<sup>3</sup> See Letter from Kathleen O’Brien Ham, Senior Vice President, Government Affairs, T-Mobile, to Marlene H. Dortch, Secretary, FCC, File No. ITC-T/C-20200930-00173 (Oct. 13, 2020) (“T-Mobile Opposition”); Opposition to Petition for Streamlining and Motion to Dismiss Application as Incomplete of Public Knowledge, Open Technology Institute, and the Benton Institute for Broadband and Society, File No. ITC-T/C-20200930-00173 (Oct. 16, 2020) (“Public Knowledge Opposition”).

<sup>4</sup> Streamlined treatment would also foreclose Commission consideration of this transaction in the larger context of Verizon’s other recently announced acquisition. See *Verizon Agrees to Purchase Bluegrass Cellular*, GlobeNewswire (Oct. 19, 2020), <https://www.globenewswire.com/news-release/2020/10/19/2110530/0/en/Verizon-agrees-to-purchase-Bluegrass-Cellular.html>.



Applicants' attempts to sidestep the significance of the proposed transaction are unpersuasive. For example, trying to make their transaction look more like Sprint-Virgin Mobile, Applicants continue to insist that the roughly 64% of TracFone customers relying on Verizon's network are already attributed to Verizon for the purposes of the Commission's merger analysis.<sup>5</sup> But as we previously noted, TracFone currently sets its own prices for mobile wireless services and competes directly with Verizon and other carriers for customers.<sup>6</sup> And the Commission itself has recognized that because "MVNOs such as TracFone . . . may provide additional constraints against any anticompetitive behavior . . . [the Commission] take[s] into account the role of such providers in [its] evaluation of the likely competitive effects."<sup>7</sup> Consistent with its past practice, the Commission should consider carefully whether eliminating TracFone as an independent MVNO and competitor to Verizon is in the public interest.

Similarly, it would be reasonable for the Commission to examine the competitive effects of Verizon's acquisition of the largest MVNO on other MVNOs who purchase wholesale service from Verizon. Contrary to Applicants' cavalier dismissal of the impact of the transaction on other MVNOs,<sup>8</sup> the Commission has considered such issues in reviewing prior transactions.<sup>9</sup>

Applicants' discussion of the DISH-Boost transaction is similarly misplaced. In addition to conceding that the transaction did not involve streamlined treatment of an international 214 transfer,<sup>10</sup> the Response conspicuously fails to address T-Mobile's more fundamental point: Because the DISH-Boost transaction was vetted extensively through the T-Mobile-Sprint transaction review,<sup>11</sup> it provides no support for waiving through this nearly \$7 billion transaction in 14 days with barely a glance. It speaks volumes that Applicants are unable to cite any precedent for giving a transaction of this magnitude streamlined treatment other than this and the similarly inapposite Sprint-Virgin Mobile order addressed above.

Finally, Applicants fail to answer basic questions about how the proposed transaction will impact TracFone's Lifeline and low-income customers. Aside from the vague statement that Verizon will seek to transfer TracFone's ETC designation,<sup>12</sup> the Applicants offer no real specifics, instead creating more questions than answers. For example, Applicants indicate that Verizon "plans" to continue offering Lifeline services "where it will offer service over Verizon's

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<sup>5</sup> Application at 5-6; Response at 2 & n.4.

<sup>6</sup> T-Mobile Opposition at 2-3.

<sup>7</sup> See *In re Applications of T-Mobile US, Inc., and Sprint Corporation For Consent To Transfer Control of Licenses and Authorizations*, Memorandum Opinion and Order, Declaratory Ruling, and Order of Proposed Modification, 34 FCC Rcd 10578, 10610-11 ¶ 78 (2019) ("*T-Mobile/Sprint Merger Order*").

<sup>8</sup> Response at 4.

<sup>9</sup> See *T-Mobile/Sprint Merger Order*, 34 FCC Rcd at 10661, 10708, 10801-28 ¶¶ 189, 292, App'x G.

<sup>10</sup> Response at 2.

<sup>11</sup> T-Mobile Opposition at 2.

<sup>12</sup> Application at 18; Response at 4.

network.”<sup>13</sup> Verizon provides no assurance that these “plans” will not change. And what happens to customers who are not served “over Verizon’s network?” Applicants do not say, and the Commission should conduct a more thorough analysis of these issues.<sup>14</sup> The Response also attempts to counter Public Knowledge’s concerns regarding the transfer of TracFone’s ETC designation,<sup>15</sup> but the fact that ETC designation transfer occurs after the transaction has been approved only underscores the need to scrutinize the application now. Absent express commitments, Verizon will be free to relinquish TracFone’s ETC designation.<sup>16</sup>

Applicants try to deflect attention by pointing to T-Mobile’s own merger commitments,<sup>17</sup> but this example only provides more evidence that the Commission must evaluate this proposed transaction. The T-Mobile-Sprint transaction was approved only when, after a careful review, the Commission satisfied itself that the transaction’s impact on Lifeline and low-income customers was acceptable in light of T-Mobile’s express commitments.<sup>18</sup> Because Applicants have made no such commitments, and because Verizon has previously not embraced Lifeline, it would be inappropriate to approve the Application on a streamlined basis without investigating these (and all the other) issues further.

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For all of these reasons, the Commission should deny streamlined treatment of the Application and conduct a careful public interest review of the proposed transaction.

Sincerely,

/s/ Kathleen O’Brien Ham

Kathleen O’Brien Ham  
Senior Vice President, Government Affairs

Michele K. Thomas  
Vice President, Regulatory

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<sup>13</sup> Response at 4.

<sup>14</sup> See Public Knowledge Opposition at 4-5 & n.11 (citing *Applications of Cricket License Company, LLC, et al., Leap Wireless International, Inc., and AT&T Inc. for Consent To Transfer Control of Authorizations*, Memorandum Opinion and Order, 29 FCC Rcd 2735, 2736-37 ¶ 3 (2014)).

<sup>15</sup> See Public Knowledge Opposition at 2-3, 5-9; Response at 3-4.

<sup>16</sup> See 47 U.S.C. § 214(e)(4); 47 C.F.R. § 54.205.

<sup>17</sup> Response at 4.

<sup>18</sup> *T-Mobile/Sprint Merger Order*, 34 FCC Rcd at 10730-31 ¶¶ 343-344.

## CERTIFICATE OF SERVICE

I hereby certify that, on October 29th, 2020, I caused a copy of the foregoing pleading to be served via email and First Class mail upon:

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