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March 12, 2019

The Honorable David N. Cicilline  
Chairman, Antitrust, Commercial and Administrative Law Subcommittee  
U.S. House Judiciary Committee  
2138 Rayburn House Office Building  
Washington, DC 20510

The Honorable F. James Sensenbrenner  
Ranking Member, Antitrust, Commercial and Administrative Law Subcommittee  
U.S. House Judiciary Committee  
2142 Rayburn House Office Building  
Washington, DC 20515

Dear Chairman Cicilline and Ranking Member Sensenbrenner:

I am writing on behalf of the National Puerto Rican Chamber of Commerce (NPRCC) to express our organization's wholehearted support for the merger of T-Mobile and Sprint.

The NPRCC is a non-profit organization created for the development of entrepreneurship, innovation, and business expansion throughout Puerto Rico and the U.S. mainland. We incubate business ideas, provide financing and planning assistance to businesses, and help our members leverage new markets and opportunities. In addition, we advocate for policies that help our communities grow. Because reliable, affordable, high-quality connectivity is vital to economic development, the accelerated deployment of advanced telecommunications systems in Puerto Rico is one of NPRCC's central missions—especially in the wake of Hurricane Maria in 2017, which completely devastated Puerto Rico's telecommunications infrastructure.

The combination of T-Mobile and Sprint promises to deliver a stronger competitor that can bring robust, next-generation services to Puerto Ricans sooner than otherwise possible—and challenge the local broadband incumbents to improve the quality of their services and lower prices for consumers. More choices and lower prices will spur entrepreneurship, foster innovation, and promote private investment in the Island. With its robust competitive presence, the New T-Mobile will support Puerto Rico's revitalization efforts following Hurricane Maria and a long economic recession, and alleviate the burden on U.S. taxpayers.

Puerto Ricans—and the Puerto Rican economy—suffer from a lack of competition in the broadband market. Liberty Cablevision of Puerto Rico, which passes over approximately 70 percent of Puerto Rico's households, enjoys a near monopoly on fixed broadband in the Island. Although other companies offer connectivity, no other service provider today—fixed, mobile, wireline, or wireless<sup>1</sup>—is a true match for Liberty's infrastructure, coverage, and network

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<sup>1</sup> Even if we were to exclusively consider competition within the mobile wireless segment in Puerto Rico (a focus that ignores the realities of how consumers access the Internet), the New T-Mobile will bring additional competitive pressure to companies like AT&T

capabilities.

The current lack of competition for broadband services, exacerbated by the devastation of Hurricane Maria, is harmful to Puerto Rican consumers and businesses. Without meaningful competition, Liberty lacks an incentive to improve the quality of its service or lower prices. It is no surprise, then, that Liberty has earned a Better Business Bureau rating of “F,” which is the lowest possible rating of any business. In addition, having a large proportion of the population rely on a single broadband provider for in-home broadband service creates a single point of failure in an emergency or even in daily living. Any problems with Liberty’s infrastructure have a disproportionate impact on Puerto Ricans’ ability to stay connected to essential resources. In this context, entrepreneurship, innovation and investment face a steep climb in Puerto Rico. Merely restoring our telecommunications systems to the pre-hurricane *status quo* is not an option—Puerto Rico needs more.

A robust mobile broadband competitor with broad coverage and next-generation network capabilities, like the New T-Mobile, can fundamentally transform this dynamic to the benefit of Puerto Ricans.

The merger of T-Mobile and Sprint will allow the combined company to leverage T-Mobile’s powerful 600 MHz coverage spectrum—up to 50 MHz in Puerto Rico—with Sprint’s capacity-rich 2.5 GHz spectrum to deploy a robust, multi-band, 5G network. By 2021, the New T-Mobile will offer speeds of over 100 Mbps to two thirds of the U.S. population. Just three years later, these speeds will be available to almost 90 percent of the population. But we will not have to wait until 2021 to benefit from the merger. Consumers will enjoy enhanced capacity and speed in the first year following the transaction and, according to a recent report prepared by economists Mark Israel, Michael Katz and Brian Keating, those benefits will increase each year thereafter. By 2024, the New T-Mobile’s next-generation, nationwide network is expected to have 5G speeds four to six times what T-Mobile or Sprint could offer independently, and triple the 5G capacity of T-Mobile and Sprint combined. The New T-Mobile’s massive increase in capacity (capacity is effectively the “supply” of mobile broadband networks) creates a powerful incentive for the New T-Mobile to dramatically expand its customer base through better service, higher quality products, and lower prices. Indeed, a recent economic study found that the merger will decrease the price of data by 55 percent per gigabyte of data.

The economic incentive to “fill up the network” exists with respect to smaller and rural carriers as well; it is simply in the New T-Mobile’s best interest to monetize as much of its capacity as possible. But even if those incentives were not in place, the New T-Mobile has stated that it will continue its current carrier assistance programs and relationships to promote wireless deployment in rural areas. The New T-Mobile’s CEO has also committed to make available the same or better rate plans for the New T-Mobile’s services as those offered today by T-Mobile or Sprint in the three years following the merger. The New T-Mobile is the competitive, affordable, high-quality broadband alternative Puerto Ricans need.

For its part, T-Mobile has already contributed to the rebirth of the Puerto Rican economy. Last September, T-Mobile deployed 600 MHz Extended Range LTE in Puerto Rico. This deployment included areas like Humacao, Utuado, Barranquitas and Naranjito, which suffered some of the worst devastation at the hands of Hurricane Maria. T-Mobile has made it clear that it will help Puerto Rico become a hub for technology and innovation. The merger with Sprint will amplify its ability to do so.

The combination of the two companies will allow the New T-Mobile to invest nearly \$40 billion to build its world-leading, next-generation network—about three times what T-Mobile would be able to invest on its own. As the New T-Mobile deploys its 5G network in Puerto Rico, the economic benefits of its investment will flow back into the local economy. In addition, the competition generated by the transaction will force other service providers in the broadband ecosystem to focus on improving and expanding their services in Puerto Rico as well, creating a virtuous cycle of investment in the Island. All, without the need for U.S. taxpayer support.

Time is of the essence for Puerto Rico. The New T-Mobile’s ability to bring a world-leading 5G network to the Island faster than otherwise possible is key to our economic recovery. We are confident that near-term access to enhanced

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and America Móvil’s Claro. As of 2017, these two companies had together captured 60 percent of the wireless segment in Puerto Rico.

connectivity will foster entrepreneurship and innovation, two elements that are critical to Puerto Rico's revitalization and sustained economic growth.

On the New T-Mobile platform, innovators and developers will create advanced applications for education, health care, energy, transportation and other critically-needed resources that are tailored to the specific needs of Puerto Ricans. For example, on a robust 5G network, telehealth applications could help alleviate the consequences of the current shortage of health care providers that the Island faces. The New T-Mobile's 5G speeds, low latency, and ability to support millions of connected devices at once would allow specialists in Puerto Rico's metro area or the U.S. mainland to provide lower cost, first-rate care to patients in the most rural and remote parts of the Island. Such efforts would not only improve the quality of life of Puerto Rico's residents, but also reduce the need for federal support.

In addition to providing a platform on which to develop solutions for the population's most basic and urgent needs, the New T-Mobile network represents a powerful vehicle for the Island's redevelopment.

Puerto Rico has lost approximately ten percent of its population in the past decade, which means that many traditional businesses are struggling. But a new generation of Puerto Rican entrepreneurs, committed to a renaissance of the Island, is staying put and working hard to deliver innovative products and services. An influx of tech workers from the U.S. mainland and all over the world, motivated in part by key tax incentives, has also created a strong demand for next-generation networks. Puerto Rico's potential for growth is stymied if its entrepreneurs, developers and innovators face data caps, signal quality issues, or unreliable connectivity, and cannot effectively expand their products and services to non-local markets. The New T-Mobile's 5G network's capabilities eliminate these limitations.

Entrepreneurship, innovation, and competition all draw private investment and create jobs. We are eager to work with our members to secure new investment for the advanced technologies, products, and services they will develop on the New T-Mobile network, and any other next-generation network that is deployed as a result.

Puerto Ricans desperately need robust, high-quality, affordable alternatives for competitive broadband service. Private efforts that promise to provide this essential resource—fast—and without the need for federal assistance or any other U.S. taxpayer support should be encouraged. Because the New T-Mobile promises build on T-Mobile's demonstrated dedication to Puerto Rico, and deliver reliable, affordable, high-quality 5G connectivity sooner than otherwise possible, the NPRCC endorses the merger without reservation.

Sincerely,



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Executive Director



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