# Before the Federal Communications Commission Washington, D.C. 20554

In the Matter of	)
Applications of T-Mobile, US Inc. and Ka'ena Corporation	) GN Docket No. 23-171
	)
For Consent to Transfer Control of	) ICFS File No. ITC-T/C-20230406-00043
International Section 214 Authorizations	) ICFS File No. ITC-T/C-20230406-00044

## MEMORANDUM OPINION AND ORDER

Adopted: April 24, 2024 Released: April 25, 2024

By the Chiefs, Office of International Affairs and Wireless Telecommunications Bureau:

### I. INTRODUCTION

1. In this *Memorandum Opinion and Order*, we approve, subject to conditions, the applications of Ka'ena Corporation (Ka'ena) and T-Mobile, US Inc. (T-Mobile) (collectively, the Applicants) for Commission consent to the transfer of control of international section 214 authorizations held by Mint Mobile, LLC (Mint Mobile) and UVNV, Inc. (UVNV), which operates the Ultra Mobile brand, from Ka'ena to T-Mobile.<sup>1</sup> Based on our evaluation of the potential competitive effects as well as the likely public interest benefits, and in light of T-Mobile's voluntary handset unlocking commitment for Mint Mobile and Ultra Mobile devices<sup>2</sup> that we impose as a condition to our approval, we find that, on balance, the proposed transfers of control will serve the public interest, convenience, and necessity.

# II. SERVING THE PUBLIC INTEREST, CONVENIENCE, AND NECESSITY

2. Transaction Review. On April 6, 2023, Ka'ena<sup>3</sup> and T-Mobile<sup>4</sup> filed applications for consent to transfer control of international 214 authorizations held by Mint Mobile and UVNV, two

(continued....)

<sup>&</sup>lt;sup>1</sup> ICFS File No. ITC-T/C-20230406-00043, at 1-3 (filed Apr. 6, 2023) (Mint Mobile Application); ICFS File No. ITC-T/C-20230406-00044, at 1-3 (filed Apr. 6, 2023) (UVNV Application).

<sup>&</sup>lt;sup>2</sup> See Letter from Nancy Victory, DLA Piper LLP, to Marlene H. Dortch, Secretary, FCC, GN Docket No. 23-171 (filed Apr. 23, 2024) (T-Mobile Apr. 23, 2024 Commitments Letter) (attached as Appendix A).

<sup>&</sup>lt;sup>3</sup> Ka'ena Corporation (Ka'ena) is a Maine Corporation headquartered in Costa Mesa, California. Mint Mobile Application at 1; UVNV Application at 1. Ka'ena holds a majority (53%) and controlling interest in Mint Mobile, a non-facilities-based MVNO. Mint Mobile Application at 1-3, 14. UVNV, Inc. (UVNV), a Delaware corporation, is a wholly owned subsidiary of Ka'ena and operates the Ultra Mobile non-facilities-based MVNO brand. UVNV Application at 1-2, 5, 14. Both Mint Mobile and Ultra Mobile operate exclusively on the T-Mobile network. Mint Mobile Application at 5-6; UVNV Application at 5-6. UVNV also operates Plum, a Mobile Virtual Network Aggregator, which does not offer wireless service to the public. UVNV Application at 5 & n.3. Mint Mobile holds international section 214 authorization ITC-214-20191101-00176 and UVNV holds international section 214 authorization ITC-214-20141103-00290. Mint Mobile Application at 2; UVNV Application at 2.

<sup>&</sup>lt;sup>4</sup> T-Mobile US, Inc. (T-Mobile) is a publicly traded Delaware corporation controlled by Deutsch Telekom AG (Deutsche Telekom). Mint Mobile Application at 1-3; UVNV Application at 1-3. On May 1, 2023, the Applicants filed supplemental ownership information. Letter from Nancy Victory, DLA Piper, to Marlene H. Dortch, FCC, ICFS File No. ITC-T/C-20230406-00043 (filed May 1, 2023) (Mint Mobile Supplement), ICFS File No. ITC-T/C-20230406-00044 (filed May 1, 2023) (UVNV Supplement); *see also* T-Mobile Notification of *Pro Forma* Transfer

affiliated Mobile Virtual Network Operators (MVNOs), from Ka'ena to T-Mobile.<sup>5</sup> Pursuant to a March 9, 2023 Merger and Unit Purchase agreement between T-Mobile and Ka'ena, and related entities, T-Mobile will acquire control and indirect ownership of all of the membership interests in Mint Mobile and all of the shares of UVNV as well as their respective customers.<sup>6</sup> Upon consummation, Mint Mobile and UVNV will both be wholly owned indirect subsidiaries of T-Mobile, and T-Mobile will continue providing Mint Mobile and Ultra Mobile branded services.<sup>7</sup>

- 3. On May 22, 2023, a Public Notice was released that established the pleading cycle and opened the docket.<sup>8</sup> Ten comments were filed; no petitions to deny or comments opposing the proposed transaction were filed within the comment period.<sup>9</sup> An Information Request was released on October 27, 2023.<sup>10</sup> On November 21, 2023, T-Mobile responded to the Information Request.<sup>11</sup> On December 26, 2023, the National Telecommunications and Information Administration (NTIA) informed the Commission that the Committee for the Assessment of Foreign Participation in the United States Telecommunications Services Sector (Committee) had completed its review of the applications and had no recommendation and no objection to the Commission's granting the applications.<sup>12</sup>
- 4. Standard of Review and Public Interest Framework. Pursuant to section 214(a),<sup>13</sup> we must determine whether the proposed transfer of control to T-Mobile of section 214 authorizations held by Mint Mobile and UVNV will serve the public interest, convenience, and necessity.<sup>14</sup> In making this determination, we first assess whether the proposed transaction complies with the specific provisions of

<sup>&</sup>lt;sup>5</sup> Mint Mobile Application; UVNV Application.

<sup>&</sup>lt;sup>6</sup> Mint Mobile Application at 5; UVNV Application at 5.

<sup>&</sup>lt;sup>7</sup> Mint Mobile Application at 5; UVNV Application at 5.

<sup>&</sup>lt;sup>8</sup> Applications Filed for the Transfer of Control of Mint Mobile, LLC and UVNV, Inc. (D/B/A Ultra Mobile) to T-Mobile US, Inc., GN Docket No. 23-171, Public Notice, DA 23-429 (OIA May 22, 2023) (Public Notice).

<sup>&</sup>lt;sup>9</sup> Capital Region Chamber Comments; Center for Individual Freedom Comments; Center for Workforce Inclusion Comments; Hispanic Leadership Fund Comments; Information Technology and Innovation Foundation Comments; National Taxpayers Union Comments; R Street Institute Comments; SER National Comments; Silicon Harlem Comments; Telrite Holdings, Inc. Comments; Underserved Center for Workforce Inclusion Comments.

<sup>&</sup>lt;sup>10</sup> T-Mobile Information Request.

<sup>&</sup>lt;sup>11</sup> T-Mobile Information Request Responses; *see also* Letter from Nancy J. Victory, Counsel, T-Mobile, to Marlene H. Dortch, Secretary, FCC, GN Docket No. 23-171 (filed Apr. 2, 2024). On March 27, 2024, OIA and WTB released a protective order. *Applications of T-Mobile US, Inc. and Ka'ena Corporation for Consent to Transfer Control of International Section 214 Authorizations*, GN Docket No. 23-171, Protective Order, DA 24-307 (OIA/WTB Mar. 27, 2024).

<sup>&</sup>lt;sup>12</sup> Letter from Sean Conway, Deputy Chief Counsel, United States Department of Commerce, National Telecommunications and Information Administration, to Ethan Lucarelli, Chief, Office of International Affairs, FCC. GN Docket No. 23-171 (filed Dec. 26, 2023) (NTIA Dec. 26, 2023 Letter).

<sup>&</sup>lt;sup>13</sup> 47 U.S.C. § 214(a).

<sup>&</sup>lt;sup>14</sup> See, e.g., Application of Verizon Communications Inc. and América Móvil, S.A.B. de C.V. for Consent to Transfer Control of International Section 214 Authorization, GN Docket No. 21-112, Memorandum Opinion and Order, 36 FCC Rcd 16994, 17001, para. 21 (2021) (Verizon-TracFone Order).

the Act, other applicable statutes, and the Commission's rules.<sup>15</sup> If the proposed transaction does not violate a statute or rule, we then consider whether the transaction could result in public interest harms by substantially frustrating or impairing the objectives or implementation of the Act or related statutes.<sup>16</sup> We then employ a balancing test weighing any potential public interest harms of the proposed transaction against any potential public interest benefits.<sup>17</sup> The Applicants bear the burden of proving, by a preponderance of the evidence, that the proposed transaction, on balance, serves the public interest.<sup>18</sup> Finally, the Commission's public interest authority enables us, where appropriate, to impose and enforce transaction-related conditions to ensure that the public interest is served by the transaction.<sup>19</sup> Specifically, section 214(c) of the Act authorizes the Commission to attach to the certificate "such terms and conditions as in its judgment the public convenience and necessity may require."<sup>20</sup>

- 5. Potential Public Interest Harms. We find first that the proposed transaction will not violate any statutory provisions or Commission rules. We note that because T-Mobile, Mint Mobile, and Ultra Mobile each sell mobile telephony/broadband services in the same geographic areas, the proposed transaction raises horizontal issues.<sup>21</sup> Further, the proposed transaction raises vertical issues because T-Mobile provides wholesale services to Mint Mobile and Ultra Mobile as well as to other MVNOs.
- 6. The Applicants assert that, because the proposed transaction will enable the Mint Mobile and Ultra Mobile brands to be more competitive, the proposed acquisition will enhance competition in the wireless marketplace.<sup>22</sup> According to the Applicants, because Mint Mobile and Ultra Mobile operate exclusively on T-Mobile's network and are already attributed to T-Mobile, the transaction will not have any effect on market concentration.<sup>23</sup> The Applicants contend that as MVNOs, Mint Mobile and Ultra Mobile have a limited ability to independently reduce prices or improve quality.<sup>24</sup> The total customers of Mint Mobile and Ultra Mobile combined is 2.5 million, which, the Applicants argue, "is not enough to

<sup>&</sup>lt;sup>15</sup> See, e.g., Verizon-TracFone Order, 36 FCC Rcd at 17001, para. 21; Applications of T-Mobile US, Inc., and Sprint Corporation, Consent to Transfer Control of Licenses and Authorizations, Applications of American H Block Wireless L.L.C., DBSD Corporation, Gamma Acquisitions L.L.C., and Manifest Wireless L.L.C. for Extension of Time, WT Docket No. 18-197, Memorandum Opinion and Order, Declaratory Ruling, and Order of Proposed Modification, 34 FCC Rcd 10578, 10595, para. 39 (2019) (T-Mobile-Sprint Order); Applications of Cricket License Company, LLC, et al., Leap Wireless International, Inc., and AT&T Inc. for Consent to Transfer Control of Authorizations, et al., WT Docket No. 13-193, Memorandum Opinion and Order, 29 FCC Rcd 2735, 2741-42, para. 13 (WTB/IB 2014) (AT&T-Leap Order).

<sup>&</sup>lt;sup>16</sup> See, e.g., Verizon-TracFone Order, 36 FCC Rcd at 17001, para. 21; T-Mobile-Sprint Order, 34 FCC Rcd at 10595, para. 40; AT&T-Leap Order, 29 FCC Rcd at 2741-42, para. 13.

 $<sup>^{17}</sup>$  See, e.g., Verizon-TracFone Order, 36 FCC Rcd at 17001, para. 21; AT&T-Leap Order, 29 FCC Rcd at 2741-42, para. 13.

 $<sup>^{18}</sup>$  See, e.g., Verizon-TracFone Order, 36 FCC Rcd at 17001, para. 21; AT&T-Leap Order, 29 FCC Rcd at 2741-42, para. 13.

<sup>&</sup>lt;sup>19</sup> See, e.g., Verizon-TracFone Order, 36 FCC Rcd at 17003, para. 24; T-Mobile-Sprint Order, 34 FCC Rcd at 10596, para. 42.

<sup>&</sup>lt;sup>20</sup> 47 U.S.C. § 214(c).

<sup>&</sup>lt;sup>21</sup> See, e.g., Verizon-TracFone Order, 36 FCC Rcd at 17003-04, para. 26; T-Mobile-Sprint Order, 34 FCC Rcd at 10611, para. 79; Applications of Deutsch Telekom AG, T-Mobile USA, Inc., and MetroPCS Communications, Inc. for Consent to Transfer of Control of Licenses and Authorizations, WT Docket No. 12-301, Memorandum Opinion and Order and Declaratory Ruling, 28 FCC Rcd 2322, 2330, para. 21 (WTB/IB 2013) (T-Mobile-MetroPCS Order).

<sup>&</sup>lt;sup>22</sup> Mint Mobile Application at 6; UVNV Application at 6; see also Telrite Holdings, Inc. Comments at 1.

<sup>&</sup>lt;sup>23</sup> Mint Mobile Application at 7; UVNV Application at 7.

<sup>&</sup>lt;sup>24</sup> Letter from Nancy Victory, DLA Piper LLP, to Marlene H. Dortch, Secretary, FCC, GN Docket No. 23-171, at 7 (filed June 5, 2023) (T-Mobile June 5, 2023 *Ex Parte*).

impact incentives."<sup>25</sup> Regarding vertical foreclosure concerns, because Mint Mobile and Ultra Mobile are already exclusive to T-Mobile, the Applicants state that neither Mint Mobile nor Ultra Mobile are necessary distribution channels for other Mobile Network Operators (MNOs).<sup>26</sup> In addition, the Applicants argue that (1) MVNOs are highly differentiated and target distinct consumer groups; and (2) other MNOs compete aggressively for MVNO wholesale business.<sup>27</sup>

- 7. Further, each of the ten commenters that filed is in favor of the Commission approving the transaction.<sup>28</sup> The Information Technology and Innovation Foundation, for example, asserts that the effect on the marketplace will be minimal because other MNOs are not losing business and T-Mobile is not gaining significant market share.<sup>29</sup> DISH Network Corporation (DISH), on the other hand, notes that Mint Mobile's current prepaid prices are in certain cases lower than, or at least competitive with, the prices of T-Mobile's Metro prepaid brand.<sup>30</sup> DISH argues that these prices could easily rise higher without competitive pressure from Mint Mobile.<sup>31</sup> DISH concludes that this transaction would not be in the public interest because it will lead to further consolidation of the wireless landscape.<sup>32</sup>
- 8. Horizontal transactions raise potential competitive concerns when the combined entity may have the incentive and the ability unilaterally to raise prices, lower quality, or otherwise harm competition in a relevant market.<sup>33</sup> As its starting point, the Commission has previously used a two-part screen to help identify those markets that provide particular reason for further competitive analysis.<sup>34</sup> The first part of the screen is based on the size of the post-transaction Herfindahl-Hirschman Index (HHI),<sup>35</sup> and the change in the HHI in the relevant market.<sup>36</sup> The second part of the screen identifies local markets where the merged entity would hold approximately one-third or more of the total spectrum suitable and

<sup>&</sup>lt;sup>25</sup> T-Mobile June 5, 2023 *Ex Parte* at 7.

<sup>&</sup>lt;sup>26</sup> T-Mobile June 5, 2023 Ex Parte at 7.

<sup>&</sup>lt;sup>27</sup> T-Mobile June 5, 2023 *Ex Parte* at 7.

<sup>&</sup>lt;sup>28</sup> Capital Region Chamber Comments; Center for Individual Freedom Comments; Center for Workforce Inclusion Comments; Hispanic Leadership Fund Comments; Information Technology and Innovation Foundation Comments; National Taxpayers Union Comments; R Street Institute Comments; SER National Comments; Silicon Harlem Comments; Telrite Holdings, Inc. Comments; Underserved Center for Workforce Inclusion Comments.

<sup>&</sup>lt;sup>29</sup> Information Technology and Innovation Foundation Comments at 2; *see also* Telrite Holdings, Inc. Comments at 1 (stating that the transaction would not result in additional market concentration or harm competition in the Lifeline and Affordable Connectivity Program).

<sup>&</sup>lt;sup>30</sup> Letter from Jeffrey H. Blum, Executive Vice President, External & Legislative Affairs, DISH, to Marlene H. Dortch, Secretary, FCC, GN Docket No. 23-171, at 4 (filed Dec. 18, 2023) (DISH Dec. 18, 2023 *Ex Parte*).

<sup>&</sup>lt;sup>31</sup> DISH Dec. 18, 2023 Ex Parte at 4.

<sup>&</sup>lt;sup>32</sup> DISH Dec. 18, 2023 Ex Parte at 2-4.

 $<sup>^{33}</sup>$  See, e.g., Verizon-TracFone Order, 36 FCC Rcd at 17008-09, para. 38; T-Mobile-Sprint Order, 34 FCC Rcd at 10625, para. 111.

<sup>&</sup>lt;sup>34</sup> See, e.g., Verizon-TracFone Order, 36 FCC Rcd at 17007, para. 35; *T-Mobile-Sprint Order*, 34 FCC Rcd at 10614-15, para. 87; *AT&T-Leap Order*, 29 FCC Rcd at 2752-53, 2755-56, paras. 39, 41, 47.

<sup>&</sup>lt;sup>35</sup> See, e.g., Verizon-TracFone Order, 36 FCC Rcd at 17007, para. 35; *T-Mobile-Sprint Order*, 34 FCC Rcd at 10614-15, para. 87; *AT&T-Leap Order*, 29 FCC Rcd at 2753, para. 41.

<sup>&</sup>lt;sup>36</sup> The initial HHI screen identifies, for further case-by-case market analysis, those markets in which, post-transaction: (1) the HHI would be greater than 2800 and the change in HHI would be 100 or greater; or (2) the change in HHI would be 250 or greater, regardless of the level of the HHI. *See*, *e.g.*, *Verizon-TracFone Order*, 36 FCC Rcd at 17007, para. 35 & n.97; *T-Mobile-Sprint Order*, 34 FCC Rcd at 10614-15, para. 87 & n.277; *AT&T-Leap Order*, 29 FCC Rcd at 2753, para. 41 & n.140.

available for the provision of mobile telephony/broadband services, post-transaction.<sup>37</sup> We do not apply the HHI screen for the reasons articulated in the *Verizon-TracFone Order*,<sup>38</sup> and neither do we apply the spectrum screen because there is no transfer of spectrum implicated by the instant transaction. Finally, and similarly to our competitive review in the *Verizon-TracFone Order*,<sup>39</sup> Commission staff conducted an upward pricing pressure (UPP) analysis.<sup>40</sup> The results of this analysis indicate that significant unilateral competitive effects are unlikely as a result of this transaction.

- 9. Regarding potential vertical effects, the proposed transaction raises concerns regarding whether the addition of Mint Mobile and Ultra Mobile to T-Mobile's portfolio of wireless brands increases the likelihood of foreclosure or price increases by T-Mobile in the wholesale market. As the Commission has long recognized, a vertical merger may increase a merged firm's incentive to "raise rivals' costs either by foreclosing supply of the input it sells downstream competitors or by raising the price at which it sells the input to competitors." The integrated firm will foreclose or raise input prices if the profits gained in the downstream (retail) market exceed the profits lost in the upstream (wholesale) market.
- 10. Regarding vertical foreclosure concerns, the Applicants state that neither Mint Mobile nor Ultra Mobile are necessary distribution channels for other MNOs because Mint Mobile and Ultra Mobile are already exclusive to T-Mobile.<sup>43</sup> In addition, the Applicants argue that: (1) MVNOs are highly differentiated and target distinct consumer groups; and (2) other MNOs compete aggressively for MVNO wholesale business.<sup>44</sup> DISH, however, raises concerns about the transaction on the ground that the acquisition of another MVNO by T-Mobile increases T-Mobile's incentive to discriminate against the remaining independent MVNOs.<sup>45</sup> In addition, on April 15, 2024, Lyca Mobile,<sup>46</sup> which has an exclusive

<sup>&</sup>lt;sup>37</sup> See, e.g., Verizon-TracFone Order, 36 FCC Rcd at 17007, para. 35; T-Mobile-Sprint Order, 34 FCC Rcd at 10614-15, para. 87; see also Policies Regarding Mobile Spectrum Holdings, Expanding the Economic and Innovation Opportunities of Spectrum Through Incentive Auctions, WT Docket No. 12-269, Report and Order, 29 FCC Rcd 6133, 6140-41, para. 13 (2014).

<sup>&</sup>lt;sup>38</sup> Verizon-TracFone Order, 36 FCC Rcd at 17007-08, paras. 35-37.

<sup>&</sup>lt;sup>39</sup> Verizon-TracFone Order, 36 FCC Rcd at 17010, para. 41. Commission staff calculated the net UPP index that was first proposed by Farrell and Shapiro. Joseph Farrell & Carl Shapiro, Antitrust evaluation of horizontal mergers: An economic alternative to market definition, 10 The BE Journal of Theoretical Economics 1 at 2 (2010).

<sup>&</sup>lt;sup>40</sup> The Commission previously has calculated UPP indices as an additional preliminary screen for potential unilateral effects. See, e.g., *T-Mobile-Sprint Order*, 34 FCC Rcd at 10636, para. 129 & n.447; *AT&T-Leap Order*, 29 FCC Rcd at 2765-66, paras. 70-71; *T-Mobile-MetroPCS Order*, 28 FCC Rcd at 2341, para. 55.

<sup>&</sup>lt;sup>41</sup> Verizon-TracFone Order, 36 FCC Rcd at 17017, para. 56; General Motors Corporation and Hughes Electronics Corporation, Transferors and the News Corporation Limited, Transferee, for Authority to Transfer Control, MB Docket No. 03-124, 19 FCC Rcd 473, 510, para. 78 (2004) (News Corp.-Hughes Order); see also Applications of Comcast Corporation, General Electric Company and NBC Universal, Inc. for Consent to Assign Licenses and Transfer Control of Licensees, MB Docket No. 10-56, Memorandum Opinion and Order, 26 FCC Rcd 4238, 4250-51, para. 29 (2011) (Comcast-NBC Universal Order); see generally Michael H Riordan and Steven C. Salop, Evaluating Vertical Mergers: A Post-Chicago Approach, 63 Antitrust L. J. 519 (1995) (Riordan and Salop (1995)) (discussing how vertical mergers may increase the incentive and ability of the merged firm to foreclose or raise the costs of rivals); Jeffrey Church, Vertical Mergers, 2 Issues in Competition Law and Policy 1461 (2008) (same); Patrick Rey and Jean Tirole, A Primer on Foreclosure, 3 Handbook of Industrial Organization 2170 (2007) (same).

<sup>&</sup>lt;sup>42</sup> Riordan and Salop (1995) at 528.

<sup>&</sup>lt;sup>43</sup> T-Mobile June 5, 2023 *Ex Parte* at 7.

<sup>&</sup>lt;sup>44</sup> T-Mobile June 5, 2023 *Ex Parte* at 7.

<sup>&</sup>lt;sup>45</sup> DISH Dec. 18, 2023 Ex Parte at 3.

<sup>&</sup>lt;sup>46</sup> Lyca Mobile is the world's largest international MVNO, serving over 16 million customers worldwide; however, its footprint in the United States is markedly lower, with approximately 542,000 customers at the end of 2023. *Ex* (continued....)

MVNO agreement with T-Mobile, requested that the Commission deny the transaction, echoing DISH's concern of potential post-transaction discrimination against independent MVNOs.<sup>47</sup> Further, Lyca argues that T-Mobile has violated its MVNO commitments in the *T-Mobile-Sprint Order*<sup>48</sup> and also violated its MVNO obligations under the U.S. Department of Justice Final Judgment (DOJ Final Judgment).<sup>49</sup>

- 11. On April 18, 2024, T-Mobile responded to Lyca's *ex parte*, asserting that: (1) Lyca failed to allege any specific violation of T-Mobile's MVNO commitments in the *T-Mobile-Sprint Order*;<sup>50</sup> (2) the Commission is not the proper venue for raising the claim that T-Mobile violated the DOJ Final Judgment in connection with the T-Mobile/Sprint merger;<sup>51</sup> and (3) regarding Lyca's specific allegations related to a contractual disagreement between Lyca and T-Mobile, which is currently being litigated in state court,<sup>52</sup> that contractual dispute does not arise out of the transaction.<sup>53</sup>
- 12. Concerning Lyca's specific allegations that T-Mobile violated its MVNO agreement with Lyca, we agree with T-Mobile that the contractual dispute between T-Mobile and Lyca is not transaction-specific and that the appropriate venue for resolving this contractual disagreement is the state court where the case is being litigated. We also find that Lyca's assertion that T-Mobile violated the terms of the DOJ Final Judgment in its dealings with Lyca is not merger-specific, but rather related to its commercial dispute with T-Mobile and that, as a result, this is not the appropriate proceeding for resolving such allegations. While Lyca argues that T-Mobile has violated its MVNO commitments in the *T-Mobile-Sprint Order*, we note that T-Mobile's MVNO commitments only involved Sprint's MVNO agreement with Altice.<sup>54</sup>
- 13. Regarding DISH's and Lyca's more general assertion that T-Mobile will have an increased incentive to discriminate against independent MVNOs, we note, as discussed above that, under certain circumstances, a vertical merger could increase the incentive of the merged firm to foreclose or raise the costs of downstream or upstream rivals. In this case, T-Mobile is required under provision VII.A-B of the DOJ's Amended Final Judgment in connection with the T-Mobile/Sprint merger, "to extend existing MVNO agreements on their existing terms . . . until expiration of this Final Judgment" in

<sup>&</sup>lt;sup>47</sup> Lyca Apr. 15, 2024 *Ex Parte* at Exec. Summary, 2-4, 15. Lyca asserts that it "has struggled over the past several years to obtain basic functionalities from T-Mobile, such as eSIM and access to T-Mobile's 5G standalone architecture, and to get T-Mobile to fairly observe the terms of its MVNO agreement." Lyca Apr. 15, 2024 *Ex Parte* at Exec. Summary, 10-13.

<sup>&</sup>lt;sup>48</sup> Lyca Apr. 15, 2024 Ex Parte at 7-8.

<sup>&</sup>lt;sup>49</sup> Lyca Apr. 15, 2024 Ex Parte at 8, 12-14.

<sup>&</sup>lt;sup>50</sup> T-Mobile Motion to Dismiss at 2, 4-5 (filed Apr. 18, 2024) (T-Mobile Apr. 18, 2024 Motion).

<sup>&</sup>lt;sup>51</sup> T-Mobile Apr. 18, 2024 Motion at 5.

<sup>&</sup>lt;sup>52</sup> Lyca Apr. 15, 2024 Ex Parte at 3-6.

<sup>&</sup>lt;sup>53</sup> T-Mobile Apr. 18, 2024 Motion at 2-4.

<sup>&</sup>lt;sup>54</sup> T-Mobile stated that it "has publicly represented that New T-Mobile will honor the terms of existing Sprint and T-Mobile MVNO agreements," but did not make this a commitment. Its only MVNO commitment involved Sprint's MVNO agreement with Altice. *T-Mobile-Sprint Order*, 34 FCC Rcd at 10807, Appx. G: Applicants' Commitments.

2027 and "to support eSIM technology on smartphones." Nevertheless, we will continue to closely monitor the MVNO marketplace, and we will not hesitate to exercise Commission jurisdiction should the public interest, convenience, and necessity, so require. Further, to the extent the Commission receives allegations of anticompetitive conduct regarding T-Mobile's relations with MVNOs, which might also violate provision VII.A-B of the Amended DOJ Final Judgment, the Commission will review such concerns and may coordinate with the DOJ in any investigation by the DOJ or Monitoring Trustee regarding such claims.

- 14. Potential Public Interest Benefits. After assessing the potential competitive harms of the proposed transaction, we next consider whether the proposed transaction is likely to generate verifiable, transaction-specific public interest benefits. The Commission has recognized that efficiencies generated through a transaction can mitigate competitive harms "if such efficiencies enhance the merged firm's ability and incentive to compete and therefore result in lower prices, improved quality, enhanced service or new products."<sup>56</sup> Moreover, the Commission will find a claimed benefit to be cognizable only if it is transaction-specific—meaning it naturally arises as a result of the transaction and likely could not be accomplished in the absence of the transaction<sup>57</sup>—and verifiable.<sup>58</sup> As discussed below, we anticipate that the proposed transaction likely would facilitate certain transaction-specific public interest benefits.
- 15. The Applicants state that T-Mobile will continue providing Mint Mobile and Ultra Mobile MVNO branded services, and as these MVNOs exclusively operate on the T-Mobile network, the Applicants assert that the transaction will be a seamless customer transition and these customers will continue to have access to T-Mobile's 5G network for the long-term.<sup>59</sup> The Applicants further state that the brands are complementary to T-Mobile's current prepaid service offerings, and claim that as a result of the transaction, there will be faster growth and the ability to reach more customers across the United States with high-quality plans at accessible prices.<sup>60</sup> According to the Applicants, T-Mobile's supplier relationships and distribution scale will enable these brands "to supercharge their ability to deliver more competitive offers and device pricing, greater device inventory, and expanded distribution."<sup>61</sup> The Applicants assert that MVNOs have higher costs than MNOs because they need to pay to access the underlying network.<sup>62</sup> The Applicants conclude that this transaction will reduce Mint Mobile's and Ultra Mobile's costs, claiming that this will allow them to grow faster and offer high-quality plans at accessible prices.<sup>63</sup>

<sup>&</sup>lt;sup>55</sup> United States v. Deutsche Telekom AG, T-Mobile US, Inc., Softbank Group Corp., Sprint Corp., and DISH Network Corporation, Amended Final Judgment, at 22 (filed Oct. 23, 2023), available at <a href="https://storage.courtlistener.com/recap/gov.uscourts.dcd.209577/gov.uscourts.dcd.209577.139.0.pdf">https://storage.courtlistener.com/recap/gov.uscourts.dcd.209577/gov.uscourts.dcd.209577.139.0.pdf</a>.

<sup>&</sup>lt;sup>56</sup> See, e.g., Verizon-TracFone Order, 36 FCC Rcd at 17025-26, para. 73; T-Mobile-Sprint Order, 34 FCC Rcd at 10671, para. 214; T-Mobile-MetroPCS Order, 28 FCC Rcd at 2342, para. 57.

<sup>&</sup>lt;sup>57</sup> See, e.g., Verizon-TracFone Order, 36 FCC Rcd at 17025-26, para. 73; *T-Mobile-Sprint Order*, 34 FCC Rcd at 10671, para. 214; see also *T-Mobile-MetroPCS Order*, 28 FCC Rcd at 2342, para. 58.

<sup>&</sup>lt;sup>58</sup> See, e.g., Verizon-TracFone Order, 36 FCC Rcd at 17025-26, para. 73; *T-Mobile-Sprint Order*, 34 FCC Rcd at 10671, para. 214; *T-Mobile-MetroPCS Order*, 28 FCC Rcd at 2342, para. 58.

<sup>&</sup>lt;sup>59</sup> Mint Mobile Application at 5; UVNV Application at 5; T-Mobile June 5, 2023 Ex Parte at 4, 8-9.

<sup>&</sup>lt;sup>60</sup> Mint Mobile Application at 6; UVNV Application at 6; Information Request Narrative Response at 2; T-Mobile June 5, 2023 *Ex Parte* at 5; *see also* Center for Individual Freedom Comments at 2; Center for Workforce Inclusion Comments at 2.

<sup>&</sup>lt;sup>61</sup> Mint Mobile Application at 6; UVNV Application at 6; Information Request Narrative Response at 2-4; T-Mobile June 5, 2023 *Ex Parte* at 5; *see also* Information Technology and Innovation Foundation Comments at 2; Center for Workforce Inclusion Comments at 1; SER National Comments at 2.

<sup>&</sup>lt;sup>62</sup> T-Mobile June 5, 2023 *Ex Parte* at 5.

<sup>&</sup>lt;sup>63</sup> T-Mobile June 5, 2023 Ex Parte at 5.

- 16. Each of the ten commenters articulated reasons why there will be benefits post-transaction. For example, Center for Workforce Inclusion asserts that the transaction will yield many benefits for consumers nationwide, including those in underserved areas, because Mint Mobile and Ultra Mobile will expand more quickly while continuing to offer affordable, high-quality service. Likewise, Silicon Harlem requests that the Commission "carefully consider the potential positive impact this transaction can have on expanding affordable wireless access and promoting digital equity." In particular, SER National states that T-Mobile's acquisition would be a positive step for immigrant communities and communities in which English is a second language, where high-quality prepaid plans play an especially important role. In addition, Capital Region Chamber, which represents more than 2,600 businesses and organizations from throughout the Capital Region, asserts that the transaction would further develop each company's respective strengths and expand their reach benefiting Capital Region businesses and residents, including by lowering costs and increasing access to devices.
- 17. We have reviewed the Applicants' claimed transaction-specific benefits regarding lower operational costs, improved supplier relationships and greater device purchasing power, and expanded distribution. After careful analysis, we find that the elimination of double marginalization will reduce Ka'ena's costs of serving its customers. This should enable the two MVNOs to lower prices or improve service package characteristics, thus benefitting their subscribers. We also give some credit to T-Mobile's claim that the merger will give Mint Mobile and Ultra Mobile greater device purchasing power and expanded distribution. T-Mobile's larger subscriber base as compared to Ka'ena means that Ka'ena's customers likely will benefit from the greater bargaining power of the merged entity post-transaction. Finally, we find that a more extensive retail distribution channel is a partially creditable benefit of the transaction.
- 18. Other Public Interest Issues: Handset Unlocking. In a February 5, 2024 ex parte, the Public Interest Groups express concern over the "impact of the loss of these maverick MVNOs on the wireless market, including that consumers may face unnecessary obstacles when switching wireless

<sup>&</sup>lt;sup>64</sup> Center for Workforce Inclusion Comments at 2; *see also* Capital Region Chamber Comments at 1 (urging the Commission "to approve the transaction given the connectivity challenges that rural communities continue to face").

<sup>&</sup>lt;sup>65</sup> Silicon Harlem Comments at 2.

<sup>&</sup>lt;sup>66</sup> SER National Comments at 2; see also Hispanic Leadership Fund Comments.

<sup>&</sup>lt;sup>67</sup> Capital Region Chamber Comments at 1.

<sup>&</sup>lt;sup>68</sup> T-Mobile June 5, 2023 *Ex Parte* at 5.

<sup>&</sup>lt;sup>69</sup> The Commission has previously credited efficiencies generated through the elimination of double marginalization. *See, e.g., Verizon-TracFone Order,* 36 FCC Rcd at 17012-13, paras. 44-45; *Applications of Charter Communications, Inc., Time Warner Cable Inc., and Advance/Newhouse Partnership For Consent to Assign or Transfer Control of Licenses and Authorizations, MB Docket No. 15-149, Memorandum Opinion and Order, 31 FCC Rcd 6327, 6501, para. 373 (2016); <i>Comcast-NBC Universal Order,* 26 FCC Rcd at 4335, para. 237 (finding that the elimination of double marginalization will result in some benefits for consumers); *News Corp.-Hughes Order,* 19 FCC Rcd at 544-45, paras. 154-56 (agreeing that vertical integration can reduce prices by reducing double marginalization).

<sup>&</sup>lt;sup>70</sup> T-Mobile June 5, 2023 *Ex Parte* at 5; *Verizon-TracFone Order*, 36 FCC Rcd at 17026-27, para. 76; *Comcast-NBC Universal Order*, 26 FCC Rcd at 4335, para. 237 (explaining that it is well accepted that a vertical merger may result in lower prices because the "combined firm will see its combined marginal costs as lower than the two firms did separately, and it will price accordingly").

<sup>&</sup>lt;sup>71</sup> T-Mobile June 5, 2023 Ex Parte at 5-6; Verizon-TracFone Order, 36 FCC Rcd at 17027, 17029-30, paras. 77, 89-90.

<sup>&</sup>lt;sup>72</sup> T-Mobile's subscriber numbers are based on the December 2022 Numbering Resource Utilization/Forecast (NRUF) data. *See* T-Mobile June 5, 2023 *Ex Parte* at 7 (Ka'ena's subscriber numbers).

providers."<sup>73</sup> These groups urge the Commission to adopt conditions requiring T-Mobile to "commit to a shorter unlocking period."<sup>74</sup> Following the submission of the Public Interest Groups' *ex parte*, DISH submitted an *ex parte* in support of the unlocking conditions proposed therein.<sup>75</sup>

- 19. On April 23, 2024, T-Mobile filed certain voluntary commitments to address the public interest issue of handset unlocking.<sup>76</sup> In brief, T-Mobile has, subject to certain conditions and limitations, committed to implementing a 60-day unlocking period for all Mint Mobile and Ultra Mobile devices activated on the T-Mobile network both pre- and post-closing. T-Mobile has also committed to provide for automatic unlocking of all such devices that are capable of automatic unlocking and that have been activated with Mint Mobile or Ultra Mobile for at least 60 days. In addition, no later than two years after closing, T-Mobile will ensure that all new Mint Mobile and Ultra Mobile devices will be capable of automatic unlocking. T-Mobile will provide notice to all covered customers of the unlocking policy via text message at no cost to the consumer.<sup>77</sup> We find that these commitments, as detailed in Appendix A, will serve the public interest as they will make it easier for Mint Mobile and Ultra Mobile customers to switch service providers, and we accordingly adopt the commitments as conditions for our approval of the proposed international section 214 transfer.
- 20. *National Security Review*. In the *Public Notice*, the Commission found that the applications come within an exclusion from referral to the Executive Branch for review of the applications for national security, law enforcement, foreign policy and trade policy issues.<sup>78</sup> The Applicants argued that the applications should be exempt from referral for Executive Branch review because T-Mobile: (1) is subject to an agreement with an Executive Branch agency concerning national security and/or law enforcement, (2) there are no new reportable foreign owners of T-Mobile since the effective date of that agreement, and (3) T-Mobile agrees to continue to comply with the terms of that

<sup>&</sup>lt;sup>73</sup> Letter from Michael Calabrese, Director, Wireless Future Program, Open Technology Institute at New America, Jonathan Schwantes, Senior Policy Counsel, Consumer Reports, Jonathan Bergmayer, Legal Director, Public Knowledge, Andrew Jay Schwartzman, Senior Counselor, Benton Institute for Broadband & Security, to Marlene H. Dortch, Secretary, FCC, GN Docket No. 23-171, at 1 (filed Feb. 5, 2024) (Public Interest Groups Feb. 5, 2024 Ex Parte). These groups submitted a number of other ex parte letters, including several memorializing presentations made to staff in the Chairwoman's office, Commissioners Starks' and Gomez's offices, and WTB, OEA, and the Office of General Counsel, in which they urged the Commission to adopt the Public Interest Groups' handset unlocking proposal. See Letter from Nat Purser, Government Affairs Policy Advocate, Public Knowledge, Michael Calabrese, Director, Wireless Future Program, New America's Open Technology Institute, to Marlene H. Dortch, Secretary, FCC, GN Docket No. 23-171 (filed Feb. 21, 2024); Letter from Michael Calabrese, Director, Wireless Future Program, New America's Open Technology Institute, Harold Feld, Senior Vice President, Public Knowledge, to Marlene H. Dortch, Secretary, FCC, GN Docket No. 23-171 (filed Mar. 6, 2024); Letter from Michael Calabrese, Director, Wireless Future Program, New America's Open Technology Institute, to Marlene H. Dortch, Secretary, FCC, GN Docket No. 23-171 (filed Mar. 21, 2024): Letter from Michael Calabrese, Director, Wireless Future Program, New America's Open Technology Institute, to Marlene H. Dortch, Secretary, FCC, GN Docket No. 23-171 (filed Mar. 23, 2024).

<sup>&</sup>lt;sup>74</sup> Public Interest Groups Feb. 5, 2024 Ex Parte at 1-4.

<sup>&</sup>lt;sup>75</sup> Letter from Jeffrey H. Blum, DISH, to Marlene H. Dortch, Secretary, FCC, GN Docket No. 23-171 (filed Feb. 22, 2024). Although it did not sign on in support of the same unlocking conditions recommended by the Public Interest Groups and DISH, Verizon also filed an *ex parte* raising the issue of handset unlocking and urging the Commission to "assess the costs and benefits of an unlocking policy" more broadly. Letter from William H. Johnson, Senior Vice President, Verizon, to Marlene H. Dortch, Secretary, FCC, GN Docket No. 23-171 (filed Mar. 19, 2024).

<sup>&</sup>lt;sup>76</sup> T-Mobile Apr. 23, 2024 Commitments Letter.

<sup>&</sup>lt;sup>77</sup> T-Mobile Apr. 23, 2024 Commitments Letter.

<sup>&</sup>lt;sup>78</sup> Public Notice at 2 (citing Process Reform for Executive Branch Review of Certain FCC Applications and Petitions Involving Foreign Ownership, IB Docket 16-155, Report and Order, 35 FCC Rcd 10927, 10938-42, paras. 29-39 (2020) (Executive Branch Review Process Order)).

agreement.<sup>79</sup> Based on the representations from the Applicants, the Commission exercised its discretion and did not refer the applications to the Executive Branch at that time,<sup>80</sup> although it did provide a courtesy copy of the *Public Notice* to the Executive Branch agencies.<sup>81</sup>

- 21. On May 26, 2023, pursuant to Executive Order 13913, the DOJ, on behalf of the Committee, requested that the Commission refer the applications to the Committee for review to determine whether they pose a risk to the national security or law enforcement interests of the United States. On June 2, 2023, the Commission referred the applications to the Committee for its review. On June 6, 2023, the Committee notified the Commission that it was reviewing the applications and on September 25, 2023, notified the Commission that it had begun its initial, 120-day review to assess whether granting the applications will pose a risk to the national security or law enforcement interests of the United States. States.
- 22. On December 26, 2023, NTIA filed a letter stating that the Committee "has no recommendation at this time to the Commission approving the application[s] and no objection to the Commission granting [them]." NTIA also filed a letter from T-Mobile to the Committee clarifying that "the Mint Mobile and Ultra Mobile assets T-Mobile obtains as a result of the proposed transaction will be subject to any T-Mobile mitigation agreement in effect and will be operated consistent with the agreement's requirements." Taking into consideration the recommendation of the Committee, we find that the applications do not raise national security, law enforcement, foreign policy, or trade policy concerns that would require imposition of special conditions on grant of the applications.
- 23. Conclusion. Based on our evaluation of the likely competitive effects, and in light of the benefits resulting from the merger and the voluntary commitments that T-Mobile has made concerning handset unlocking, which we make as a condition of our approval, we find that the proposed transfer will serve the public interest, convenience, and necessity.

# III. ORDERING CLAUSES

24. ACCORDINGLY, having reviewed the Applications and the record in this matter, IT IS ORDERED that, pursuant to sections 4(i) and (j), and 214 of the Communications Act of 1934, as amended, 47 U.S.C. §§ 154(i), 154(j), 214, and sections 63.18 and 63.24 of the Commission's rules, 47 CFR §§ 63.18 and 63.24, and pursuant to the authority delegated under sections 0.19, 01.31, 0.331 and

<sup>&</sup>lt;sup>79</sup> Mint Mobile Application at 13; UVNV Application at 13 (citing *T-Mobile-Sprint Order*, 34 FCC Rcd 10578, 10734-35, paras. 353-54).

<sup>&</sup>lt;sup>80</sup> Public Notice at 2 (citing Executive Branch Review Process Order, 35 FCC Rcd at 10941, 10957-58, para. 36 & n.99, para. 81 & n.205).

<sup>81</sup> Public Notice at 2 (citing Executive Branch Review Process Order, 35 FCC Rcd at 10939, para. 30 & n.81).

<sup>&</sup>lt;sup>82</sup> Letter from Christopher R. Clements, Attorney Advisor, Foreign Investment Review Section, National Security Division, U.S. Department of Justice, to Marlene H. Dortch, FCC, GN Docket No. 23-171 (filed May 26, 2023).

<sup>&</sup>lt;sup>83</sup> Non Streamlined International Applications/Petitions Accepted For Filing, Report No. TEL-02280NS, Public Notice (OIA June 2, 2023).

<sup>&</sup>lt;sup>84</sup> Letter from Christopher R. Clements, Attorney Advisor, Foreign Investment Review Section, National Security Division, U.S. Department of Justice, to Marlene H. Dortch, FCC, GN Docket No. 23-171 (filed June 6, 2023).

<sup>&</sup>lt;sup>85</sup> Letter from Elizabeth K. McIntyre, Attorney Advisor, Foreign Investment Review Section, National Security Division, U.S. Department of Justice, to Marlene H. Dortch, FCC, GN Docket No. 23-171 (filed Sept. 25, 2023).

<sup>&</sup>lt;sup>86</sup> NTIA Dec 23, 2023 Letter at 1.

<sup>&</sup>lt;sup>87</sup> Letter from Mary Jean Fell, Vice President, Legal, T-Mobile US, Inc. to Christopher R. Clements, Attorney Advisor, Foreign Investment Review Section, National Security Division, U.S. Department of Justice, dated November 29, 2023 filed in GN Docket No. 23-171 by NTIA (filed Dec. 26, 2023) (citing Mint Mobile Application at 13; UVNV Application at 13).

0.351 of the Commission's rules, 47 CFR §§ 0.19, 0.131, 0.331 and 0.351, the Applications for Consent to Transfer Control of Mint Mobile's and UVNV's international section 214 authorizations from Ka'ena to T-Mobile are GRANTED to the extent specified in this Memorandum Opinion and Order and subject to the conditions specified herein, including Appendix A.

- 25. IT IS FURTHER ORDERED that the conditions incorporated herein shall continue to apply until they expire by their own terms as expressly stated or as otherwise provided in Appendix A.
- 26. IT IS FURTHER ORDERED that pursuant to section 1.103 of the Commission's rules, 47 CFR § 1.103, this Memorandum Opinion and Order SHALL BE EFFECTIVE upon release. Petitions for reconsideration under section 1.106 or applications for review under section 1.115 of the Commission's rules, 47 CFR §§ 1.106, 1.115, may be filed within 30 days of the date of this Memorandum Opinion and Order.

FEDERAL COMMUNICATIONS COMMISSION

M. Ethan Lucarelli Chief Office of International Affairs

Joel Taubenblatt Chief Wireless Telecommunications Bureau

#### APPENDIX A

### **T-Mobile's Commitments**



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April 23, 2024

VIA ECFS

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

Re: Notification of Written *Ex Parte* Presentation
Applications of T-Mobile US, Inc. and Ka'ena Corporation for Transfer Control of International Section 214 Authority Held by Mint Mobile, LLC and UVNV, Inc.;
GN Docket No. 23-171

Dear Ms. Dortch:

T-Mobile US, Inc. ("T-Mobile"), by its counsel, hereby submits this written *ex parte* presentation in the above-referenced docket pursuant to Section 1.1206(b) of the Commission's Rules, 47 C.F.R. § 1.1206(b). T-Mobile believes that the public interest benefits of its proposed acquisition of the Mint Mobile and Ultra Mobile wireless brands and their customers are clear and compelling and that no credible competitive concerns have been raised with respect to the proposed transaction. Nevertheless, in order to facilitate prompt grant of the applications, T-Mobile submits the following voluntary commitments to be conditions to the grant of the T-Mobile/Ka'ena Corporation transfer of control applications:

Within 60 days of the closing of the transaction, T-Mobile commits to implement an unlocking policy applicable to all Mint Mobile and Ultra Mobile devices activated on the T-Mobile network both pre- and post-closing. Specifically, within 60 days after closing T-Mobile will:

 Automatically unlock existing Mint Mobile and Ultra Mobile devices that are capable of automatic unlocking if they have been activated on the T-Mobile network for at least 60 days and are not currently on a device financing plan;<sup>1</sup>

<sup>&</sup>lt;sup>1</sup> For all commitments listed herein, if a customer pays off the balance of a device financing plan, the device will be automatically unlocked (or be capable of manual unlocking), assuming 60 days have passed after activation of the device on the T-Mobile network.



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- 2) Automatically unlock *new* and existing Mint Mobile and Ultra Mobile devices that are capable of automatic unlocking and that are not currently on a device financing plan 60 days after they have been activated on the T-Mobile network;
- 3) Provide Mint Mobile and Ultra Mobile customers with a manual means for unlocking existing devices that are not capable of automatic unlocking and are not currently on a device financing plan if they have been activated on the T-Mobile network for 60 days;
- 4) Provide Mint Mobile and Ultra Mobile customers with a manual means for unlocking new and existing devices that are not currently on a device financing plan and are not capable of automatic unlocking 60 days after they have been activated on the T-Mobile network:
- 5) At the time a Mint Mobile or Ultra Mobile device that is not capable of automatic unlocking is eligible for unlocking, provide customers with clear instructions as to how the device may be manually unlocked;
- 6) No later than 24 months after the closing of the transaction, ensure that all new Mint Mobile and Ultra Mobile devices the company offers are capable of automatic unlocking;
- 7) Within 60 days after closing the transaction, provide notice of the above unlocking policy to existing Mint Mobile and Ultra Mobile customers via text message at no cost to the customer (in particular, such notification will identify relevant website resources regarding unlocking);
- 8) Beginning 60 days after closing, notify new Mint Mobile and Ultra Mobile customers of the applicable unlocking policies upon activation of their new device via text message at no cost to the customer (in particular, such notification will identify relevant website resources regarding unlocking); and
- 9) Report to WTB and OEA the total number of locked Mint Mobile and Ultra Mobile devices activated on the T-Mobile network, and of that the total number of locked devices that are capable of automatic unlocking, within 60 days of closing the transaction and again on the first and second anniversary of the transaction's closing, after which time all new devices offered to Mint Mobile and Ultra Mobile customers must be capable of automatic unlocking.



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Note, however, that T-Mobile will not unlock devices that it determines within 60 days of activation as likely purchased through fraudulent means (until standard fraud investigation practices have determined there is no likely fraud), or as otherwise required by law.

For the avoidance of doubt, the above unlocking policies will continue to apply to the Mint Mobile and Ultra Mobile brands if sold or rebranded. In addition, if the Mint Mobile and Ultra Mobile brands are subsumed into another T-Mobile brand, these unlocking policies will continue to apply to existing Mint Mobile and Ultra Mobile customers as of the time the affected brand is subsumed (*i.e.*, these customers will be grandfathered with respect to the above unlocking policy).

In view of the record in this proceeding and the commitments submitted herewith, T-Mobile requests prompt grant of the T-Mobile/Ka'ena Corporation applications for transfer of control as serving the public interest.

Please direct any questions regarding the foregoing to the undersigned counsel for T-Mobile.

Respectfully submitted,

Nancy J. Victory

Nancy J. Victory

cc: Stacy Ferraro
Judith Dempsey
Karen Johnson
Joel Rabinovitz
Garnet Hanly
Susannah Larson
Cameron Duncan