



## Before the

In the Matter of )  
Applications of T-Mobile and UScellular )  
For Consent to Transfer of Control and ) GN Docket No. 24-286  
Assignment of Certain Spectrum Licenses, )  
Authorizations, and Spectrum Leases Held by )  
UScellular to T-Mobile

## Comments of the American Consumer Institute

The American Consumer Institute (“ACI”) is a nonprofit 501(c)(3) education and research organization. Its mission is to identify, analyze, and protect the interests of consumers in legislative and rulemaking proceedings in information technology, health care, insurance, and other matters.

ACI hereby submits comments to the Federal Communications Commission (“Commission”) in support of applications of T-Mobile US, Inc. (“T-Mobile”) and United States Cellular Corp. (“USCellular”) for approval to transfer control of certain licenses and authorizations.

## Background

The national wireless ecosystem plays an important role in the lives of millions of Americans. Every day this wireless ecosystem enables Americans to communicate over vast distances and connect online by utilizing cell phones and other connected devices. According to Pew Research Center, 98 percent of Americans own a cell phone and 91 percent own a smartphone; these numbers have grown significantly over time.<sup>1</sup> This near-universal coverage is made possible by a robust and competitive U.S. wireless market that is supported by a growing

<sup>1</sup> “Mobile Fact Sheet,” Pew Research Center, November 13, 2024, <https://www.pewresearch.org/internet/fact-sheet/mobile/>.

number of carriers like Verizon, T-Mobile, and AT&T that each operate vast state-of-the-art 5G networks.<sup>2</sup>

In May, T-Mobile announced its \$4.4 billion plan to obtain UScellular's customer base, wireless operations, and 30 percent of its licensed spectrum, while leaving the company with its cell towers and remaining spectrum.<sup>3</sup> This merger would both enhance market competition and yield substantial benefits to consumers such as lower price options and faster network speeds. It would also allow T-Mobile to accelerate the deployment of its 5G network in underserved regions of the country, specifically rural areas where UScellular already has a footprint.

For these reasons, ACI strongly recommends that the Commission approve the transaction for consumers' benefit.

### **The proposed merger would benefit consumers and the wireless landscape**

The proposed transaction is motivated by T-Mobile and UScellular's desire to improve network capabilities and provide better services for consumers, both in the public's interest.

For instance, UScellular, which only serves around four and a half million mobiles across 21 states, has lost subscribership in recent years, hindering its ability to serve customers.<sup>4</sup> In a recent letter to this Commission, the company noted that this drop in subscribership could be attributed to a range of factors such as growing competition from traditional wireless providers and cable wireless providers, as well as being forced to take on "significant debt" just to purchase the mid-band spectrum needed to compete in 5G.<sup>5</sup> This loss in subscribership has, in turn, reduced cashflow that would have been available for spending on network enhancements and improving the customer experience.

However, were T-Mobile's bid to be approved by the Commission, that would quickly change. More resources would be dedicated to expanding network capacity and improving network speed and performance. UScellular customers would also save money since T-Mobile has announced that it will offer less expensive wireless services than UScellular is currently

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<sup>2</sup> "Wireless Telecommunications Carriers in the U.S. – Numbers of Businesses," IBISWorld, Updated January 2, 2025, <https://www.ibisworld.com/industry-statistics/number-of-businesses/wireless-telecommunications-carriers-united-states/>.

<sup>3</sup> "T-Mobile to Acquire UScellular Wireless Operations and Deliver Exceptional Value, a Superior 5G Experience and Unparalleled Benefits to Millions of Customers," T-Mobile, May 28, 2024, <https://www.t-mobile.com/news/business/uscellular-acquisition-operations-assets>.

<sup>4</sup> Paul Lipscombe, "T-Mobile deal 'essential' to UScellular's future, FCC told," Data Center Dynamics, October 14, 2024, <https://www.datacenterdynamics.com/en/news/t-mobile-deal-essential-to-uscellulars-future-fcc-told/>.

<sup>5</sup> "Re: Notice of *Ex Parte* Presentation, Applications of T-Mobile US, Inc. and United States Cellular Corporation for Consent to Transfer Control of Licenses and Authorizations," GN Docket No. 24-286, pp. 24-26, October 3, 2024, <https://www.fcc.gov/ecfs/document/100352474704/1>.

offering its customers.<sup>6</sup> Essentially, consumers would have the option to keep their old plan or move to a lower priced plan.

The benefits would be particularly pronounced for underserved Americans residing in rural locations. Approximately 41 percent of the population covered by UScellular live in such areas, which are financially and geographically challenging to connect.<sup>7</sup> Allowing T-Mobile to acquire UScellular's spectrum and assets would allow the company to better cover and serve these areas, such as through its in-home broadband service. It is also in line with the Commission's goal of helping close the digital divide and achieve universal connectivity for all Americans.<sup>8</sup>

### **The proposed merger would enhance market competition**

The proposed merger would enhance rather than hinder market competition. It is worth noting that UScellular is a struggling regional carrier that covers only 10 percent of the U.S. population, and yet accounts for just one percent of wireless connections nationwide.<sup>9</sup> That means the acquisition is not large enough to impact market concentration, pricing, or business strategies. It would simply allow T-Mobile to expand into rural and less densely populated areas of the country that badly need affordable, high-quality options.

The merger would also save a carrier that may well lack the necessary scale and resources to survive any other way and allow T-Mobile to assume two billion of UScellular's debt.<sup>10</sup> After all, UScellular continues to bleed both subscribers and revenue, a trend that shows no indication of slowing down.<sup>11</sup>

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<sup>6</sup> "Applications of T-Mobile US, Inc. and United States Cellular Corporation for Consent to Transfer Control of Licenses and Authorizations," Description of Transaction, Public Interest Statement, and Related Demonstrations, GN Docket No. 24-286, September 13, 2024, <https://www.fcc.gov/ecfs/document/109132166915081/10>.

<sup>7</sup> Adriana Rios Welton, "Connectivity for All is Achievable with an 'All of the Above' Approach," UScellular, May 24, 2023, <https://newsroom.uscellular.com/connectivity-for-all-is-achievable-with-an-all-of-the-above-approach/>.

<sup>8</sup> "Closing the Digital Divide for the Millions of Americans without Broadband," GAO, February 1, 2023, <https://www.gao.gov/blog/closing-digital-divide-millions-americans-without-broadband>.

<sup>9</sup> Eric Fruits, "Proposed T-Mobile/UScellular Merger," International Center for Law & Economics, December 17, 2024, <https://laweconcenter.org/resources/proposed-t-mobile-uscellular-merger/>.

<sup>10</sup> "UScellular and TDS Announce Sale of Wireless Operations and Select Spectrum Assets to T-Mobile for Approximately \$4.4 Billion in Cash and Assumed Debt," UScellular, May 28, 2024, <https://investors.uscellular.com/news/news-details/2024/UScellular-and-TDS-Announce-Sale-of-Wireless-Operations-and-Select-Spectrum-Assets-to-T-Mobile-for-Approximately-4.4-Billion-in-Cash-and-Assumed-Debt/default.aspx>.

<sup>11</sup> Kelly Hill, "UScellular continues to lose mobile customers amid sell-off," RCR Wireless News, November 4, 2024, <https://www.rcrwireless.com/20241104/carriers/uscellular-lose-customer>.

Moreover, the merger of firms in financial distress is totally acceptable unless there is concrete evidence of anticompetitive risks that would reduce consumer welfare. This is not the case. Because UScellular only has a small regional presence and continues to struggle financially, it does not influence national pricing or competition in any meaningful way. UScellular also tends to operate in places that T-Mobile does not, meaning a successful merger would not eliminate a provider but rather replace one with another that offers superior services.

It is also worth noting that the U.S. wireless market continues to be competitive, and prices are declining. As the International Center for Law & Economics recently noted, “the Consumer Price Index for wireless services has fallen by more than 20% over the past 15 years.”<sup>12</sup> Market leaders also face stiff competition from satellite providers like EchoStar, other wireless providers like Verizon and AT&T, and cable wireless providers like Xfinity Mobile that “offer competitive prices through bundled services.”<sup>13</sup>

In addition to these competitive benefits, 70 percent of UScellular’s spectrum assets will go to competing wireless carriers, thereby heightening market rivalry.<sup>14</sup> For instance, the deal would allow Verizon and AT&T to acquire valuable spectrum bands necessary for further developing their networks. In October, UScellular announced it would sell Verizon one billion dollars’ worth of its spectrum licenses.<sup>15</sup> That announcement also includes spectrum sales to two other mobile network carriers.<sup>16</sup> Separately, in November, UScellular announced it would sell AT&T one billion dollars’ worth of select spectrum assets.<sup>17</sup> However, both the AT&T and Verizon transactions are contingent upon the completion of the merger, making what this Commission decides extremely important.

T-Mobile appears to have taken other steps to satisfy concerns about the merger by attempting<sup>18</sup> to auction off potentially problematic spectrum holdings to ensure that it does not

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<sup>12</sup> Eric Fruits, “Proposed T-Mobile/UScellular Merger,” International Center for Law & Economics, December 17, 2024, <https://laweconcenter.org/resources/proposed-t-mobile-uscellular-merger/>.

<sup>13</sup> Ibid.

<sup>14</sup> “UScellular announces sale of select spectrum assets to AT&T for \$1.018 billion,” PR Newswire, November 7, 2024, <https://www.prnewswire.com/news-releases/uscellular-announces-sale-of-select-spectrum-assets-to-att-for-1-018-billion-302298164.html>.

<sup>15</sup> Gina Narcisi, “Verizon Spending Spree Continues: Telecom Giant To Buy \$1B In US Cellular Assets,” CRN, October 18, 2024, <https://www.crn.com/news/networking/2024/verizon-spending-spree-continues-telecom-giant-to-buy-1b-in-u-s-cellular-assets?itc=refresh>.

<sup>16</sup> Ibid.

<sup>17</sup> “UScellular announces sale of select spectrum assets to AT&T for \$1.018 billion,” UScellular, November 7, 2024, <https://investors.uscellular.com/news/news-details/2024/UScellular-announces-sale-of-select-spectrum-assets-to-ATT-for-1.018-billion/default.aspx>.

<sup>18</sup> Jake Neenan, “After Merger, T-Mobile Gets to Keep 800 MegaHertz Sepctrum,” Broadband Breakfast, October 23, 2024, <https://broadbandbreakfast.com/after-merger-t-mobile-gets-to-keep-800-megahertz-spectrum/>.

exceed the Commission’s “spectrum screen” or the “low band trigger for enhanced competitive review.”<sup>19</sup>

The fact is, the T-Mobile-UScellular merger would enhance competition and improve consumer welfare. The Commission should approve this transaction.

Thank you for the opportunity to provide these comments.

Respectfully submitted,

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<sup>19</sup> “Applications of T-Mobile US, Inc. and United States Cellular Corporation for Consent to Transfer Control of Licenses and Authorizations,” Description of Transaction, Public Interest Statement, and Related Demonstrations, GN Docket No. 24-286, September 13, 2024, <https://www.fcc.gov/ecfs/document/109132166915081/10>.