

BEFORE THE
FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D.C. 20554

In the Matter of)	
)	
Applications of Deutsche Telekom AG,)	
T-Mobile USA, Inc. and MetroPCS)	WT Docket No. 12-301
Communications, Inc.)	
)	
For Consent to Assign or Transfer Control of)	
Licenses and Authorizations)	

**COMMENTS OF
HYPERCUBE TELECOM, LLC**

HyperCube Telecom, LLC (“HyperCube”) submits these comments supporting grant of the applications (“Applications”) filed by Deutsche Telekom AG (“DT”), T-Mobile USA, Inc. (“T-Mobile”), and MetroPCS Communications, Inc. (“MetroPCS”) (collectively, “Applicants”) in connection with the proposed combination of T-Mobile and MetroPCS into a new entity that will adopt the T-Mobile name (the “Merger”).¹

DISCUSSION

HyperCube is a competitive local exchange carrier that is a leading provider of intermediate communications services that, among other benefits, allow seamless routing and completion of telephone traffic across diverse technology platforms and protocols. As such, HyperCube is a strong proponent of measures that advance the provision of innovative business

¹See Public Notice, Deutsche Telekom AG, T-Mobile USA, Inc. And MetroPCS Communications, Inc. Seek FCC Consent to the Transfer of Control of PCS Licenses and AWS-1 Licenses and Leases, One 700 MHz License, and International 214 Authorizations Held by MetroPCS Communications, Inc. and by T-Mobile USA, Inc. to Deutsche Telekom AG, WT Dkt. 12-301, DA 12-1730 (Oct. 26, 2012) (“Public Notice”).

solutions in competitive markets. By approving the proposed Merger, the Commission will promote accomplishment of this goal.

In particular, approval of the Merger will greatly enhance competition in the market for wireless services and help ensure that all consumers continue to have available a wide choice of affordable services and plans. This is particularly important at a time when many consumers, particularly those with limited resources, look exclusively to mobile service providers to meet their needs for both voice telephony and data services. Both T-Mobile and MetroPCS have demonstrated that they are aggressive competitors and value leaders in the wireless services market, and have stated that they intend to combine their technical and market expertise to continue and expand the Challenger Strategy that has made T-Mobile a disruptive national player.² Moreover, they intend to bring to customers throughout T-Mobile's national footprint the innovative pre-paid, flat rate, unlimited talk, text and data, no-contract service offerings now available to MetroPCS customers only on a regional basis.³

As shown in the Applications, significant consumer and market benefits are potentially achievable because the proposed Merger will allow the efficient combination of two smaller wireless service providers – the fourth-largest national provider and a regional provider serving just 19 markets – with complementary spectrum portfolios. Even post-Merger, the combined

² See Letter from Nancy J. Victory to Marlene H. Dortch, Secretary, Federal Communications Commission, WT Dkt. 12-301, enclosed redacted Description of Transaction, Public Interest Showing, and Related Demonstrations (“Public Interest Showing”) at 51.

³ *Id.* at i, 2; *see also* “T-Mobile-MetroPCS deal would expand LTE, no-contract services,” <https://www.computerworld.com/s/article/9231990/T-Mobile-MetroPCS-deal-would-expand-LTE-no-contract-services> (Oct. 3, 2012) (last visited Dec. 4, 2012); “T-Mobile-Metro PCS merger is more good news than bad for consumers,” <http://news.consumerreports.org/electronics/2012/10/t-mobile-metro-pcs-merger-is-more-good-news-than-bad-for-consumers.html> (Oct.3, 2012) (last visited Dec. 4, 2012) (merger offers promise of preserving strong pre-paid option).

entity still will be only the fourth-largest national carrier,⁴ but will be able to migrate customer services rapidly to a 4G LTE network in a spectrum-efficient manner, gaining even 20x20 MHz capability in some markets where guard bands will not be required.⁵ Nonetheless, the Merger appears unlikely to trigger the spectrum screen limits.⁶ Further, the Merger will bring to the combined entity not only new financial commitments from parent DT, but also greater access to public capital markets.⁷

To date, spectrum constraints and limitations of scale have hampered the growth and restricted the service offerings of both T-Mobile and MetroPCS.⁸ The Merger would greatly enhance the combined entity's ability to compete effectively⁹ against much larger rivals¹⁰ and to expand service offerings to existing and new customers. As a result of the combination, consumers will gain access to a greater choice of service plans, the latest devices, and a wider range of content and applications, while benefiting from the parties' rapid migration to LTE

⁴ Public Interest Showing at 52.

⁵ See, e.g., "T-Mobile and MetroPCS: A match in LTE heaven," <http://www.extremetech.com/electronics/137442-t-mobile-and-metropcs-a-match-in-lte-heaven> (Oct. 3, 2012) (last visited Dec. 4, 2012).

⁶ See Public Notice at 2 ("Preliminary review of the Applications indicates that . . . in markets in which there is geographical overlap the merged entity would hold a maximum of 110 megahertz of spectrum covering approximately 141 million people, or 46 percent of the population of the mainland United States."); see also Public Interest Showing at v.

⁷ See, e.g., "T-Mobile USA and MetroPCS to Combine, Creating Value Leader in U.S. Wireless Marketplace," Oct. 3, 2012, <http://newsroom.t-mobile.com/articles/t-mobile-metropcs-combine> (last visited Dec. 4, 2012).

⁸ See Public Interest Showing at ii-iii, 16, 23, 30, 31.

⁹ According to the Merger parties, the Merger is intended to provide the resulting entity with the "expanded scale, spectrum and financial resources to compete aggressively with its larger competitors." *Id.* at 2.

¹⁰ See *id.* at 8-9.

facilities. MetroPCS customers will gain access to a national footprint that will substantially reduce their off-network roaming, as well as the ability to add international service when traveling.

Given the manifest public interest benefits of the proposed Merger, it is not surprising that no party petitioned to deny the Applications by the November 26, 2012, deadline.¹¹ The combined resources of T-Mobile and MetroPCS and the resulting network synergies and increased enterprise scale promise to promote expansion of innovative service offerings and continued vigorous facilities-based competition in the spectrum-constrained wireless market.

CONCLUSION

For the foregoing reasons, HyperCube supports grant of the Applications and approval of the Merger by the Commission.

Respectfully submitted,

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¹¹ See Public Notice at 5. The National Security Division of the Department of Justice has requested additional time for government review of the proposed Merger. *Letter from Ty Brown, DOJ, to Ms. Marlene H. Dortch*, WT Dkt. 12-301 (Nov. 26, 2012). Neither of the two parties that filed comments to date oppose grant of the Applications. See *Comments of The Free State Foundation*, WT Dkt. 12-301 (Nov. 26, 2012) (urging the Commission to avoid imposing conditions on a grant of the Merger absent unique circumstances) and *Comments of The Communications Workers of America*, WT Dkt. 12-301 (Nov. 26, 2012) (urging the Commission to grant the Applications, subject to employment conditions).