

T-Mobile and Sprint: Everybody Likes a Last-Minute Play

By Reid Wells, J.D. Candidate 2020 | February 19, 2019

T-Mobile is making hail-Mary efforts to get public and government approval of the company's merger with Sprint. T-Mobile executives say the \$26.8 billion deal will lead to [\\$6 billion](#) in cost reductions and an overall better product for customers. Two weeks ago, Chief Executive John Legere [told](#) the U.S. Federal Communications Commission that T-Mobile will ensure "the same or better rate plans" for services up to three years post-merger.

Legere's pledge responds to fears that the merger will lead to higher prices for low-income customers who currently benefit from the prepaid plans offered by the two carriers. Sprint and T-Mobile have long battled over the lower income customer base, and combining the two prepaid services will likely result in higher prepaid fees.

Last April, [CNNMoney](#) discussed the probable implications of the T-Mobile-Sprint deal for wireless prices. Following the merger, there will only be three major wireless service providers in the United States — Verizon, AT&T, and T-Mobile. As former FCC commissioner Michael Copps said, less competition almost always means less focus on customer needs. Additionally, T-Mobile has boasted about the company's ability to deliver 5G to customers post-merger. However, the company's delivery of 5G may entail updating current operations and playing catch-up with AT&T and Verizon.

One thing is for certain: Switching from 4G to 5G will indeed improve efficiency and welcome T-Mobile — and its customer base — to the era of rapid fast speed and massive capacity on a single device. Many agree that more options, beyond AT&T and Verizon, would be refreshing. However, we are in the era of an unpredictable President Trump, who pivoted from his business-friendly stance and surprised many by suing to block the [\\$85 billion deal](#) between AT&T and Time Warner last year. A national security panel headed by the Treasury Department has already signed-off on T-Mobile's ambitions to acquire Sprint, but the Justice Department and FCC remain undecided.

For a deal that will likely take three years to merge customers, a three year promise to keep prices the same or better does not seem to be a lofty pledge. But, it may be a convenient one. Here's hoping the Justice Department doesn't do the math.

