



Peter Adderton
Founder and Former CEO, Boost Mobile USA

PRESS RELEASE

The National Wireless Independent Dealer Association (NWIDA) Joins Founder and Former CEO of Boost Mobile USA in Joint Statement that Sprint/T-Mobile Merger will be Devastating to Prepaid Customers and 30,000 Wireless Dealers in U.S.

LOS ANGELES, May 31, 2018 -- Adam Wolf, President of the National Wireless Independent Dealer Association (NWIDA) joins Peter Adderton, founder and former CEO of Boost Mobile USA, today in jointly expressing their concerns with the proposed merger of Sprint and T-Mobile as structured. The executives, both widely regarded as leading experts in the wireless industry, believe the combined new entity will create widespread devastation throughout the wireless ecosystem. Today's news follows on the heels of this week's launch of ALL4PRICE.COM, a website designed to educate all interested parties on some of the important issues and concerns that stem from the proposed Sprint/T-Mobile merger.

Together, Sprint and T-Mobile own Boost Mobile, MetroPCS and Virgin Mobile USA — three of the nation's dominant prepaid mobile brands, representing nearly 50 percent combined market share. The prepaid segment primarily serves young and credit-challenged consumers, most of whom are highly cost-sensitive. Wolf and Adderton believe the virtual monopoly in prepaid services that would result from the merger as proposed will crush any competitive forces in the market, ultimately resulting in higher prices to consumers, lower service quality and more onerous terms of service.

“One of my biggest issues with this merger is the lack of transparency we're getting from their executives about the future of the 30,000 independent wireless dealers in this country. These are often mom and pop shops with families and employees, and their future is now uncertain,” stated Adderton. “I also have serious concerns about the prepaid wireless impacts from the merger, where we lose one of the country's four primary wireless carriers and competitive forces drop sharply without divesting Boost Mobile and/or MetroPCS. In the prepaid segment, we stand to lose two of the dominant brands, because over time it's a forgone conclusion that they will merge the three brands into one to save money. I'm asking the FCC and DOJ to avoid a catastrophe and protect the 50 million citizens who rely on prepaid services by insisting that one or more of those prepaid brands be sold off as a condition of approving the deal.”

Wolf and Adderton have additional concerns about the merger's downstream impact on the wireless industry ecosystem, including the nation's 300 or so Mobile Virtual Network Operators (MVNOs). MVNOs are mobile service providers that don't own their own physical network infrastructure, but instead negotiate wholesale rates with the network operators, including Sprint, T-Mobile, AT&T and Verizon—then resell mobile plans under their own brand. Most MVNOs operate on slim margins today with four primary carrier networks in place. If the merger is approved without wholesale pricing protections in place, Wolf and Adderton believe MVNOs will see wholesale prices rise, leading many to lose money or close altogether.

The two executives also have serious concerns about the merger's effect on the country's 30,000 wireless dealers, both owned and independent, and their hundreds of thousands of employees. Most independent wireless dealers operate on thin margins, and many are set up to exclusively sell only one or two prepaid offerings. In the contemplated new environment, prices will ultimately rise and these



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dealers may be unable to make a sustainable profit. There are approximately 8,000 independently owned Boost Mobile retail stores and roughly 11,000 MetroPCS stores. Wolf and Adderton are confident that the new T-Mobile entity will unify their prepaid offerings under a single brand, effectively shuttering thousands of retail outlets.

“The proposed T-Mobile/Sprint merger, without the divestiture of one or more brands, would have costly consequences to all our member independent wireless dealers across the country and their employees,” said Adam Wolf, president of the NWIDA. “If the new T-Mobile is permitted to retain the Boost Mobile, MetroPCS and Virgin Mobile brands, it will clearly lead to consolidation, reduced competition and excessive control of the prepaid wireless market by a single carrier. That would be a devastating blow to our industry.”

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