

Forget 5G: Founder wants Boost Mobile back to keep prices for budget customers low

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Don't get sucked into the whole 5G marketing bubble—that's the message Peter Adderton, founder of Boost Mobile, has for wireless customers on a budget. Why? It's no revolution, he says, calling it merely

an evolution of wireless technology.

Oh, and while he's at it, he is trying to buy Boost back from Sprint, rather than have the nation's No. 4 wireless provider and would-be merger partner of T-Mobile peddle the discount prepaid wireless carrier to Dish Network. Adderton is willing to part with at least \$300 million to \$400 million more than the \$1.4 billion Dish is set to pay for Boost and other Sprint-owned prepaid brands.

Sprint agreed to divest its discount carrier brands as one of the conditions to get the Justice Department to approve the T-Mobile merger.

According to Adderton, Boost is substantially undervalued. He sees an opening since the T-Mobile-Sprint merger agreement expired Nov. 1 and the two companies are renegotiating the terms.

Adderton announced his intention to make an offer for Boost on CNBC Monday, the same day that T-Mobile made it known that CEO John Legere will step down at the end of April, and Chief Operating Officer Mike Sievert will assume the top post at a new post-merger T-Mobile.

Adderton has been a vocal critic of the merger from the outset, claiming Boost and T-Mobile's own Metro discount brand helped suppress prices for the kind of budget-focused customer who gravitates toward these and other prepaid providers.

"Metro and Boost competed against each other, were fierce rivals, and that is even fading today," Adderton said in an interview with U.S. TODAY.

The brands are examples of MVNO's (mobile virtual network operators), mobile companies that negotiate wholesale rates with all the major

carriers, then resell service under their own brand names.

As for 5G, Adderton dismisses the next generation of wireless as a reason to embrace a T-Mobile-Sprint combination.

For starters, he doesn't see any killer apps for 5G on the immediate horizon. "Don't tell me about autonomous cars and flying drones," he says.

What's more, he says, "the value for a low-income prepaid customer over the next three to four years on 5G is zero. You got to remember that prepaid customers are only on an iPhone 7 right now. ... They're not ponying up for a new 5G handset."

Adderton doesn't buy the argument that prices for 5G will remain low.

"Of course, they're going to pay the same price today because (5G) doesn't exist (yet). But when it does exist and it is nationwide and three years is up and all the promises that Johnny made over there at T-Mobile are now gone, consumers will be sitting there going, 'What happened?'"

Adderton says Legere's departure "makes a massive difference," since "the two guys who pioneered the transaction, (Legere and former Sprint CEO Marcelo Claure) "are not going to be around to see this out."

He doubts Legere will remain on the T-Mobile board long-term: "The fact that John is staying on the board is a joke. You and I both know you can't go from lead singer to drummer and make that a harmonious relationship."

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