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VIA ECFS

Marlene H. Dortch
Secretary
Federal Communications Commission
445 Twelfth Street, S.W.
Washington, DC 20554

Re: Applications of T-Mobile US, Inc. and Sprint Corporation for Consent to Transfer Control of Licenses and Authorizations; WT Docket No. 18-197

Dear Ms. Dortch:

Pursuant to Section 1.1206(b) of the Commission's Rules, 47 C.F.R. § 1.1206(b), notice is hereby provided of an oral *ex parte* presentation in the above-referenced docket. On February 8, 2019, John J. Legere, Chief Executive Officer of T-Mobile US, Inc. ("T-Mobile"), G. Michael Sievert, President and Chief Operating Officer of T-Mobile, Neville R. Ray, Executive Vice President and Chief Technology Officer of T-Mobile, and other representatives of T-Mobile and Sprint Corporation ("Sprint" and, collectively with T-Mobile, "Applicants")¹ met with Chairman Ajit Pai, Chief of Staff Matthew Berry, Senior Counsel Nicholas Degani, Wireless and International Advisor Rachael Bender, General Counsel Thomas M. Johnson, Jr., Wireless Telecommunications Bureau Chief Donald Stockdale, and T-Mobile/Sprint Transaction Team Leader David Lawrence and Deputies Catherine Matraves and Charles Mathias.

During the meeting, representatives of the Applicants described the public interest benefits of the proposed T-Mobile/Sprint transaction for consumers and competition. Mr. Legere emphasized that continuation and expansion of T-Mobile's Un-carrier strategy is a key rationale for – and benefit of – the merger and that on a standalone basis, neither T-Mobile nor Sprint could come close to providing the public interest benefits of the combined company.

¹ These other representatives were David A. Miller, Executive Vice President, General Counsel and Secretary of T-Mobile, Kathleen Ham, Senior Vice President, Government Affairs of T-Mobile, R. Michael Senkowski and the undersigned of DLA Piper LLP, Mark W. Nelson of Cleary Gottlieb Steen & Hamilton LLP, Vonya McCann, Senior Vice President, Government Affairs of Sprint, and Regina M. Keeney of Lawler, Metzger, Keeney & Logan, LLC.



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Specifically, and as detailed in the record of this proceeding,² the representatives noted that the merger would enable New T-Mobile to:

- Build a world-class 5G network with speed and capacity to deliver unprecedented services, meet rising consumer demand, and spur competition to win the global 5G race;
- Provide customers with more for less as a result of increased capacity and lower per subscriber costs of the network;
- Increase competition – with improved capacity, costs and scale, New T-Mobile will be able to go toe-to-toe with larger and more diversified competitors like AT&T, Verizon, Comcast, and Charter, forcing them to respond competitively in ways and with a magnitude not otherwise possible, to the ultimate benefit of all consumers;
- Provide 5G across America, including better wireless service, real choice and new stores for rural Americans; and
- Offer an alternative for in-home broadband and other verticals, saving consumers billions of dollars annually.

The representatives also underscored the incentive of the merged company, consistent with its business plan, to price aggressively and augment its Un-carrier initiatives for the benefit of consumers from Day One in order to build its customer base in anticipation of network capacity of the post-transition New T-Mobile.³ As Mr. Legere noted, the merged company will

² See *Applications of T-Mobile US, Inc. and Sprint Corporation for Consent to Transfer Control of Licenses and Authorizations*, WT Docket No. 18-197, Description of Transaction, Public Interest Statement, and Related Demonstrations (June 18, 2018); *Applications of T-Mobile US, Inc. and Sprint Corporation for Consent to Transfer Control of Licenses and Authorizations*, WT Docket No. 18-197, Joint Opposition of T-Mobile US, Inc. and Sprint Corporation (Sept. 17, 2018).

³ As detailed in the declaration of Peter Ewens, Executive Vice President, Corporate Strategy of T-Mobile, during the transition period New T-Mobile will be incentivized to maximize its customer base for the imminent ramp-up in capacity and launch of value-added 5G services. *Applications of T-Mobile US, Inc. and Sprint Corporation for Consent to Transfer Control of Licenses and Authorizations*, WT Docket No. 18-197, Description of Transaction, Public Interest Statement, and Related Demonstrations, App. D, Declaration of Peter Ewens, at ¶¶ 20-28 (June 18, 2018).



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be bound by a commitment to maintain the availability of existing wireless rate plans of both companies.⁴

In the meeting, the representatives also noted that in their declaration and merger simulation modeling, Mark Israel, Michael Katz and Bryan Keating (“IKK”) used conservative assumptions in concluding that the lower marginal costs and higher product quality of the New T-Mobile network will create downward pressure on New T-Mobile’s quality-adjusted prices for wireless service that will outweigh any upward pricing pressure. Moreover, New T-Mobile’s quality-adjusted prices will create competitive pressure on rivals to reduce their own prices and improve their own services. For these reasons, the merger will benefit not just New T-Mobile customers, but all consumers of wireless services.

The representatives also discussed the data available to measure substitution between carriers. They noted that, although porting data are readily available, and useful to identify immediate trends among customers who port their telephone numbers, porting data exclude information about the majority of switchers. As the companies have demonstrated, there are better, more accurate, more granular data available – like HarrisX and Nielsen – to measure substitution between carriers.⁵

The representatives additionally described how the increased capacity and better cost structure of the New T-Mobile Network will allow the company to expand into other businesses, bringing enhanced competition to those markets as well. The new 5G network’s speeds, capacity, and low prices will allow consumers to “cut the cord” and use their mobile wireless service as their broadband service both inside and outside the home and pocket the savings each month from eliminating an unnecessary and costly wired broadband bill. New T-Mobile will also offer an aggressively priced wireless in-home broadband solution to compete head-on with the traditional providers for those who require an-home solution. The Applicants have previously submitted into the record an economic study from Dr. Harold Furchtgott-Roth

⁴ Letter from John J. Legere, Chief Executive Officer of T-Mobile to Chairman Ajit Pai, Federal Communications Commission, WT Docket No. 18-197 (Feb. 4, 2019); Letter from Nancy J. Victory, Counsel for T-Mobile, to Marlene H. Dortch, Secretary, Federal Communications Commission, WT Docket No. 18-197 (Feb. 4, 2019).

⁵ See also Letter from Nancy J. Victory, Counsel for T-Mobile, to Marlene H. Dortch, Secretary, Federal Communications Commission, WT Docket No. 18-197 (Feb. 4, 2019).



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estimating that the increased broadband competition enabled by the merger could produce annual consumer savings of as much as \$13.65 billion per year by 2024.⁶

In closing, the representatives of T-Mobile highlighted the transformative impact of the merger for consumers and the 5G marketplace that neither company could accomplish alone. The unique combination of low and mid-band spectrum and network assets, and the resulting cost-savings of this combination, is a one-time opportunity to generate greater investment that is certain to catapult New T-Mobile forward with a superior 5G network that will spur competition, lower prices, and innovation in the United States.

Please direct any questions regarding the foregoing to the undersigned.

Respectfully submitted,

DLA Piper LLP (US)

/s/ Nancy J. Victory

Nancy J. Victory
Partner

cc: Chairman Ajit Pai
Matthew Berry
Nicholas Degani
Rachael Bender
Thomas M. Johnson, Jr.
Donald Stockdale
David Lawrence
Catherine Matraves
Charles Mathias
Kathy Harris
Linda Ray
Jim Bird
David Krech

⁶ *Applications of T-Mobile US, Inc. and Sprint Corporation for Consent to Transfer Control of Licenses and Authorizations*, WT Docket No. 18-197, Joint Opposition of T-Mobile US, Inc. and Sprint Corporation, App. J, Declaration of Dr. Harold Furchtgott-Roth (Sept. 17, 2018).