

**Communications
Workers of America**
AFL-CIO, CLC

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February 27, 2019

BY ELECTRONIC FILING

Marlene H. Dortch, Secretary
Federal Communications Commission
445 Twelfth Street, SW
Washington, D.C. 20554

RE: Notice of Ex Parte Meeting, Consolidated 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:

On February 25, current and former T-Mobile retail and call center workers, Nate Christensen, Vanessa Villalta, and Joshua Coleman, and Debbie Goldman and Hooman Hedayati of the Communications Workers of America (CWA) held separate meetings with Commissioner Geoffrey Starks and his legal advisor William Davenport, and with Erin McGrath, legal advisor to Commissioner Michael O’Rielly, to discuss the above-captioned proceeding. On February 27, Debbie Goldman, Hooman Hedayati, and Joshua Coleman met with Kate Black, legal advisor to Commissioner Jessica Rosenworcel, to discuss the above-captioned proceeding.

The T-Mobile workers are members of T-Mobile Workers United, an organization of T-Mobile and Metro employees joining together for a voice and fair treatment at T-Mobile and Metro. They delivered a petition signed by 818 wireless workers (see Appendix A). The petition expresses the workers’ concerns that the proposed merger between T-Mobile and Sprint will result in the loss of many American jobs, cuts in wages and commissions, and a corresponding reduction in service quality. The petition asks the Commission to require solid and verifiable assurances as a condition of merger approval that the New T-Mobile commit to the following:

- Secure the jobs of current employees without cuts to compensation;
- Bring back outsourced jobs from overseas and in the USA; and
- Respect workers’ rights on the job by putting an end to labor law violations.

Employment Impact. The employment impact of a merger is part of the Commission’s public interest analysis.¹ The T-Mobile workers expressed their concerns and those of their co-workers that the New T-Mobile would close duplicative retail stores in their communities, leading to the loss of many good jobs. They presented maps of T-Mobile and Sprint retail stores and Metro and Boost retail stores located in their hometowns of New York City, Houston, and Wichita, KS. The maps show that the companies’ retail stores are often located within blocks and even across the street from each other (see Appendix B). Joshua Coleman presented 17 maps and two photos of overlapping retail stores in Wichita, KS, including some stores that are located adjacent to each other (see Appendix C). After the merger, the workers expect T-Mobile to close duplicative stores and lay off employees at the shuttered stores. The workers noted that they have received absolutely no reassurance from T-Mobile management that they will have a job if the merger is approved. They worry about their future and the future for their families. T-Mobile CEO John Legere confirmed these fears when he referred to a “rationalization” of overlapping urban retail operations and resulting job cuts in a U.S. Senate hearing on the proposed merger.²

CWA’s comprehensive analysis finds that the proposed merger would result in the loss of 30,000 jobs nationwide. Approximately 25,500 jobs would be eliminated as a result of overlapping retail store closures at postpaid and prepaid locations. Another 4,500 jobs would be eliminated due to duplicative functions at corporate headquarters in Overland Park, KS and Bellevue, WA.³ For example, CWA’s analysis of Boost and Metro store location data finds that half of all Boost stores are located less than one-third of a mile from the closest Metro store and 75 percent of Boost stores are within eight-tenths of a mile from the closest Metro.⁴ Many of these stores risk closure if the merger is approved.

Compensation. T-Mobile workers also expressed concerns that the merger will result in reduced earnings. Reducing the number of wireless carriers from four to three and shuttering thousands of duplicative stores will flood the labor market with unemployed retail wireless workers seeking jobs. With more workers chasing fewer jobs, the workers fear that the remaining wireless employers will be able to hire workers at lower wages and commissions. In fact, a December 2018 report by the Economic Policy Institute and the Roosevelt Institute found that reducing the number of wireless carriers from four to three would reduce retail wireless workers’ wages by up to \$3,276 per year.⁵

The mobile wireless marketplace is differentiated between prepaid and postpaid offerings. The T-Mobile workers explained why the Commission should distinguish between separate prepaid and postpaid wireless markets. Prepaid plans are often marketed under a different brand

¹ See CWA Comments, WT Docket No. 18-197, Aug. 27, 2018, footnotes 11-14 (AT&T/T-Mobile Staff Report: “As part of the public interest analysis, the Commission historically has considered employment related issues such as job creation.” Puerto Rico/GTE Order: Finding that a no lay-off commitment serves the public interest. AT&T/Bell South Order: Finding that repatriating offshore jobs serves the public interest).

² U.S. Senate, Subcommittee on Antitrust, Competition Policy, and Consumer Rights, Hearing, “Game of Phones: Examining the Competitive Impact of the T-Mobile – Sprint Transaction,” June 27, 2018.

³ See CWA Reply Comments, WTB Docket No. 18-197, Oct. 31, 2018, at 2-13.

⁴ CWA analysis of store location data collected from MetroPCS and Boost Mobile’s websites in May 2018.

⁵ Economic Policy Institute and the Roosevelt Institute, *Labor market impact of the proposed Sprint–T-Mobile merger*, December 2018, <https://www.epi.org/publication/labor-market-impact-of-the-proposed-sprint-t-mobile-merger>.

name, sold in different stores, and have different contractual terms. Prepaid plans do not require a credit check and do not allow financing of handsets and tablets. Because prepaid plans do not allow financing of phones, many low-income prepaid customers cannot afford to buy the higher-priced handsets and tablets. In addition, prepaid and postpaid plans offer different handset options and different pricing structures. The T-Mobile workers also explained that they receive different sales commission structures for selling prepaid as compared to postpaid plans.

Offshoring call center jobs. The T-Mobile workers noted that despite the New T-Mobile's promise to build five new call centers if the merger is approved, both T-Mobile and Sprint offshore many jobs, including call centers and (in the case of Sprint) network management. In 2012, T-Mobile laid off 3,300 workers when it closed seven U.S. call centers. T-Mobile attempted to deny its displaced workers much-needed federal benefits by denying that the work was sent overseas, but a U.S. Department of Labor investigation concluded that the jobs had been offshored.⁶ T-Mobile workers played a [video](#) of Callie Fields, T-Mobile's Vice President of Customer Care, speaking to a large crowd of T-Mobile workers in the Philippines. In the video, she is heard saying: "We started this journey to become famous about care almost three years ago, and I wanna tell you, it's going very well. You wanna know how I know? First of all, there's a thousand of us here that didn't exist almost 11 months ago. Yes!"⁷ T-Mobile and Sprint offshore work to call centers in the Philippines, Mexico, Panama, India, the Dominican Republic, Costa Rica, Guatemala, Honduras, and Canada.⁸

The T-Mobile workers stated that all prepaid customer service calls are routed to an offshore call center. Many postpaid customer service calls, including activations, credit checks, phone number porting, new service setup, and some technical care are also routed to offshore call centers.

Labor Practices. The T-Mobile workers emphasized that the proposed merger would combine two companies with a long history of violation of employment law and workers' rights. T-Mobile has more unfair labor practice charges per employee than any other large company, including Walmart.⁹ T-Mobile has been found guilty of violating U.S. labor law six times since 2015 and has been subject to approximately 40 unfair labor practice charges since 2011. Josh Coleman, a top-achieving customer service representative in Wichita, was fired by T-Mobile after being interviewed on TV, and wearing a union t-shirt at work with the message, "We expect better from Deutsche Telekom and T-Mobile." In 2015, the NLRB found T-Mobile guilty of engaging in nationwide labor law violations against workers.¹⁰

The T-Mobile workers also described that, before the September 2013 representation election at a New York City MetroPCS retail store, the company held 30 mandatory meetings for nine employees on why they should vote "not" on union representation. The meetings continued even after eight workers petitioned the company to stop, as they were damaging morale. Despite

⁶ 4 U.S. Department of Labor's TAA Decision 81520, July 11, 2012, <https://www.doleta.gov/tradeact/taa/taadecisions/taadecision.cfm?taw=81520>.

⁷ Video of T-Mobile event in Philippines, <https://vimeo.com/319578027/c718212a11>.

⁸ See CWA Comments, WTB Docket No. 18-197, Oct. 31, 2018, at 60-61.

⁹ *Id.* at 67-70.

¹⁰ CWA, Judge Finds T-Mobile Guilty of Maintaining Illegal Corporate Policies Against Workers Across the US, March 19, 2015, https://cwa-union.org/news/entry/judge_finds_t-mobile_us_guilty_of_illegal_corporate_policies.

the corporate anti-union campaign, the courageous MetroPCS workers voted in favor of union representation and now work under the legal protection of a collective bargaining agreement.

Conclusion. The Commission should not approve the proposed transaction without clear and enforceable commitments by the Applicants to protect jobs in the United States. The Commission should require that the Applicants ensure that the transaction does not cause a reduction in U.S. employment and that no employee of T-Mobile or Sprint loses a job as a result of this transaction. Further, the Applicants should commit to complete neutrality in allowing their employees to form a union of their own choosing, free from any interference by the employer.

Sincerely,

A handwritten signature in cursive script that reads "Debbie Goldman".

Debbie Goldman
Telecommunications Policy and Research Director
Communications Workers of America

Attachments:

Appendix A

Appendix B

Appendix C

cc: Commissioner Geoffrey Starks

William Davenport

Erin McGrath

Kate Black