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March 8, 2018

EX PARTE NOTIFICATION VIA ECFS

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

Re: Notice of *Ex Parte* Presentation,
*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 March 6, 2019, Trey Hanbury of Hogan Lovells, LLP, along with Craven Shumaker and I, all representing T-Mobile USA, Inc. (“T-Mobile”), met with Umair Javed, Legal Advisor to Commissioner Jessica Rosenworcel, to discuss T-Mobile’s acquisition and integration of Iowa Wireless (“iWireless”). We specifically discussed T-Mobile’s increased employment and retail presence in Iowa, our improved coverage and network experience in the state, and our significant investment plans for Iowa. In addition, we briefly addressed the flawed Roosevelt Institute/Economic Policy Institute paper, *Labor market impact of the proposed Sprint-T-Mobile merger* (“EPI Paper”) CWA submitted into the record on March 1, 2019.

Mr. Shumaker, who had been President and CEO of iWireless for the six and a half years preceding T-Mobile’s 2018 acquisition of the company, explained that the Communications Workers of America (“CWA”) assessment of the impact of the transaction on Iowa is replete with factual errors and misrepresentations. For example:

- iWireless’s 2G and 3G service was vastly inferior to the quality of T-Mobile’s mobile broadband. iWireless had no low-band spectrum and relatively limited 4G LTE coverage.
- T-Mobile is already investing more than \$70 million to transform the network by building out its 600 MHz spectrum and introducing 5G-ready sites throughout Iowa. T-Mobile is currently upgrading and overlaying new technology at 388 sites and building an additional 46 sites to complete statewide coverage: big wins for rural Iowans.
- T-Mobile’s acquisition of iWireless resulted in post-transaction employment as large as pre-transaction employment (289 employees), and T-Mobile is aggressively expanding its retail footprint in Iowa. T-Mobile anticipates expanding its total Iowa

employee count to 359 by the end of 2019 —nearly 25 percent year-over-year growth.

- CWA’s February 2019 “study” overstates the number of “stores” that closed. In some cases, for example, CWA assumed that a standalone prepaid retailer is no different from a pawnshop, hardware store, or insurance agency that happened to sell iWireless plans on the side. When the hardware store or insurance agency stopped selling iWireless service, CWA proclaimed that an “iWireless store” had been closed.
 - Of course, there is a real difference between pawnshops that sell wireless service and Metro by T-Mobile (“Metro”) retail outlets. When a pawnshop stops selling iWireless, there is usually no loss in employment and the pawnshop still remains in business. And pawnshops don’t provide the award-winning customer service subscribers have come to expect from the Un-carrier.
 - In any event, T-Mobile has opened 25 new Metro locations in Iowa since the iWireless acquisition, and 23 of the 27 iWireless authorized dealer stores remain in business as independent retailers or have become Metro authorized dealers.

In summary, the iWireless acquisition by T-Mobile resulted in an improved LTE network, better service, more jobs and greater investment in the largely rural communities it serves.

With regard to the EPI paper, we noted the following, obvious flaws with the analysis:

- EPI projected job losses and wage declines only by assuming a labor market so narrow that a Verizon Wireless employee can only get a job at AT&T, T-Mobile, or Sprint, not at Best Buy, Apple, or other electronics retailers, a definition implausible on its face because, of course, retail wireless employees can and do find work beyond the retail wireless sector.
- Worse, a math error—the statistical equivalent of failing to convert miles to inches—distorted EPI’s results further.
 - EPI relies on a series of published results that establish a relationship between the Herfindahl-Hirschman Index and wages.
 - To reach these results, prior studies necessarily use very broad market definitions such as the four-digit industry codes of the North American Industry Classification System.
 - Rather than rely on the broadly defined labor markets that represent fundamental inputs for the formula, however, EPI uses a much narrower market definition to which the formulas were never meant to apply.

- EPI, in other words, used a unit of measure for the entire retail electronics industry and applied that unit of measure to only four companies, which represent only a fraction of the sector.
- This error fatally impairs the EPI analysis.
- Once corrected, there is virtually no change in employment or wages even using EPI's flawed assumptions.

Pursuant to Section 1.1206 of the Commission's rules, we are filing an electronic copy of this letter in the above-captioned dockets. Please direct any questions regarding this filing to me.

Respectfully submitted,

/s/ Cathy Massey

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cc: Umair Javed (electronically)