May 7, 2019

VIA ECFS

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

REDACTED – FOR PUBLIC INSPECTION

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 oral ex parte presentation in the above-referenced docket. On May 3, 2019, John J. Legere, Chief Executive Officer of T-Mobile US, Inc. (“T-Mobile”), G. Michael Sievert, President and Chief Operating Office of T-Mobile, Neville R. Ray, Executive Vice President and Chief Technology Officer of T-Mobile, as well as other representatives of T-Mobile,1 met with Commissioner Geoffrey Starks and his Chief of Staff and Senior Legal Advisor, William Davenport. During the meeting, the representatives of T-Mobile described the affirmative case for the transaction that has been submitted by the Applicants and responded to questions from Commissioner Starks and Mr. Davenport.

Specifically, the representatives of T-Mobile discussed the public interest benefits of the transaction, including how the merged company’s world-leading 5G network will cover the country and deliver transformative services to all Americans – including those on prepaid and Lifeline plans. They further reviewed how the massive capacity and lower costs of the network will result in lower prices for consumers and opportunities for MVNOs. The representatives additionally described how the merger makes possible New T-Mobile’s entry into in-home

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1 These representatives included David A. Miller, Executive Vice President and General Counsel and Secretary of T-Mobile, and Kathleen Ham, Senior Vice President, Government Affairs of T-Mobile, and R. Michael Senkowski and the undersigned of DLA Piper LLP.
broadband – bringing much needed competition to this sector. Finally, they described how the transaction will create—not reduce—jobs, both directly and indirectly.

This filing contains information that is “Highly Confidential” pursuant to the Protective Order filed in WT Docket No. 18-197. Accordingly, pursuant to the procedures set forth in the Protective Order, a copy of the filing is being provided to the Secretary’s Office. In addition, two copies of the Highly Confidential Filing are being delivered to Kathy Harris, Wireless Telecommunications Bureau. A copy of the Redacted Highly Confidential Filing is being filed electronically through the Commission’s Electronic Comment Filing System.

Please direct any questions regarding the foregoing to the undersigned.

Respectfully submitted,

DLA Piper LLP (US)

/s/ Nancy Victory

Nancy Victory
Partner

Encl: Presentation Deck

cc: Commissioner Geoffrey Starks
    William Davenport
    Catherine Matraves
    Kathy Harris
    Linda Ray
    Jim Bird
    David Krech

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2 Applications of T-Mobile US, Inc., and Sprint Corporation for Consent to Assign Licenses, Protective Order, WT Docket No. 18-197 (June 15, 2018).
PROPOSED MERGER OF

T-Mobile AND Sprint

Public Interest and Competition Benefits

May 3, 2019
# The Merger Will Deliver Compelling Public Interest Benefits

| **5G for All and Not Just for Some** | World-leading 5G network will cover the country and deliver transformative services to all Americans - including those on prepaid and Lifeline plans |
| **Consumers Pay Less for More** | Massive capacity + lower costs = lower prices for same or more data - this is true for all customers whether postpaid, prepaid or MVNO |
| **Intensify Competition** | Scale to go toe-to-toe with Verizon, AT&T and big cable as Un-carrier maverick, forcing competitors to respond; challenge for in-home broadband, video and enterprise |
| **Rural Wins Big** | Better wireless service and a new alternative for in-home broadband; over 600 new stores and creation of over 12,000 jobs backed by [XX] in CapEx |
| **Meaningful In-Home Broadband Competition** | Consumers get alternative to expensive wired in-home broadband and save up to $13.65 billion annually (includes cord-cutters) |
| **More U.S. Jobs** | New T-Mobile will have more employees than combined standalones from Day One; thousands of additional jobs will be created in the broader economy by accelerating move to 5G |
Since January 1, Applicants Have Supplemented Evidence of Their Plans and Merger’s Beneficial Effects

| Economic Modeling for 2019-2020 Integration Period |
| Network Improvements for 2019-2020 Integration Period |
| 3-Year Price Commitment for Integration Period |
| Detailed In-Home Broadband Coverage and Pricing Plan |
| Showing that Consumer Benefits Every Year Under Every Representative Source of Data |
| Detailed Description of Sprint Prospects without the Merger |
| Reality of iMVNO Scenarios Based on Sprint Experience |
## Consumers Win with New T-Mobile

### NEW T-MOBILE

- Massive broad and deep nationwide 5G
- 3x 5G and 2x total capacity by 2024
- Uncovered pops = 1%
- Supercharged Un-Carrier spurs competitive responses from AT&T and Verizon

### STANDALONES

#### T-MOBILE

- Thin 5G layer nationwide
- No widespread high-speed broadband

#### SPRINT

- Limited, localized 5G on standalone Sprint
- Uncovered pops = 41%

### Network

- Cost-efficient capacity to meet soaring demand
- Average throughput of 451 Mbps in 2024
- 293M Pops (90% of population) above 100 Mbps
- 209M Pops (66% of population) above 500 Mbps

- Cannot keep pace with growing demand with low pricing
- Insufficient mid-band capacity

- High speeds unavailable where coverage is weak, especially in-building
- Large amount of 2.5 GHz locked on LTE

### Costs

- Average network operating costs per GB 70% lower than for standalone T-Mobile in 2024

- Limited solutions at increasing costs to address rising congestion on T-Mobile’s network

- Reliant on expensive vs-to-deploy 2.5 GHz spectrum for coverage

### Pricing

- ARPU decreases by 6%, going from [Blank] to [Blank] by 2024, while delivering approximately double the usage vs. standalone in 2024
- Drive meaningful competitive responses from AT&T and Verizon to benefit consumers

- Flat ARPU over time
- Competitor prices rise—Verizon gets away with charging $10 more for 5G

- Sprint ARPU increases

### In-Home Broadband

- New competitor introduces competition
- Cheap option for consumers; prices lower than currently available

- Extremely limited test offering
- No chance to disrupt industry

- No offering planned
New T-Mobile Will Truly Challenge AT&T and Verizon

New T-Mobile will continue to add subscribers at the expense of AT&T, Verizon, and other competitors through lower prices, better quality, and new services.

- **Pass on scale benefits and cost savings to consumers**
- **Better quality for same or better price**
- **Focus on taking share from Verizon and AT&T through lower prices**
- **Bring new competition to rural and enterprise segments**

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**Verizon** is already **UPCHARGING** for their 5G services!
This won’t happen when **New T-Mobile introduces 5G**

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[How Much Does 5G Cost? Verizon Says $10 Extra Per Month](#)

[Verizon says 5G network will cost extra $10 a month](#)
Combination Creates Unprecedented Opportunity to Invest in Disruptive 5G Network

| EXTRAORDINARY WORLD-LEADING NETWORK | • By 2024, New T-Mobile’s network will have more than triple the 5G capacity of the combined standalone networks and average throughputs 4-5x as compared to standalones  
• Accelerated 5G deployment made possible by the transaction will help ensure U.S. leadership in the race to 5G |
| --- | --- |
| MASSIVE SYNERGIES & INVESTMENT | • The $43.6B in synergies derived from complementary standalone assets are the heart of this deal; synergies will begin in 2020 and ramp up through 2023  
• We will invest nearly $40B into the 5G network and business in the first three years |
| SUPERCHARGE THE UN-CARRIER | • 5G creates a unique opportunity for New T-Mobile to break through the perception that AT&T and Verizon are superior and unlock a group of previously unobtainable customers  
• This is our moment to take truly significant share from AT&T and Verizon; we won’t pass that up and settle for third place in a maturing industry |
| BRING NEW COMPETITION TO BROADBAND | • New T-Mobile will enter in-home broadband and vigorously pursue share from the incumbents, who are among the most disliked companies in America  
• New T-Mobile’s 5G network will accelerate trends of millennials and low-income subscribers substituting wired cable connections with a purely wireless existence |
| UN-CARRIER DISRUPTION FOR NEW VERTICALS | • We plan on taking Un-carrier disruption beyond the wireless industry to new verticals like enterprise services, video content delivery, and IoT applications |
**Superior Network: Massive Improvements in Capacity and Speed**

| Complimentary Spectrum | Complementary Sites | Improved Spectral Efficiency | Highest capacity mobile network in U.S. history: unmatched coverage, capacity, speed, and user experience |

2024

- **5G Capacity**: 21 Exabytes 5G Offered Traffic (monthly) Compared to 3.8 EB T-Mobile and 3.9 EB Sprint
- **Average Throughput**: Average Throughput of 451 Mbps Compared to 100 Mbps T-Mobile and 116 Mbps Sprint
- **Peak Throughput**: Peak Throughput of 4.2 Gbps Compared to 2.8 Gbps T-Mobile and 0.7 Gbps Sprint
- **Coverage**: 293M Pops with throughput > 100 Mbps
Massive Improvements in Coverage Depth by 2024

**Standalone T-Mobile (2024): Broad and Thin**
- Nationwide, 5G coverage based on 600 MHz foundation
- Thin 5G layer due to limited spectrum depth on 600 MHz
- Uncovered pops at 1.4%

**Standalone Sprint (2024): Deep but Narrow**
- Constrained 5G coverage, but strong depth, as a result of limited 2.5GHz propagation characteristics
- Uncovered pops at 41%

**New T-Mobile (2024): Broad and Deep**
- 3x 5G, 2x Total Capacity
- Strong nationwide 5G coverage (600 MHz)
- Massive spectrum depth where needed most
- Uncovered pops at 1%
- US Pops with speeds >100 Mbps: 2.0x vs. T-Mobile, 1.6x vs. Sprint
Merger Produces Broad and Deep 5G Broadband Coverage (2021)
Merger Produces Fiber-Like 5G Speeds (2024)

5G Throughput by Covered Pops (2024)

<table>
<thead>
<tr>
<th></th>
<th>T-Mobile</th>
<th>Sprint</th>
<th>New T-Mobile</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pops with &gt; 100 Mbps</td>
<td>144.7 M</td>
<td>187.8 M</td>
<td>293.1 M</td>
</tr>
<tr>
<td>Pops with &gt; 150 Mbps</td>
<td>77.7 M</td>
<td>181.4 M</td>
<td>279.0 M</td>
</tr>
<tr>
<td>Pops with &gt; 300 Mbps</td>
<td>5.9 M</td>
<td></td>
<td>252.8 M</td>
</tr>
<tr>
<td>Pops with &gt; 500 Mbps</td>
<td></td>
<td></td>
<td>209.2 M</td>
</tr>
</tbody>
</table>
New T-Mobile’s Unrivaled Spectrum Portfolio

5G Spectrum Portfolios in 2020

- **Sprint**
  - 2.5 GHz has limited geographic coverage, but deep capacity
  - Combining expanded 2.5 GHz deployment with T-Mobile’s build-out of 600 MHz spectrum will deliver improved services to underserved rural areas

- **T-Mobile**
  - Utilize 600 MHz low band spectrum for wide area coverage and IoT, but lacks capacity
  - Augment with mmWave spectrum for additional speed and capability limited to dense urban areas

- **New T-Mobile**
  - Creating a platform for unrivaled mobile 5G offering
  - Best starting point for 5G with spectrum across all bands
  - Addresses all aspects of 5G; enhanced mobile broadband, massive connectivity for IoT, and other applications
Customers Will Pay Less and Get More

Massive Capacity Increases Result in Steep Reduction in Price Per GB

Usage Per Subscriber GB / Month

T-Mobile (Today) New T-Mobile (2024)

Mobile Revenue $/GB

T-Mobile (Today) New T-Mobile (2024)

-87%

8X

Industry wide price/GB expected to be 55% lower in 2024 vs without the transaction: Declaration of Dr. David Evans, PIS, Appendix G

* Weighted average revenue per user as included in Build 9 of the New T-Mobile Business Plan
New T-Mobile Will Create Competition for Rural Customers

<table>
<thead>
<tr>
<th>Closing the Digital Divide</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>31%</strong></td>
</tr>
<tr>
<td>Current percentage of rural Americans lacking access to 25/3 Mbps broadband and about 60M rural Americans are at risk of being left behind as 5G wireless technologies arrive</td>
</tr>
<tr>
<td><strong>20-25%</strong></td>
</tr>
<tr>
<td>Percentage of New T-Mobile subscribers for in-home broadband in 2024 will be located in rural areas</td>
</tr>
</tbody>
</table>

**By 2024**

- New T-Mobile will provide service to 59.4M outdoor and 31M indoor rural Pops out of 62M available rural Pops
- New T-Mobile will offer download speeds of 25 Mbps or greater to 52.2M Pops over 2.4M square miles to homes in rural America, corresponding to 84% of rural Pops
- New T-Mobile is expected to have ~60% higher incremental postpaid gross adds from rural areas than T-Mobile + Sprint standalone forecast in addition to video and broadband subscriber growth
- New T-Mobile will open 600 new stores and create over 12,000 jobs to serve rural areas and small towns
- New T-Mobile 5G will force AT&T, Verizon and others to invest in building out rural networks

- Combination of T-Mobile 600 MHz spectrum and Sprint 2.5 GHz spectrum and the breadth of new cell site infrastructure, with approximately 84,000 macro cell sites blanketing the country, creates a deep and broad 5G experience for rural customers
New T-Mobile Will Bring In-Home Broadband Competition and Massive Consumer Savings

- Broadband consumers suffer from the same poor and costly service that were the hallmarks of the wireless industry before we unleashed the Un-carrier strategy.
- New T-Mobile’s in-home broadband service will bring competition and choice — and save consumers a bundle!
- It will also enable T-Mobile’s T-Vision (Layer3) service a direct path to the customer without having to rely on a competitor’s broadband connection.

<table>
<thead>
<tr>
<th>6%</th>
<th>30%</th>
<th>45%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage of Americans lacking access to in-home broadband (25+ Mbps)</td>
<td>Percentage of Americans lacking choice for in-home broadband (0 or 1 option)</td>
<td>Percentage of Americans lacking choice for high-speed broadband (100+ Mbps)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>90%</th>
<th>9.5M</th>
<th>$13.65B</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage of Americans to whom New T-Mobile’s 5G network will deliver high-speed wireless broadband with speeds in excess of 100 Mbps by 2024, achieving 64% by 2021</td>
<td>No. of subscribers to whom New T-Mobile is expected to provide in-home broadband by 2024, making New T-Mobile potentially the fourth largest Internet service provider in the U.S. by subscribership</td>
<td>Amount in annual consumer savings Dr. Harold Furchtgott-Roth estimates could be produced by increased broadband competition enabled by the merger by 2024</td>
</tr>
</tbody>
</table>
**Prepaid Customers and Cost-Conscious Consumers Will Benefit Equally, If Not More**

<table>
<thead>
<tr>
<th>Category</th>
<th>Benefits</th>
</tr>
</thead>
</table>
| Higher speeds, better coverage and better quality | - Boost and Virgin subscribers will see biggest improvements in coverage and performance  
- Prepaid customers are typically heavy users of data  
- No additional charges for network improvements and 5G |
| Increased capacity                    | - More data at lower costs due to massive capacity  
- Expand prepaid offerings  
- Provide additional support for MVNOs, expanding merger benefits among other prepaid customers |
| ALL prepaid subscribers benefit       | - Prepaid and cost-conscious subscribers of other carriers will also benefit  
- Verizon, AT&T, TracFone and others will lower prices, increase investment and enhance services to respond to New T-Mobile’s prepaid offerings |
Lifeline: Prioritizing Value-Conscious Customers

T-Mobile’s focus on serving low-income and value-conscious consumers will extend to the Lifeline program following the merger with Sprint.

- New T-Mobile will keep supporting all Lifeline services that Sprint and T-Mobile offer today
- New T-Mobile Lifeline customers will enjoy increased capacity, faster speeds and lower latency
- New T-Mobile intends to raise consumer awareness about, and grow, its Lifeline program

New T-Mobile will continue to offer Lifeline services in the 41 states (plus DC) where Sprint’s Assurance Wireless currently offers service as well as in areas where T-Mobile supports Lifeline service today, such as Puerto Rico
T-Mobile Has Done This Before: Look at our MetroPCS Acquisition

**MetroPCS 5 years post-merger:**
- 2× customers (8.9 to 18.3M)
- 2× stores (4.5M to 10.6M)
- 3× employees (15.5K to 41K)
- 5× markets served (15 to 77)
- 3× LTE covered POPS (105M → 320M)
- 11× LTE DL Avg Throughput (2.3 Mbps → 24.1 Mbps)
- 46× LTE UL Avg Throughput (0.25 Mbps → 11.4 Mbps)

**Customers have paid less for more after merger:**
- Customers received dramatically improved $/GB post-merger:
  - $40 per month plan now provides 10× more data
- Unlimited plans are now $20 cheaper per month
- Access to superior LTE network and customer service
An American Job Creator

New American jobs from Day One... and every day thereafter!

- New T-Mobile will employ more internal direct employees than the combined standalone companies from Day One.

<table>
<thead>
<tr>
<th>Direct Internal Incremental Jobs</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
<th>2024</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>3,625</td>
<td>3,755</td>
<td>5,045</td>
<td>5,010</td>
<td>8,115</td>
<td>11,060</td>
</tr>
</tbody>
</table>

- New T-Mobile will need more employees than the standalones to upgrade network infrastructure, expand the company’s retail footprint, extend the T-Mobile Team of Experts ("TEX") customer care to the expanded customer base, and develop or expand the other businesses made possible by the world-class New T-Mobile network.

- Merger will create nearly 5,600 new American customer care jobs by 2021. And New T-Mobile will employ 7,500+ more care professionals by 2024 than the standalone companies would have.

- New T-Mobile will open 600 new stores to serve rural areas and small towns, directly resulting in approximately 5,000 new retail jobs.

- In total, New T-Mobile will have more than 11,000 additional employees on our payroll by 2024 compared to what the combined standalone companies would have!

- Additional jobs will be created by the merger in the broader economy by accelerating move to 5G. Dr. Jeffrey Eisenach estimates that direct, indirect and induced employment of the changes in spending and output resulting from the merger will contribute **51,200 job years** to the U.S. economy between 2019 and 2023. And accelerated deployment of 5G resulting from the merger would contribute an additional **117,500 job years** to the U.S. economy during the same time frame.
**Economic Experts Confirm Business Plan Logic and Consumer Benefits**

<table>
<thead>
<tr>
<th>Expert</th>
<th>Analysis</th>
</tr>
</thead>
<tbody>
<tr>
<td>Drs. Israel, Katz and Keating</td>
<td>Merger simulation showed “the proposed transaction is projected to generate significant marginal cost savings, which will strengthen the combined firm’s incentive and ability to compete for users by offering lower quality-adjusted prices.”</td>
</tr>
<tr>
<td>Dr. Evans</td>
<td>Industry-wide amount of data provided to subscribers would be as much as 120% higher and the price per GB of data would be 55% lower as a result of the transaction.</td>
</tr>
<tr>
<td>Dr. Fuchtgott-Roth</td>
<td>New T-Mobile in-home broadband replacement service, wireless substitution and the competitive responses of monopoly/duopoly fixed broadband providers could result in over $13B in annual consumer savings.</td>
</tr>
<tr>
<td>Drs. Asker, Bresnahan and Hatzitaskos</td>
<td>Merger analysis based on real world consumer responses that corroborates the IKK findings and independently finds that the merger will promote competition and benefit consumers, particularly heavy data users in localities with significant low income, credit-challenged, African American and Hispanic populations.</td>
</tr>
<tr>
<td>Drs. Salop and Serafidis</td>
<td>No likelihood of increased coordination post-merger because (1) network efficiencies will drive down cost and make it more likely for New T-Mobile to continue maverick behavior; (2) demand in the wireless market creates incentives for New T-Mobile to grow subscriber base before expected future efficiencies are fully realized; and (3) 5G transition makes coordination unlikely.</td>
</tr>
<tr>
<td>Dr. Woroch</td>
<td>Any attempts by New T-Mobile to raise prepaid prices would be defeated by consumer behavior and competitors’ responses and that all major carriers will have strong incentives to compete aggressively for prepaid subscribers.</td>
</tr>
<tr>
<td>Dr. Eisenach</td>
<td>Beneficial effects on the U.S. economy, including significant job gains and increased economic output raising GDP by $110.4B and aggregate personal income by $42.2B between 2021 and 2023,</td>
</tr>
</tbody>
</table>
Redacted for Public Inspection

Strong Support from Important and Diverse Interests

More than 160 organizations and advocates filed substantive letters or other materials in the FCC docket in support of the transaction. A sample of supportive voices is below:
Thank You