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November 15, 2018

*VIA ECFS*

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

**Re: Notification of Oral *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:

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 November 13, 2018, representatives of T-Mobile US, Inc. ("T-Mobile") and Sprint Corporation ("Sprint" and, collectively, "Applicants")<sup>1</sup> had a telephone conference with members of the FCC Transaction Team (a list of FCC participants is provided in Attachment A) to discuss the Declaration of Mark Israel, Michael Katz and Bryan Keating submitted with the Applicants' Joint Opposition.<sup>2</sup> During the meeting, Michael Katz, emeritus professor at the University of California, Berkeley, and Mark Israel and Bryan Keating of Compass Lexecon addressed questions arising out of their October 31, 2018 meeting with the Transaction Team.

Drs. Israel, Katz and Keating confirmed that the values used in their model are identical to those in the business plan that T-Mobile presented to its Board of Directors during the approval of the transaction, as well as later revisions. They also reviewed how the shares in Table 25 and Figure 21 of their declaration were calculated and that such shares match other source materials. They similarly described how their ARPU calculations do not include equipment costs or revenues.

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<sup>1</sup> Those representatives included Kathleen Ham, Cathleen Massey and Steve Sharkey of T-Mobile; Michael Senkowski and Nancy Victory of DLA Piper LLP; George Cary and Daniel Culley of Cleary Gottlieb Steen & Hamilton LLP; Richard Metzger and Regina Keeney of Lawler, Metzger, Keeney & Logan LLC; Johanna Thomas and Sam Feder of Jenner & Block LLP; Michael Katz of the Univ. of Calif. at Berkeley; and Mark Israel, Bryan Keating, David Fenichel and Ka Hei Tse of Compass Lexecon.

<sup>2</sup> Declaration of Mark Israel, Michael Katz and Bryan Keating, App. F to Joint Opposition of T-Mobile and Sprint, WT Docket No. 18-197 (Sept. 17, 2018).



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They additionally reviewed how their throughput estimates are weighted based on traffic for each sector as described in paragraph 137 of their declaration and various back-up documentation submitted.

The declarants explained that the diversion ratios presented in their Table 28 do not include switching to other brands within the same company. They further explained the basis for the calibration of the merger simulation model to diversion ratios as described in paragraph 40 of their declaration and back-up documentation submitted. They also described how their model uses the average of switch in and switch out rates, as both are relevant to pricing decisions. They noted that running the model utilizing only “switch outs” or only “switch ins” does not cause the results to vary substantively.

Drs. Israel, Katz and Keating additionally reviewed their methodology for calculating marginal costs, as described in the declaration, and its relationship to the companies’ baseline networks and to their ordinary-course budgeting processes. They explained that their model identifies the welfare neutral point and does not predict prices. In order to predict prices, the model would need to be modified to take into account that the marginal costs are not constant.

Please direct any questions regarding the foregoing to the undersigned.

Respectfully submitted,

**DLA Piper LLP (US)**

*/s/ Nancy Victory*

Nancy Victory  
Partner

cc: David Lawrence  
Kathy Harris  
Linda Ray  
Kate Matraves  
Jim Bird  
David Krech  
FCC participants listed in Attachment A

## **ATTACHMENT A**

David Lawrence  
Kate Matraves  
Charles Mathias  
Don Stockdale  
Kat LoPiccalo  
Aleks Yankelevich  
Paul Lafontaine  
Joe Wyer  
Eugene Kiselev  
Matt Collins  
Sean Sullivan  
Nick Copeland  
Patrick Sun