

EXECUTIVE SUMMARY

T-Mobile US, Inc. (“T-Mobile”) and Sprint Corporation (“Sprint”) respectfully request approval from the Federal Communications Commission (“FCC” or “Commission”) to join together to form “New T-Mobile.” This proposed merger is necessary to accomplish a goal critical to enhancing consumer welfare in this country: the rapid and widespread deployment of 5G networks in a market structure that spurs rivals to invest in a huge increase in capacity, and, correspondingly, to drop tremendously the price of data per gigabyte. New T-Mobile will be able to leverage a unique combination of complementary assets to unlock massive synergies in order to build a world-leading nationwide 5G network that will deliver unprecedented services to consumers, increasingly disrupt the wireless industry, and ensure U.S. leadership in the race to 5G.

Consumer Benefits Are Compelling. This transaction is a unique opportunity to deliver myriad compelling benefits for American consumers, which would not be achievable in the absence of the merger:

- ***New T-Mobile Will Build a World-Class Nationwide 5G Network That Will Leapfrog Verizon and AT&T’s Networks.*** New T-Mobile will invest nearly \$40 billion to combine the complementary spectrum, sites, and assets of T-Mobile and Sprint to deliver a robust, nationwide world-class 5G network and services sooner than otherwise possible. Current Sprint customers will realize 4G LTE coverage benefits; T-Mobile customers will realize improvements from the greater depth of spectrum; and, as the 5G network is built out, the speed and capacity gains will be significant. By 2024, the New T-Mobile network will have approximately double the total capacity and triple the total 5G capacity of T-Mobile and Sprint combined, with 5G speeds four to six times what they could achieve on their own. In the face of this challenge, Verizon and AT&T will need to respond with improved and accelerated 5G network investment and deployment to the betterment of all consumers and the country.
- ***American Consumers Will Pay Less and Get More.*** As New T-Mobile expands its capacity, the cost of delivering each gigabyte of data to customers will be greatly reduced—“capacity will double and the cost of delivering data will plummet. [New T-Mobile] will compete aggressively with lower prices to take market share from Verizon

and AT&T, allowing more customers to enjoy the benefits of [its] increased capacity.”¹ This benefit will not be limited to T-Mobile’s customers. Indeed, an economic analysis by Dr. David Evans concludes that building the nationwide 5G network will provoke competitive responses from Verizon and AT&T that result in as much as a 55 percent decrease in price per GB and a 120 percent increase in cellular data supply for all wireless customers.² Consumers get both a dollar and also a data dividend from the merger.

- ***New T-Mobile Will Deliver Fiber-Like Speeds That Enable Exciting and Innovative Uses on a Broader Basis.*** New T-Mobile’s nationwide 5G network will make possible real-time interactivity and a significantly enhanced user experience. The new network will virtually eliminate the constraints consumers currently experience in congested environments, allowing for near instantaneous sharing and downloading of content from almost any location. This will transform the way Americans live, work, travel, and play by facilitating an enormous variety of Internet of Things (“IoT”) applications, as well as the full spectrum of connected devices. Even better, the broad geographic reach of New T-Mobile’s 5G network will facilitate the use of advanced applications that are critically needed in small towns and rural communities.
- ***New T-Mobile Will Provide a Bona Fide Alternative to Traditional In-Home Broadband Providers.*** New T-Mobile’s robust, nationwide 5G network will eliminate the speed and capacity differential between mobile and in-home wired broadband for many Americans, allowing millions more Americans to free themselves from the grip of traditional in-home broadband providers. 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 from eliminating an unnecessary and costly wired broadband bill month after month. New T-Mobile will also offer an aggressively priced wireless in-home broadband solution to compete head-on with the traditional providers.
- ***The Merger Will Create Expanded Choices for Enterprise and Video Customers.*** The merger also will unleash a maverick Un-carrier delivering competition and lower prices for customers of other services. New T-Mobile will have the scale, spectrum, and financial strength to disrupt the enterprise segment and video marketplace with innovative products and services that will bring much-needed competition, innovation, and consumer choice to these areas.
- ***Rural Americans Win Big with Better Service, Including High Speed Broadband.*** New T-Mobile will bring increased broadband coverage to rural Americans, along with improved signal quality and increased network capacity that will enable data-intensive

¹ Declaration of G. Michael (“Mike”) Sievert, President and Chief Operating Officer, T-Mobile US, Inc., Appx. C, at ¶21 (“Sievert Decl.”).

² See David S. Evans, Market Platform Dynamics, “Economic Analysis of the Impact of the Proposed Merger of T-Mobile and Sprint on the Deployment of 5G Cellular Technologies, the 5G App Ecosystem, and Consumers, Enterprises, and the Economy,” Appx. G, Section V.C., ¶¶220-44 (“Evans Decl.”).

applications and superior rural consumer experiences. This improved service will be accompanied by enhanced customer service through 600 or more new stores and up to five call centers located to serve rural areas and small towns.

- ***Accelerated 5G Deployment Will Help the United States Continue to Lead the World.*** As Chairman Pai has stated, the United States should “be the best country for innovating and investing in 5G networks”³ and “continue[] to lead in 5G and to enable wireless consumers to benefit from these technologies sooner rather than later.”⁴ New T-Mobile’s 5G nationwide network will help ensure that this leadership happens right here in the United States.
- ***The Merger Will Create Thousands of Additional American Jobs.*** Finally, the merger will create jobs on New T-Mobile’s first day and going forward. New T-Mobile will hire employees to build the new network; extend the Un-carrier customer care model to a wider subscriber base; and support customers in growing segments like in-home broadband, enterprise, and IoT. New T-Mobile’s increased investment and rapid growth—and resultant accelerated roll-out of 5G services—also will stimulate thousands of additional jobs throughout the U.S. economy.

Competition Will Intensify. The merger is resoundingly pro-competitive and pro-consumer:

- ***New T-Mobile Will Be a Disruptive Consumer-Focused Un-carrier.*** New T-Mobile will have the scale and resources to take the Un-carrier movement to the next level and into new market segments. The combined company will have lower costs and the incentives to engage in aggressive pricing to expand its 4G LTE customer base as the industry continues its major transformation towards 5G. To date, T-Mobile and Sprint, individually, have not been able to materially erode Verizon and AT&T’s wireless market share or overcome their scale advantages. New T-Mobile, however, will be able to go toe-to-toe with the two larger rivals to the benefit of competition and consumers.
- ***New T-Mobile Will Have Incentives to Compete Aggressively.*** The combined company’s network will have enormous capacity that will incentivize New T-Mobile to compete vigorously to “fill up” the network. This increased pressure to utilize added capacity is supported by New T-Mobile’s financial plan, which calls for the company to provide a combination of greater value and lower cost for conventional data services and to continue offering subscribers more data each year without increasing prices. Indeed, as Dr. David S. Evans substantiates, added capacity has historically reduced unit prices for consumers, and it will continue to do so here.

³ Chairman Ajit Pai, Remarks at Mobile World Congress, Barcelona, Spain (Feb. 26, 2018), https://apps.fcc.gov/edocs_public/attachmatch/DOC-349432A1.pdf.

⁴ Chairman Ajit Pai, Remarks at Mobile World Congress Americas, San Francisco, CA (Sept. 12, 2017), <https://docs.fcc.gov/public/attachments/DOC-346666A1.pdf>.

- ***T-Mobile and Sprint Are Merging to Beat Verizon and AT&T, Not to Be Like Them.*** Verizon and AT&T are investing in a wide array of businesses in recognition of a converging broadband market, and therefore their interests and resources are spread across a lot of areas. New T-Mobile will be laser-focused on improved broadband connectivity at a lower price. This means New T-Mobile will not be coordinating with AT&T, Verizon or other large players to increase prices or restrict the amount of data delivered per dollar.
- ***Other Large Players Will Intensify Competition Further.*** Many significant companies, particularly Comcast and Charter, but also DISH, TracFone, and Google, have successfully entered or are on the verge of entering the wireless market, demonstrating the intensity of current competition in the sector. Indeed, renowned economists Professor Steven Salop and Dr. Yianis Sarafidis find that, “a conclusion that there will be higher risk of coordination after this merger cannot be supported” by the totality of the evidence and economic analysis.⁵

T-Mobile’s Chief Executive Officer John Legere aptly captures the benefits of this transaction for consumers and competition:

We are committing nearly \$40 billion to bring this company into the 5G era over the first 3 years, with the majority of this investment focused on the rapid enhancement of the network, in order to retain our existing customer base, attract new customers, and benefit from being first to deliver transformative 5G services across the country. That’s why we plan to expand T-Mobile’s unique customer service model to Sprint while we subsequently deliver better coverage, reliability, and speed. And that’s why we will keep prices low for consumers, who are vital to our ability to build out 5G infrastructure across the country. When it comes to changing how the wireless industry operates, we’re only getting started.⁶

For these reasons, the grant of the T-Mobile and Sprint applications to transfer their authorizations to New T-Mobile clearly will serve the public interest, convenience and necessity.

⁵ Declaration of Prof. Steven C. Salop and Dr. Yianis Sarafidis, Charles River Associates, Appx. H, at ¶9.

⁶ Declaration of John Legere, Chief Executive Officer, T-Mobile US, Inc., Appx. A, at ¶23.