**BEFORE THE PUBLIC UTILITIES COMMISSION**
**OF THE STATE OF CALIFORNIA**

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| In the Matter of the Joint Application of Sprint Communications Company L.P. (U-5112) and T-Mobile USA, Inc., a Delaware Corporation, For Approval of Transfer of Control of Sprint Communications Company L.P. Pursuant to California Public Utilities Code Section 854(a). | Application 18-07-011 |
| In the Matter of the Joint Application of Sprint Spectrum L.P. (U-3062-C), and Virgin Mobile USA, L.P. (U-4327-C) and T-Mobile USA, Inc., a Delaware Corporation for Review of Wireless Transfer Notification per Commission Decision 95-10-032 | Application 18-07-012 |

# MOTION OF JOINT APPLICANTS TO ADVISE THE COMMISSION OF NEW FCC COMMITMENTS (PUBLIC VERSION)


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**MOTION OF JOINT APPLICANTS TO ADVISE THE COMMISSION OF NEW FCC COMMITMENTS (PUBLIC VERSION)**

Pursuant to Rule 11.1 of the Commission's Rules of Practice and Procedure ("Rules"), Sprint Spectrum L.P. (U-3062-C) and Virgin Mobile USA, L.P. (U-4327-C) (collectively, "Sprint"), and T-Mobile USA, Inc. ("T-Mobile USA") (collectively, the "Joint Applicants") respectfully submit this Motion.[1] The Motion seeks to advise the Commission of the terms of commitments made to the Federal Communications Commission ("FCC") in connection with that agency's review of the proposed transfer of control of Sprint to T-Mobile USA (the "Transaction").[2] Those commitments are set forth in an ex parte which T-Mobile US, Inc. and

[1] This motion pertains to A.18-07-012, *In the Matter of the Joint Application of Sprint Spectrum L.P. (U3062C), and Virgin Mobile USA L.P. (U4327C) and T-Mobile USA, Inc., a Delaware Corporation, for Review of Wireless Transfer Notification per Commission Decision 95-10-032*).

[2] *Applications of T-Mobile US, Inc. and Sprint Corporation for Consent to Transfer Control of the Licenses and Authorization,* WT Docket No. 18-197, Description of Transaction, Public Interest Statement, and Related Demonstrations (filed June 18, 2018).

Sprint Corporation filed with the FCC earlier today, a copy of which is attached hereto as Exhibit 1.[3]

As reflected in Joint Applicants' briefs, the record overwhelmingly demonstrates that the proposed merger will result in a world-leading 5G wireless network with greater capacity, better coverage and faster speeds, and that New T-Mobile consumers will enjoy better service and lower prices. Further enhancing those enormous public-interest benefits from the New T-Mobile network and its business plans, T-Mobile and Sprint have made nearly 50 voluntary, enforceable commitments including those relating to 5G deployment and network buildout, rural expansion, network resiliency, public safety, MVNOs and jobs.[4]

The FCC Commitments underscore the California-specific commitments that Joint Applicants have already provided to this Commission in the present proceeding. By committing New T-Mobile to certain specific and concrete national benchmarks, which will be backed up by a robust FCC enforcement mechanism,[5] the new commitments provide even further assurance that (1) New T-Mobile will build a world-leading 5G network; (2) rural residents will receive 5G broadband service; and (3) in-home broadband competition will be enhanced.

Further, Joint Applicants have committed as part of the FCC Commitments to divest and sell the Boost Mobile business through a market-based process to a serious and credible buyer that can compete aggressively in prepaid services on a long-term basis.[6] New T-Mobile will

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[3] Letter from Nancy J. Victory, Counsel, T-Mobile US, Inc., and Regina M. Keeney, Counsel, Sprint Corporation, to Marlene H. Dortch, Secretary, FCC, WT Docket No. 18-197 (filed May 20, 2019) ("5/20/19 FCC Ex Parte").

[4] *See* Jt. Applicants' Post-Hearing Reply Brief at 2-3; *see also id*., Appendix 1.

[5] This mechanism includes strong verification measures, substantial voluntary contributions for any missed deadlines, and continued accrual of the voluntary contributions until any unmet obligations are fulfilled. *See* 5/20/19 FCC Ex Parte at 7-8.

[6] *See* 5/20/19 FCC Ex Parte at 5-6. The FCC must approve the Boost Mobile buyer. *See id.* at 6.

offer the Boost buyer terms for a six-year wholesale MVNO agreement that will include wholesale rates that will meaningfully improve upon the commercial terms reflected in the most favorable of T-Mobile's and Sprint's three largest MVNO agreements. The wholesale network arrangement will also ensure that New T-Mobile and New Boost retain strong incentives to compete against each other for customers.[7] The divestiture process will result in the orderly transfer of Boost customers to the buyer and will ensure the continued competitive operation of Boost during the divestiture process. If New T-Mobile fails to fulfill these commitments regarding the Boost divestiture, it is required to pay significant financial penalties via voluntary contributions.[8]

T-Mobile notes that the FCC Commitment to divest and sell Boost does not impact its California commitment to the Boost Pilot program after the merger.[9] T-Mobile reaffirms its strong support for that program and its willingness to work with the Commission staff to determine how to best support the pilot, including but not limited to having one of New T-Mobile's brands (e.g. MetroPCS) assume Boost's responsibilities under the pilot.

Accordingly, the Joint Applicants respectfully request that this motion to advise be granted.

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[7] *See id.*at 5.

[8] *Id.*, Attachment 2, Section V.

[9] *See* Jt. Appl. Post-Hearing Opening Br. at 83, citing to D.19-04-021, authorizing Pilot Programs of Boost Mobile, Inc. and iFoster, Inc. in the California LifeLine Program, R.11-03-013 (April 25, 2019).

Respectfully submitted this 20th day of May, 2019.

/s/
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[10] Pursuant to Rule 1.8(d), this document is signed on behalf of Joint Applicants.

# EXHIBIT 1

# FCC COMMITMENTS EX PARTE

# (PUBLIC VERSION)

May 20, 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:

T-Mobile US, Inc. ("T-Mobile") and Sprint Corporation ("Sprint", and collectively with T-Mobile, "Applicants") hereby file this written *ex parte* presentation in the above-referenced docket pursuant to Section 1.1206(b) of the Commission's Rules, 47 C.F.R. § 1.1206(b). Based on the record in this proceeding and subject to the commitments set forth herein, the Applicants request grant of their applications for transfer of control to permit the merger of T-Mobile and Sprint.

In their Public Interest Statement ("PIS") and subsequent business, engineering and economic showings, Applicants have demonstrated that their merger will produce enormous consumer benefits and intensify competition. The merged company ("New T-Mobile") will be able to leverage a unique combination of complementary spectrum and cell sites to unlock massive synergies. This will allow New T-Mobile to invest nearly $40 billion within three years of closing to deliver a more robust nationwide 5G network and next-generation services than either company can achieve on its own. New T-Mobile's 5G network will have Sprint's mid-band spectrum to create massive capacity, T-Mobile's low-band spectrum to provide broad coverage, and lower costs so that American consumers will pay less and get more. The nationwide 5G network will deliver transformative fiber-like speeds for mobile services; bring broadband wireless service to millions of unserved and underserved rural Americans; unleash a competitive alternative to in-home, fixed broadband providers; benefit MVNOs; and accelerate 5G deployment in the United States, thereby ensuring American leadership in the next-generation of wireless technology.

The Applicants recently have discussed the merger's benefits with the Commission and listened to concerns about certain aspects of the transaction. In order to respond to these concerns and

address them definitively, the Applicants submit herewith proposed commitments to ensure that: (1) New T-Mobile builds a world-leading 5G network; (2) rural Americans receive robust 5G broadband service; (3) in-home broadband competition is enhanced and choice becomes a reality for American consumers; and (4) Boost Mobile is divested to a serious and credible buyer who can compete aggressively in prepaid services on a long-term basis. These commitments will be enforced by strong verification measures, substantial voluntary contributions for missed deadlines, and continuation of the voluntary contributions until unmet obligations are fulfilled. In addition, the Applicants reconfirm their prior commitment to make available the same or better rate plans as those offered by T-Mobile or Sprint as of February 4, 2019 for three years following the merger. Finally, the Applicants make commitments concerning the Altice post-merger MVNO relationship with New T-Mobile. Each of these commitments is summarized below and set forth in detail in the attachments.

**Commitment to Build a World-Leading Nationwide 5G Network**

New T-Mobile's ability to create an unprecedented, world-leading, nationwide 5G network is the uncontested keystone of this merger. By combining Sprint's mid-band spectrum and T-Mobile's low band spectrum, the merger will position the United States to lead the 5G era by not only accelerating the deployment of a nationwide 5G network, but also increasing competitive pressure on other mobile wireless carriers to accelerate and expand their planned 5G deployments. New T-Mobile's 5G network will be the competitive spark that will ensure America remains the world's leading technological incubator for next-generation services and applications – bringing untold benefits to the American people. The record conclusively demonstrates that New T-Mobile's 5G network will be capable of using the combined low-band and mid-band spectrum of T-Mobile and Sprint to provide virtually ubiquitous and deep 5G coverage across the country, including in rural areas. Within three years of the merger's close, this unique combination of complementary spectrum will enable New T-Mobile to provide fiber-like speeds to hundreds of millions of Americans[1] and deliver average speeds of over 150 Mbps and peak speeds of 1.6 Gbps.[2] Within six years of the merger's close, average and peak speeds will have surged to 450 Mbps and 4.2 Gbps, respectively.[3]

Applicants are confident in their 5G network plan. Accordingly, they are willing to back it up with firm commitments, set forth in Attachment 1 at Section I, that include a detailed network build schedule with hard deadlines for providing coverage of the country based on population covered and deploying 5G spectrum and sites. The firm commitments also include speed

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[1] *Applications of T-Mobile US, Inc. and Sprint Corporation for Consent to Transfer Control of Licenses and Authorizations*, WT Docket No. 18-197, Joint Opposition of T-Mobile US, Inc. and Sprint Corporation ("Joint Opposition"), Appx. B, Declaration of Neville Ray, Executive Vice President and Chief Technology Officer, T-Mobile US, Inc. at 15 (Sept. 17, 2018).

[2] Joint Opposition at 42.

[3] *Id.*

commitments verified by nationwide drive tests. The Applicants commit that within three years of the merger's closing, New T-Mobile will blanket three-fourths of the country's population with mid-band spectrum and cover 97 percent of the country's population with low-band spectrum. This broad and deep spectrum deployment will result in almost two-thirds of Americans receiving speeds in excess of 100 Mbps within three years of closing. Within six years of the merger's close, the Applicants commit to deploy a 5G network with: low-band coverage of at least 99 percent of the population; mid-band coverage of at least 88 percent of the population; [redacted] 5G sites nationwide; an average of [redacted] megahertz of low-band and mid-band 5G spectrum deployed across the 5G sites; 99 percent of the population experiencing download speeds equal to, or greater than, 50 Mbps; and 90 percent of the population experiencing download speeds equal to, or greater than, 100 Mbps. New T-Mobile's 5G network will be able to achieve these exceptional performance targets through the combined capabilities of T-Mobile's low-band and Sprint's mid-band spectrum, and, in doing so, help lead the U.S. to victory in the global race to 5G.

**Commitment to Provide High-Speed 5G Services for Rural America**

Applicants' plan of record for rural 5G deployment recognizes that consumers in many rural areas have limited choices for wireless service and that entrenched rural incumbents have failed to deliver the quality of service that consumers in rural America deserve. Applicants' filings detailed how rural America represents an untapped business opportunity for New T-Mobile to create much-needed competition, seize customers from unchallenged incumbents, and deliver a new and higher standard of service for rural customers by expanding outdoor 5G coverage to 59.4 million rural residents, and indoor 5G coverage to 31 million rural residents.[4]

The Applicants detailed their plan for New T-Mobile to become an aggressive new competitor in rural America by taking advantage of merger synergies and leveraging its low-band (600 MHz) rural deployment to simultaneously deploy mid-band (2.5 GHz and/or PCS/AWS)) radios in rural areas at a very low incremental cost.[5] The deployment of mid-band spectrum in rural America means that New T-Mobile's broad and deep 5G coverage will not be reserved for urban areas only, but will create tremendous benefits in rural areas as well. Building on this aggressive planned rural deployment, the Applicants now propose to expand and accelerate their rural deployment plans and back it up with a strong commitment, ensuring that even more rural Americans receive the same world-class speed and service from New T-Mobile's mid-band coverage as the rest of the country.

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[4] *See Applications of T-Mobile US, Inc. and Sprint Corporation for Consent to Transfer Control of the Licenses and Authorizations*, WT Docket No. 18-197, Description of Transaction, Public Interest Statement, and Related Demonstrations at 65-66 (filed June 18, 2018) ("Public Interest Statement"); *see also* Joint Opposition at 94.

[5] Joint Opposition at 96-97.

Applicants' rural service commitment set forth in Attachment 1 at Section II, accelerates and increases the Applicants' previously submitted 5G broadband coverage plan for rural Americans – by going further than any company has before to help bridge the rural Digital Divide. Specifically, New T-Mobile will accelerate the deployment of approximately [redacted] mid-band sites in rural America, deploying them within three years of closing – years sooner than previously planned. New T-Mobile will also add 5G mid-band to approximately [redacted] additional low-band sites within six years of closing to further accelerate rural 5G deployment.

This rural mid-band acceleration will mean that the advantages of high-capacity mid-band spectrum will be extended to 6.5 million more rural Americans in the first three years of deployment – faster than originally planned. Further, by year six, New T-Mobile will increase its mid-band coverage of rural America by an additional 6.1 million rural Americans who would not have been covered with 5G mid-band spectrum in the original plan. As a result, within three years of closing, New T-Mobile will deliver 50 Mbps or higher to two-thirds of the rural population and 100 Mbps or higher to over half the rural population.

Within six years of the merger's close, New T-Mobile will deploy a 5G network with low-band coverage of at least 90 percent of the rural population; mid-band coverage of at least 66.7 percent of the rural population; [redacted] 5G sites in rural areas; an average of [redacted] megahertz of low-band and mid-band 5G spectrum deployed per 5G site; 90 percent of the rural population experiencing download speeds equal to, or greater, than 50 Mbps; and 66.7 percent of the rural population experiencing download speeds equal to, or greater than, 100 Mbps. No other company has rural 5G deployment plans even remotely as aggressive as New T-Mobile, and New T-Mobile is the only company that will bring the benefits of 5G mid-band spectrum to millions of rural Americans. Again, New T-Mobile will lead the way for the U.S. to be the global champion for 5G.

**Commitment for In-Home Broadband**

Applicants have detailed thoroughly their plan to leverage the unprecedented coverage, capacity, and speed of New T-Mobile's 5G network to offer a groundbreaking in-home broadband service, ("New T-Mobile Home Internet") covering over half the country's households at a low price to consumers and a low incremental cost to New T-Mobile.[6] Applicants have demonstrated how this new service will create direct benefits for all in-home broadband consumers, regardless of whether they subscribe to New T-Mobile, by forcing incumbent broadband providers to lower prices and improve services to respond to an aggressive new broadband competitor.

Applicants' plans for New T-Mobile Home Internet will break the mold for in-home broadband. As described in Applicants' filings, New T-Mobile Home Internet will: provide minimum

[6] *See generally* Letter from Nancy J. Victory, Counsel to T-Mobile US, Inc., to Marlene T. Dortch, Secretary, Federal Communications Commission, WT Docket No. 18-197 (Mar. 6, 2019) ("In-home Broadband Ex Parte").

speeds of 25 Mbps downlink and 3 Mbps uplink (more than fast enough for streaming 4K Ultra HD video); provide average speeds above 100 Mbps downlink; be priced significantly ([redacted] per month) below incumbent provider prices for service with comparable speeds; have no extra charge for the router; have no installation charge; have no contract; and provide customer care from T-Mobile's award-winning Magenta Glove Team.[7] Indeed, New T-Mobile Home Internet is poised to fundamentally shift the competitive landscape of one of the least-competitive industry segments in America.

Rural Americans who want and need access or choice for in-home broadband will benefit from the newly accelerated and increased rural deployment of the 5G network described above. Indeed, the in-home broadband service deployment in rural areas also will be accelerated and increased. The number of supported rural households will be approximately 300,000 more within three years and approximately 400,000 more within six years from the closing than originally planned. Here again, rural Americans will be big beneficiaries of the commitments.

Applicants stand behind their representations in the record about their incentive and ability to deliver in-home broadband to millions, including in rural areas. As set forth in Attachment 1 at Section III, Applicants commit that, within three years of closing, New T-Mobile will market the in-home service to 9.6 million eligible households, of which at least 2.6 million are rural households and will have at least [redacted] million supported households, of which at least [redacted] million are rural households. In addition, within six years of closing, New T-Mobile will market its in-home broadband service to at least 28 million eligible households, of which 5.6 million are rural, and will have at least [redacted] million supported households, of which at least [redacted] million are rural households.

**Commitment for Divestiture of Boost Mobile**

Applicants' original business plan involved incorporating the Sprint prepaid brands, including Boost Mobile ("Boost"), into a diverse portfolio of prepaid options that could leverage the powerful New T-Mobile 5G network to provide a high-quality, 5G prepaid service at a low price. While Applicants had planned that Boost would continue to be an effective and meaningful competitor as part of the New T-Mobile portfolio of brands, Applicants now commit to divest and sell the Boost business to remove any remaining doubts regarding the impact of the merger on prepaid wireless customers and competition.

Therefore, as described in Attachment 2, Applicants will divest Boost through a market-based process to a serious and credible buyer. New T-Mobile will offer the Boost buyer terms for a six-year wholesale MVNO agreement that will include wholesale rates that will meaningfully improve upon the commercial terms reflected in the most favorable of T-Mobile's and Sprint's three largest MVNO agreements. The wholesale network arrangement will also ensure that New T-Mobile and New Boost retain strong incentives to compete against each other for customers.

[7] *See id.*

The Applicants further commit that the MVNO arrangement will prevent New T-Mobile from treating New Boost in a discriminatory or anticompetitive manner relative to Metro, such as through unwanted discriminatory throttling, de-prioritization, or limitations on access to new network technologies. New T-Mobile will also offer other standard commercial support arrangements to the buyer, including a transition services agreement that is customary for a transaction of this nature. This will ensure that New Boost will be an aggressive competitor to New T-Mobile and other facilities-based, and non-facilities-based operators going forward.

New T-Mobile commits to identify the buyer of Boost and submit the negotiated MVNO agreement to the FCC within 120 days of closing the merger (subject to two 30-day extensions). The divestiture process implemented by New T-Mobile will result in the orderly transfer of Boost customers to the Boost buyer. It will also ensure the continued and seamless operation of Boost during the pendency of the divestiture. New T-Mobile commits to make significant voluntary contributions to the U.S. Treasury should it fail to timely negotiate and submit to the Commission an MVNO agreement that adheres to the principles in its commitment or maintain the competitiveness of Boost during the divestiture process.

**Pricing Commitment**

Applicants demonstrated through business and economic evidence that wireless consumers will pay less for 5G service and get far better service and more data as a result of the merger. However, on February 4, 2019, to enhance the public interest benefits of the merger and simplify the Commission's expeditious review, the Applicants submitted a firm commitment that "New T-Mobile will make available the same or better rate plans as those offered by T-Mobile or Sprint as of today's date for three years following the merger."[8]

The Applicants once again take this opportunity to unequivocally reaffirm the February 4, 2019, pricing commitment and include it for convenience as Attachment 3. As previously stated, this commitment not only ensures that prices cannot go up, but that 5G comes at no extra cost – in contrast to surcharges imposed by Verizon and planned by AT&T. In light of the proposed Boost divestiture, the commitment will cover the Boost plans only until Boost is divested.

**Commitments Regarding Altice**

As Applicants have demonstrated in the record, the same economic principles that will drive lower prices for retail consumers will also apply to wholesale prices and MVNOs, creating a unique value proposition for New T-Mobile's MVNOs.[9] New T-Mobile's additional network

[8] *See* Letter from Nancy J. Victory, Counsel for T-Mobile US, Inc., to Marlene H. Dortch, Secretary, Federal Communications Commission, WT Docket No. 18-197 (Feb. 4, 2019) ("Pricing Commitment Letter").

[9] Joint Opposition at 88-91.

capacity and lower per unit costs will create an incentive for the combined company to lower wholesale prices to MVNOs in order to ensure that the new network capacity is not wasted by sitting idle.[10] MVNOs will benefit not only from the capabilities of the New T-Mobile network, but also the unprecedented capacity and lower cost per GB, which will translate into lower wholesale costs, and, ultimately, lower prices for MVNO subscribers.[11] In addition to these competitive incentives, T-Mobile has publicly represented that New T-Mobile will honor the terms of existing Sprint and T-Mobile MVNO agreements, including Sprint's agreement with Altice.[12]

As described in Attachment 4, Applicants now commit that New T-Mobile will not exercise any termination rights under Altice's MVNO agreement with Sprint that might be triggered by the merger. In addition, New T-Mobile commits to engage in good faith negotiations to expand the existing Sprint/Altice agreement to the New T-Mobile 5G network.

**Verification and Enforcement**

Applicants take these commitments seriously, expect to be held to their word, and they are prepared for financial consequences if they fail to do so. Accordingly, Applicants commit to a verification and enforcement regime of unprecedented rigor. Failure to meet New T-Mobile's obligations will trigger severe, increasing, and continuing voluntary contributions that will make failure prohibitively expensive and incentivize New T-Mobile to meet its commitments.

At the same time, New T-Mobile's commitments will set a new standard for regulatory transparency, providing regular and robust information in annual reports regarding its progress in meeting its nationwide 5G, rural 5G, and in-home commitments. For New T-Mobile's three-year and six-year commitment dates, the company will provide a comprehensive report that includes data from drive tests, polygon coverage shapefiles, population and household coverage figures, site lists, marketing figures, and executive certifications.

Applicants' rigorous verification processes will be accompanied by an even more exacting enforcement structure. Voluntary contributions will be calculated separately for each missed commitment. Furthermore, each of New T-Mobile's six-year commitments will continue until satisfied and, accordingly, their respective voluntary contributions will continue to accrue and increase during their pendency. This enforcement standard is unprecedented in its strength.

The Applicants are prepared to submit to the substantial financial consequences of missed deadlines or obligations because all of the deadlines and obligations are consistent with the New T-Mobile plan. They simply ensure that New T-Mobile does post-merger what the Applicants

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[10] *Id.* at 88.

[11] *Id.*

[12] *Id.* at 89.

have described will happen in their Public Interest Statement and subsequent filings, as well as the accelerated and expanded deployment of the 5G network to rural America included in the merger commitments the Applicants make today.

**Commission Grant of the Transfer of Control Applications**

In view of the record in this merger proceeding and the commitments submitted herewith, the Applicants request prompt grant of their applications for transfer of control as serving the public interest.

Please direct any questions regarding the foregoing to the undersigned counsel for the Applicants.

Respectfully submitted,

SPRINT CORPORATION

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cc: Chairman Ajit Pai
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Commissioner Brendan Carr
Commissioner Jessica Rosenworcel
Commissioner Geoffrey Starks
David Lawrence
Kathy Harris
Linda Ray
Kate Matraves
Jim Bird
David Krech
Joel Rabinovitz

# ATTACHMENT 1

## NETWORK AND IN-HOME COMMITMENTS

I. Nationwide 5G Network Deployment. T-Mobile and Sprint commit that:

(A) within three (3) years of the closing date of the T-Mobile/Sprint merger, New T-Mobile will deploy a 5G network with:

1. a Low-band 5G Coverage Area covering at least 97% of the U.S. Population;
2. a Mid-band 5G Coverage Area covering at least 75% of the U.S. Population;
3. [redacted] 5G Sites nationwide;
4. [redacted] MHz of low-band and mid-band 5G Spectrum averaged over all 5G Sites deployed nationwide (the sites described in Section I.A.3 above);
5. 75% of the U.S. Population having access to download speeds equal to or greater than 50 Mbps, as verified by a drive test; [1] and
6. 63% of the U.S. Population having access to download speeds equal to or greater than 100 Mbps,[2] as verified by a drive test.

(B) within six (6) years of the closing date of the T-Mobile/Sprint merger, New T-Mobile will deploy a 5G network with:

1. a Low-band 5G Coverage Area covering at least 99% of the U.S. Population;
2. a Mid-band 5G Coverage Area covering at least 88% of the U.S. Population;
3. [redacted] 5G Sites nationwide;
4. [redacted] MHz of low-band and mid-band 5G Spectrum averaged over all 5G Sites deployed nationwide (the sites described in Section I.B.3 above);
5. 99% of the U.S. Population having access to download speeds equal to or greater than 50 Mbps, as verified by a drive test; and
6. 90% of the U.S. Population having access to download speeds equal to or greater than 100 Mbps,[3] as verified by a drive test.

II. Rural 5G Network Deployment. With regard to the nationwide 5G network deployment described above, T-Mobile and Sprint further commit that:

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[1] New T-Mobile will fund the drive tests to take place at the end of years 3 and 6. The drive tests will utilize a methodology mutually agreed to by New T-Mobile and the Wireless Telecommunications Bureau ("Bureau") within 60 days of the closing of the T-Mobile/Sprint merger. The goal of the drive testing is to reflect actual user experience under ordinary utilization and compare them to the speed and coverage commitments stated in Sections I and II. The drive testing will involve oversight by an independent third party, but may be conducted by T-Mobile personnel. The drive testing will commence at the three (3) and six (6) year anniversary of the close of the transaction and be completed within nine (9) months thereafter in each case. The drive test would make use of T-Mobile-Certified 5G Devices.

[2] While not a part of the formal commitment, the 63% of the U.S. Population having access to download speeds equal to or greater than 100 Mbps are expected to experience average upload speeds of 15-20 Mbps.

[3] The 90% of the U.S. Population having access to download speeds equal to or greater than 100 Mbps are expected to experience average upload speeds of 15-20 Mbps. *See* n.2.

(A) within three (3) years of the closing date of the T-Mobile/Sprint merger, New T-Mobile will deploy a 5G network with:

1. a Low-band 5G Coverage Area covering at least 85% of the Rural Population;
2. a Mid-band 5G Coverage Area covering at least 55% of the Rural Population;
3. [redacted] 5G Sites Deployed in Rural Areas;
4. [redacted] MHz of low-band and mid-band 5G Spectrum averaged over 5G Sites deployed in Rural Areas (the sites described in Section II.A.3 above);
5. 66.7% of the Rural Population having access to download speeds equal to or greater than 50 Mbps, as verified by a drive test; and
6. 55% of the Rural Population having access to download speeds equal to or greater than 100 Mbps,[4] as verified by a drive test.

(B) within six (6) years of the closing date of the T-Mobile/Sprint merger, New T-Mobile will deploy a 5G network with:

1. a Low-band 5G Coverage Area covering at least 90% of the Rural Population;
2. a Mid-band 5G Coverage Area covering at least 66.7% of the Rural Population;
3. [redacted] 5G Sites Deployed in Rural Areas;
4. [redacted] MHz of low-band and mid-band 5G Spectrum averaged over 5G Sites deployed in Rural Areas (the sites described in Section II.B.3 above);
5. 90% of the Rural Population having access to download speeds equal to or greater than 50 Mbps, as verified by a drive test; and
6. 66.7% of the Rural Population having access to download speeds equal to or greater than 100 Mbps,[5] as verified by a drive test.

III. <u>In-Home Broadband</u>. T-Mobile and Sprint commit that:

(A) within three (3) years of the closing date of the T-Mobile/Sprint merger, New T-Mobile will:

1. Market its In-home Broadband Service product to at least 9.6 million Eligible Households, of which at least 2.6 million are Rural Households; and
2. have at least [redacted] million Supported Households, of which at least [redacted] million are Rural Households.

(B) within six (6) years of the closing date of the T-Mobile/Sprint merger, New T-Mobile will:

1. Market its In-home Broadband Service product to at least 28.0 million Eligible Households, of which 5.6 million are Rural Households; and
2. have at least [redacted] million Supported Households, of which at least [redacted] million are

[4] The 55% of the Rural Population having access to download speeds equal to or greater than 100 Mbps are expected to experience upload speeds of 15-20 Mbps. *See* n.2.

[5] The 66.7% of the Rural Population having access to download speeds equal to or greater than 100 Mbps are expected to experience upload speeds of 15-20 Mbps. *See* n.2.

Rural Households.

Provided, however, that the requirements of Sections III.A.1 and III.B.1 will terminate once New T-Mobile has 9.5 million simultaneous In-home Broadband Service subscribers.

IV. Verification. T-Mobile and Sprint commit that:

(A) Within 60 days following each of the first, second, fourth and fifth annual anniversaries of the closing date of the T-Mobile/Sprint merger, New T-Mobile will submit to the Bureau a report that details the progress the company is making toward meeting the site and spectrum deployment and other commitments described in Sections I-II and the In-home Broadband commitments described in Section III (including the number of subscribers) as of the corresponding anniversary date.

(B) Within 9 months following each of the third and sixth annual anniversaries of the closing date of the T-Mobile/Sprint merger, New T-Mobile will submit to the Bureau a report that will include:

1. drive test results;
2. polygon shapefiles showing New T-Mobile's Low-band 5G Coverage Area and Mid-band 5G Coverage Area as of the 3-year or 6-year date (whichever is applicable);
3. a statement quantifying the U.S. Population and Rural Population covered by each of the Low-band 5G Coverage Area and Mid-band 5G Coverage Area as of the 3-year or 6-year date (whichever is applicable);
4. a list of 5G Sites (including information identifying individual sites, *e.g.*, latitude and longitude) and spectrum deployed, broken into rural and non-rural categories;
5. a certification from New T-Mobile's Chief Technology Officer that the representations in the shapefiles, population coverage numbers, site and spectrum deployment numbers, and speeds are true and correct;
6. a statement describing the means by which New T-Mobile has Marketed its In-home Broadband Service product to date;
7. the number of households, with reasonable precision, that received or were covered by each form of In-home Broadband Service Marketing as of the 3-year or 6-year date (whichever is applicable);
8. the number of Supported Households, and of those the number of Rural Households;
9. the number of subscribers of New T-Mobile's In-home Broadband Service as of the 3-year or 6-year date (whichever is applicable); and
10. a certification from New T-Mobile's executive in charge of the In-home Broadband Service business that the representations in the report regarding In-home Broadband Service Marketing, Supported Households and number of subscribers are true and correct.

V. Enforcement. T-Mobile and Sprint agree that, in the event that the Bureau determines that New T-Mobile has failed to meet any of the commitments described in Sections I-III

above, New T-Mobile will make a voluntary contribution to the U.S. Treasury in the manner directed by the Bureau within 60 days of such determination. This voluntary contribution will be in lieu of the Commission taking any action under its forfeiture authority for failure to meet the commitments described in Sections I-III above. The amount of the voluntary contribution will be calculated in accordance with this section:

(A) In the event that the Bureau determines that New T-Mobile has failed to meet any of the 3-year commitments, the applicable voluntary contribution shall be calculated as follows:

1. The amount of the voluntary contribution shall be cumulative, calculated separately for each missed commitment (Sections I(A), II(A), and III(A) each constituting an individual commitment) commensurate with the percentage by which New T-Mobile missed the commitment. The total amount of the voluntary contribution shall be the sum of the amounts assessed for each missed commitment;
2. Where a commitment has multiple elements (as in Sections I(A), II(A), and III(A)), the Bureau shall determine the percentage by which New T-Mobile has fallen short under each element[6] and calculate the voluntary contribution for the particular missed commitment based on the highest calculated percentage missed of any element;
3. Each 1% of shortfall with respect to the commitment in Sections I.A.5 and II.A.5 shall constitute 0.5% for purposes of the calculation in 2; and
4. The following contribution scale will apply:

| Missed Percentage | Voluntary Contribution |
|---|---|
| >0%-5% | $10,000,000 |
| >5%-10% | $25,000,000 |
| >10%-25% | $50,000,000 |
| >25%-50% | $100,000,000 |
| >50% | $250,000,000 |

(B) In the event that the Bureau determines that New T-Mobile has failed to meet any of the 6-year commitments, the applicable voluntary contribution shall be calculated as

[6] For example, if there is a commitment to serve 55% of the population (180.1M people out of a total population of 327.48M) and New T-Mobile is able to serve only 160.3M by the deadline, the company would fall short by 19.8M people, which would be a percentage missed of 11% (19.8M ÷ 180.1M X 100 = 11%).

follows (with a maximum contribution for such a determination of $2.4 billion repeatable as described in Section V.C.):

1. The amount of the voluntary contribution shall be cumulative, calculated separately for each missed commitment (Sections I(B), II(B), and III(B) each constituting an individual commitment) commensurate with the percentage by which New T-Mobile missed the commitment. The total amount of the voluntary contribution shall be the sum of the amounts assessed for each missed commitment;
2. Where a commitment has multiple elements (as in Sections I(B), II(B), and III(B)), the Bureau shall determine the percentage by which New T-Mobile has fallen short under each element and calculate the voluntary contribution based on the highest calculated percentage missed of any element;
3. Each 1% of shortfall with respect to the commitment in Sections I.B.5 and II.B.5 shall constitute 0.5% for purposes of the calculation in 2;
4. The voluntary contribution for each 1% (rounded to the nearest tenth of a percent) up to 20% that a commitment is missed shall be $10,000,000, and $5,000,000 for each 1% thereafter; however, the minimum contribution amount shall be $25,000,000; and
5. The voluntary contribution calculated for failure to meet the commitment described in Section II shall be doubled.[7]

(C) New T-Mobile's obligation to fulfill the commitments in Sections I(B), II(B), and III(B) remains until satisfied. Within one year after a Bureau determination that New T-Mobile was deficient with respect to any element of these commitments, New T-Mobile shall submit to the Bureau a report demonstrating whether it has satisfied any remaining deficient element(s). A determination by the Bureau that New T-Mobile has failed to meet any of the remaining deficient elements shall be subject to the same voluntary contribution amounts described in Section V(B) and the process described in this section V(C) until satisfied.

(D) In making a determination regarding New T-Mobile's compliance under Sections IV(A)-(C) above, the Bureau shall take into account and, in its reasonable discretion, appropriately reduce the metric, extend the deadline or reduce the contribution amount associated with commitments missed due to unanticipated circumstances beyond the company's control (*e.g.*, acts of God, such as fire, flood, earthquake, or other natural disasters; terrorist events, riots, insurrections, war, strikes or national emergencies; law or order of any government body; or significant interruptions in the supply chain).

VI. Definitions. The following terms are used in this document:

(A) "5G" is defined as the 5G New Radio air interface standard as described in 3GPP Release 15. *Available at* https://www.3gpp.org/release-15.

[7] For example, a 20% shortfall on each of the commitments in Sections I(B), II(B) and III(B) would translate into a combined $800M voluntary contribution ($200M + (2 X $200M) + $200M = $800M).

(B) "5G Sites" is defined as macro sites on which 5G radios are deployed.

(C) "5G Sites Deployed in Rural Areas" means 5G Sites that are physically located within a Rural Area.

(D) "5G Spectrum" is defined as dedicated licensed spectrum used for downlink or uplink with 5G radios and does not include spectrum shared dynamically with LTE.

(E) "Access" to specified speeds means that users of T-Mobile-Certified 5G Devices will experience the specified download speeds on average (mean) across actual utilization.

(F) "Eligible Household" is defined as a household located in a geography: (A) over which New T-Mobile's network will provide signal quality suitable to support the In-home Broadband Service; and (B) in which New T-Mobile's network has sufficient capacity to serve one or more households with In-home Broadband Service, as shown in the polygon shapefile submitted to the Bureau.

(G) "In-home Broadband Service" is defined as a residential broadband service with minimum speeds of 25 Mbps downlink and 3 Mbps uplink.

(H) "Low-band 5G Coverage Area" is defined as that area included within the bounds of the polygon shapefile submitted to the Bureau representing geographic coverage for 5G service using Low-band Frequencies with coverage based on T-Mobile's ordinary course coverage analysis. The coverage shapefiles used to calculate covered pops will be verified by a drive test at the 3 and 6 year intervals. *See* n.1.

(I) "Low-band Frequencies" is defined as those radiowave frequencies below 1 GHz including, but not limited to, frequencies in the 600 MHz, 700 MHz, and 800 MHz bands.

(J) "Market" is defined as to advertise and offer a product or service for sale including, but not limited to, through TV, radio, Internet, digital, electronic, voice, print, mail, or in-person channels.

(K) "Mid-band 5G Coverage Area" is defined as that area included within the bounds of the polygon shapefile submitted to the Bureau representing geographic coverage for 5G service using Mid-band Frequencies with coverage based on T-Mobile's ordinary course coverage analysis. The coverage shapefiles used to calculate covered pops will be verified by a drive test at the 3 and 6 year intervals. *See* n.1.

(L) "Mid-band Frequencies" is defined as those radiowave frequencies above 1 GHz and below 6 GHz including, but not limited to, the AWS, PCS, and 2.5 GHz bands.

(M) "Rural Area" is as defined by the 2010 U.S. Census.

(N) "Rural Households" is defined as households located within a Rural Area.

(O) "Rural Population" is defined as the population within Rural Areas derived from the population data licensed through the 2016 Pitney Bowles study, which provides population at the census block level. The 2016 Pitney Bowles study is based on the

2010 U.S. Census, but then updated based on more recent information. According to the 2016 Pitney Bowles study, the Rural Population is 61.98M. That population number is fixed for purposes of calculating compliance with these commitments as is the population per census block through which covered pops will be determined.

(P) "Supported Households" is defined as those Eligible Households that New T-Mobile will have the capacity to serve with its In-home Broadband Service at any given time (based upon an average usage across the sector of [redacted] GB per month per household as of 3 years following the close of the T-Mobile/Sprint merger and an average usage across the sector of [redacted] GB per month per household as of 6 years following the merger closing). Supported Households will be calculated according to the methodology set out in T-Mobile's *ex parte* filing detailing its In-Home Broadband plans. *See* Letter from Nancy Victory, Counsel for T-Mobile, to Marlene H. Dortch, Secretary, Federal Communications Commission, WT Docket No. 18-197 (Mar. 6, 2019). Within 60 days of the closing of the T-Mobile/Sprint merger, New T-Mobile and the Bureau will work in good faith to refine this methodology to utilize actual deployment numbers.

(Q) "T-Mobile-Certified 5G Device" means a device that T-Mobile or New T-Mobile has certified as compatible with its 5G network (it is expected that all 5G devices available through New T-Mobile retail will be T-Mobile-Certified 5G Devices).

(R) "U.S. Population" is defined as the population of the United States (including the 50 states, Puerto Rico and the U.S. territories) as derived from population data licensed through the 2016 Pitney Bowles study, which provides population at the census block level. The 2016 Pitney Bowles study is based on the 2010 U.S. Census, but then updated based on more recent information. According to the 2016 Pitney Bowles study, the U.S. Population is 327.48M. That population number is fixed for purposes of calculating compliance with these commitments as is the population per census block through which covered pops will be determined.

# ATTACHMENT 2

# BOOST MOBILE DIVESTITURE

T-Mobile and Sprint commit to divest the Boost Mobile business. The market-based process implemented by the Applicants will ensure that New T-Mobile will divest Boost Mobile to a serious and credible buyer ("Buyer") and receive fair value for the assets. As part of the process contemplated in this commitment, the Applicants and Buyer will be free to agree to commercial terms of their choosing, subject only to the limitations set out below:

I. Overview of Divested Business. The Boost Mobile assets and operations to be divested (the "Divested Business" or "New Boost") include:

A. Boost Mobile-branded customers with an "active" Boost Mobile account;[1] and

B. "Dedicated" Boost Mobile assets, properties, systems, management team and employees that are necessary to operate the Boost Mobile business as it is conducted as of the merger closing date.[2] The Divested Business will include all ownership interests in, and rights to use, the Boost Mobile brand and its associated brands and trademarks.[3]

II. Obligation to Maintain Divested Business Prior to Divestiture. New T-Mobile must undertake commercially reasonable efforts to maintain Boost's competitiveness prior to completion of the divestiture.

III. Commercial Arrangements with Buyer. To allow for the continued operation and growth of New Boost, New T-Mobile will offer two principal support arrangements to the Buyer:

A. *Wholesale MVNO Agreement*. The terms of the wholesale MVNO agreement will be consistent with the following principles:

1. Wholesale Network Pricing

a. New Boost's wholesale network pricing will create a strong incentive and ability for New T-Mobile to compete against New Boost for customers, and vice versa, similar to their respective competitive incentives and capabilities

[1] For purposes of this submission, an "active" Boost Mobile account includes any account that (i) has had a positive account balance at any time during the 120 days immediately prior to the Boost Mobile divestiture closing date, and (ii) has not been suspended, cancelled or otherwise terminated during such 120-day period. Divested customers do not include Boost Mobile customers of third parties who are not controlled by Sprint and offer wireless service under the Boost brand.

[2] For purposes of this submission, "dedicated" means any asset, property, system or employee that is solely and exclusively allocated for use by Boost Mobile.

[3] The divestiture of the Boost Mobile business will ensure all third parties who have rights to utilize the Boost brand and marks shall retain such rights.

today. For clarity, the pricing will not prevent New T-Mobile from recouping its full network costs associated with serving New Boost customers.

b. New Boost's wholesale network pricing will allow it to benefit from the long-run network cost efficiencies of New T-Mobile's 5G network deployment.
c. New Boost's wholesale network pricing will meaningfully improve upon the commercial terms reflected in T-Mobile's and Sprint's 3 largest MVNO agreements based on 1Q 2019 wholesale revenues. For clarity, the commercial terms will meaningfully improve on those reflected in each of the 6 agreements, taking each as an entire agreement.

2. Discrimination and Competitive Constraints

   a. New Boost's agreements will prevent New T-Mobile from treating New Boost in a discriminatory or anticompetitive manner as compared to Metro or any successor to Metro as New T-Mobile's leading low cost brand, such as through unwanted discriminatory throttling, de-prioritization, or limitations on access to new network technologies. For the avoidance of doubt, reducing Metro's rates to win subscribers from New Boost would not constitute anticompetitive treatment.
   b. New Boost's agreements will not constrain how it prices or packages its retail services.

3. Long-Term Competition and Facilities Deployment

   a. New Boost's agreements will permit it to deploy and utilize its own spectrum, systems, network infrastructure, and other facilities if it chooses, and enjoy reasonable cost benefits of doing so.
   b. New Boost's agreements will permit it to compete effectively on a long-term basis, with a minimum wholesale agreement term of six years, and New T-Mobile will not unreasonably withhold consent to changes in New Boost ownership (for example, it would not be unreasonable for New T-Mobile to withhold consent to a change of control to a facilities-based provider who refuses to provide New T-Mobile with reciprocal access to the provider's facilities on reasonable terms; it would be unreasonable to withhold consent to a sale with the objective of keeping New Boost in the hands of an unsuccessful owner).

4. Stable Transition of New Boost's Operations

   a. New T-Mobile will maintain Boost's competitiveness through its transition to independent ownership.
   b. New Boost's agreements will provide New Boost with access to the New T-Mobile network on the same timeline as Sprint, the ability to activate on the

New T-Mobile network on a nondiscriminatory basis, and reasonable advance notice of network transition plans that could affect New Boost customers.

B. *Transition Services Agreement*. The Transition Services Agreement offered to the Buyer will include up to a two-year term (as required by Buyer) with customary transition services offered at cost to the Buyer. The terms of the Transition Services Agreement (or any other related agreement) shall be consistent with, and not undercut, the principles in Section III.A., to the extent they are applicable.

IV. Commission Review of Buyer and New Boost Wholesale MVNO Agreement. New T-Mobile must submit the wholesale MVNO agreement negotiated with the Buyer to the Wireless Telecommunications Bureau ("Bureau") for review prior to consummating the divestiture.

A. The Buyer must be a "serious and credible third-party buyer," which will be an entity that:

1. has, or has access to, the financial resources to acquire, maintain and expand the Divested Business, and

2. is unrelated to either of the Applicants.

B. A New Boost wholesale MVNO agreement, consistent with the principles in Section III.A., must be submitted to the Bureau for review within 120 days after closing of the T-Mobile/Sprint merger.

1. No later than seven (7) days prior to the deadline, New T-Mobile may request from the Bureau a thirty-day extension of the deadline. To obtain an extension from the Bureau, New T-Mobile would have to provide a status report and certify that it is both undertaking commercially reasonable efforts to reach a final agreement as quickly as practicable and to meet its obligation in Section II. Under this process, New T-Mobile may request, and the Bureau may grant, up to two thirty-day extensions.

2. Once the New Boost wholesale MVNO agreement is submitted, the Bureau will have 30 days to make a decision as to whether the agreement is consistent with the principles set forth in Section III.A. and whether New T-Mobile has fulfilled its obligation in Section II. This 30-day review timeline can be extended only with the consent of New T-Mobile.

V. Enforcement. In the event that the Bureau determines that New T-Mobile has failed to meet the requirements in Sections II and/or IV, New T-Mobile shall make a voluntary contribution to the U.S. Treasury in the manner directed by the Bureau within 60 days of such determination. This voluntary contribution will be in lieu of the Commission taking any

action under its forfeiture authority for failure to meet the commitments in Sections II and IV. The voluntary contribution shall be assessed and calculated in accordance with this section:

A. If New T-Mobile fails to submit to the Bureau a wholesale MVNO agreement with the Buyer of the Divested Business (or in the case of a submitted agreement that has been rejected, a revised agreement) by the deadline set forth in Section IV.B., New T-Mobile shall owe a voluntary contribution of $3.5 million per day until a new agreement is submitted.

B. If the Bureau decides that the submitted wholesale MVNO agreement is not consistent with the principles set forth in Section III.A., then the clock (if not yet expired) will continue without pause or, if the clock (and any extensions) has expired, a $3.5 million per day voluntary contribution will begin to accummulate immediately and continue until a revised wholesale MVNO agreement is submitted to the Bureau.

C. If the Bureau finds that New T-Mobile did not have a good faith and reasonable belief that the wholesale MVNO agreement was consistent with the principles set forth in Section III.A., New T-Mobile shall owe a voluntary contribution of $3.5 million per day for the period during which the Bureau was reviewing the agreement.

D. If the Bureau decides that the wholesale MVNO agreement is consistent with the principles set forth in Section III.A., but that New T-Mobile has not met the obligation in Section II, then New T-Mobile must take appropriate steps to restore Boost's competitiveness to the Bureau's satisfaction and shall make a voluntary contribution of $3.5 million per day starting from the date that the wholesale MVNO agreement was submitted until those steps are complete.

E. If the Bureau decides both that the agreement was not consistent with the principles set forth in Section III.A. and that New T-Mobile has not met the obligation in Section II, then New T-Mobile shall make a voluntary contribution of $3.5 million per day from the date that the wholesale MVNO agreement was submitted until both of these problems have been remedied and the divestiture is complete.

# ATTACHMENT 3

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February 4, 2019

*VIA ECFS*

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

**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 a written *ex parte* presentation in the above-referenced docket. T-Mobile US, Inc. ("T-Mobile") and Sprint Corporation ("Sprint", and collectively with T-Mobile, "Applicants") have stated in the Public Interest Statement, and reiterated repeatedly since, that the merger will ensure that "American consumers will pay less and get more".[1] Our merger will enable the deployment of a world-class nationwide 5G network with massive capacity and lower marginal costs per customer, with the result that customers get better service and more data at the same or lower prices.[2] The Applicants' representation that consumers will pay less as a result of the merger is supported by the New T-Mobile business plan,[3] declarations from T-Mobile

[1] *See, e.g., Applications of T-Mobile US, Inc. and Sprint Corporation for Consent to Transfer Control of the Licenses and Authorizations*, WT Docket No. 18-197, Description of Transaction, Public Interest Statement, and Related Demonstrations at i (June 18, 2018) ("Public Interest Statement"); *Applications of T-Mobile US, Inc. and Sprint Corporation for Consent to Transfer Control of Licenses and Authorizations*, WT Docket No. 18-197, Joint Opposition of T-Mobile US, Inc. and Sprint Corporation at i (Sept. 17, 2018) ("Joint Opposition").

[2] Public Interest Statement at 51.

[3] *Id.*

executives,[4] merger simulations focused on New T-Mobile prices,[5] and economic work showing all wireless consumers will benefit from a decrease in price per GB due to competitive responses from AT&T and Verizon.[6]

The Public Interest Statement also provided further assurances to existing customers of T-Mobile and Sprint that prices will not go up following the close of the merger. Specifically, the Applicants stated that "New T-Mobile will guarantee each [Sprint] customer a rate plan that is equal or better than the plans they currently enjoy with Sprint."[7] The Applicants also noted the T-Mobile Un-contract rate promise to their customers and that it would be extended to Sprint customers post-closing.[8] These assurances were intended to address any concerns about post-closing price increases and they are fully consistent with the New T-Mobile business plan.

Despite all this, merger opponents tried to raise questions about New T-Mobile's pricing incentives during the three-year period from merger closing until completion of the network combination and customer migration. The Applicants believe that the myriad showings on the record fully answer those questions. However, to remove all doubt and simplify the Commission's review of the merger, the Applicants are providing the following statement to remove any doubts, concerns or ambiguity:

> *New T-Mobile will make available the same or better rate plans as those offered by T-Mobile or Sprint as of today's date for three years following the merger.*

T-Mobile and Sprint legacy rate plans will continue as New T-Mobile plans for three years after the merger or until better plans that offer a lower price or more data are made available,

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[4] Public Interest Statement, Appx C, Declaration of G. Michael Sievert, President and Chief Operating Officer, T-Mobile US, Inc. at ¶21; Public Interest Statement, Appx. D, Declaration of Peter Ewens, Executive Vice President, Corporate Strategy, T-Mobile US, Inc. at ¶8 ("Ewens Decl.").

[5] Joint Opposition, Appx. F, Declaration of Compass Lexecon, Mark Israel, Michael Katz, and Bryan Keating at ¶6; John Asker, Timothy F. Bresnahan, and Kostis Hatzitaskos, *Economic Analysis of the Proposed T-Mobile/Sprint Merger*, Cornerstone Research at 1-6 (Nov. 6, 2018).

[6] Public Interest Statement, Appx. G, Declaration of 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," at ¶¶220-44.

[7] Ewens Decl. at ¶8.

[8] *Id.*

whichever occurs first.[9] The retained legacy rate plans may be adjusted to pass through cost increases in taxes, fees and surcharges as well as services from third party partners that are included in the rate plans, as these increased costs are not within the control of New T-Mobile. The legacy plans may also be adjusted to modify or discontinue third party partner benefits based on changes in the terms of the offering initiated by the third party partner, as this is also not within the control of New T-Mobile.[10]

As New T-Mobile CEO John Legere has said, we would be pleased to discuss the details of this commitment with the Chairman, Commissioners and Transaction Team. As noted, this representation is fully consistent with the New T-Mobile business plan and responsive to merger-specific questions that have been raised. For those reasons, the Applicants have no objection to this representation being included as a formal merger condition in the order approving the transaction.

Please direct any questions regarding the foregoing to the undersigned counsel for Deutsche Telekom and T-Mobile.

Respectfully submitted,

**DLA Piper LLP (US)**

*/s/ Nancy Victory*

Nancy Victory
Partner

cc: Chairman Ajit Pai
Commissioner Michael O'Rielly
Commissioner Brendan Carr
Commissioner Jessica Rosenworcel
Commissioner Geoffrey Starks
David Lawrence
Kathy Harris
Linda Ray
Kate Matraves

[9] When a better post-merger plan is offered, New T-Mobile may discontinue a less appealing legacy plan.

[10] Device/handset offerings are not included in this pricing commitment.

Jim Bird
David Krech

# ATTACHMENT 4

## ALTICE MVNO COMMITMENT

T-Mobile and Sprint commit that:

(A) Sprint Spectrum L.P. ("Sprint") will not exercise any termination right set forth in the Master Wireless Wholesale Agreement by and between Sprint and Altice USA, Inc. ("Altice") dated November 5, 2017 (the "Altice MVNO Agreement"), or in any other existing agreement between Sprint and Altice, that arises from consummation of the merger between T-Mobile and Sprint Corporation; and

(B) New T-Mobile will negotiate in good faith an amendment of the Altice MVNO Agreement to include the networks, including 5G network, operated by New T-Mobile.