

Testimony of John Legere, Chief Executive Officer, T-Mobile US

House Judiciary Subcommittee on Antitrust, Commercial and Administrative Law

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INTRODUCTION

Thank you, Chairman Cicilline, Ranking Member Sensenbrenner, and members of the Committee. My name is John Legere. I have been Chief Executive Officer of T-Mobile US, Inc. since September of 2012. Since becoming CEO almost seven years ago, I've been privileged to lead T-Mobile on its mission to fix a stupid, broken, arrogant industry and to redefine how the American consumer views and experiences "wireless." As the "Un-carrier," T-Mobile has worked to attract customers by fixing a wide range of their pain points while ultimately providing consumers better value for lower prices. If the merger is approved, I will proudly serve as the CEO of New T-Mobile.

I appreciate the opportunity to be here today alongside Marcelo Claure of Sprint to discuss the proposed merger of our two companies. New T-Mobile will enable U.S. leadership in 5G, deliver significant value and benefits to consumers in all corners of the nation, increase competition in wireless and in-home broadband, and create American jobs. New T-Mobile will be able to leverage a unique combination of complementary assets to unlock massive synergies to build a world-leading 5G network that will deliver unprecedented services and value to all consumers, increasingly disrupt multiple industries, and enhance the American economy and national security.

Our proposed merger with Sprint will provide New T-Mobile with the added scale and critical spectrum and network assets to supercharge our Un-carrier strategy. As a result, we

can take competition to new levels. We will offer a much faster, broader, and deeper network and new services at lower prices than either T-Mobile or Sprint could achieve alone. This will force our rivals – AT&T, Verizon, and the cable monopolies – to improve their services, increase their own capacity, and lower prices even further. All American customers will win with lower prices and better services!

When we build our world-class 5G network, we are not only going to benefit wireless customers, but also finally bring real competition for in-home broadband consumers, including rural customers, who are typically stuck with no choices for in-home broadband service today. We will bring new competition to Big Cable in two ways. Our 5G network gives us the speed and capacity to offer an affordable in-home high-speed broadband service to millions of American households. And with fiber-like speeds across our mobile network, many more Americans will be able to “cut the cord” entirely and eliminate a separate broadband charge – saving hundreds of dollars a year! The industry will have to respond, and prices will drop even more!

Importantly, we will bring these benefits to parts of the United States that other larger wireless carriers and cable companies often ignore – such as rural America and lower income communities. Our 5G network will be nationwide and connect the whole country. We will back our commitment to these areas with at least 600 new retail stores, five new customer experience centers, and 12,000 new employees on the ground in rural areas and small towns – communities that need them the most. Our lower income customers use the most data because they disproportionately rely on their phones to access the internet. They have the

most to gain when the price of data drops! Urban or rural, the merger will build a much-needed bridge across the digital divide.

And we aren't stopping there, as our plans include breaking into new and emerging lines of business such as enterprise, Internet of Things ("IoT"), and video.

This merger will be a tremendous jobs creator at New T-Mobile and across the country. Certain opponents of our merger with vested interests in maintaining the status quo have falsely characterized this merger as a job killer. But they have it all wrong: Our merger will be jobs positive from day one – and going forward. The build-out of our 5G network, investment in new customer experience centers, and expansion into new businesses like broadband, video distribution, and enterprise services means thousands more jobs than the two standalone companies would have needed. New T-Mobile will need approximately 3,600 more employees in its first year and more than 11,000 more employees by 2024 than the standalone companies combined without the merger. We recently announced the locations for three of five new technologically advanced customer experience centers that New T-Mobile will build – one in Sprint's hometown of Overland Park, Kansas, one in the greater Rochester area of New York, and one in California's Central Valley – each with over one thousand new employees.

On top of increasing competition and adding jobs, this merger will also help ensure that the tremendous benefits of 5G leadership are realized here in America. The United States led the world in 4G and the monumental ecosystem that was built around it, spawning companies such as Uber, Snap, and Venmo. Our merger creates the opportunity to continue that leadership in the 5G world. Nothing short of our global technology leadership is on the line. New T-Mobile will build the robust, nationwide, secure 5G network that will win the race to 5G.

Neither Sprint nor T-Mobile could do anything close to this on their own. And no one else will do it on our accelerated time frame if we don't do it together. The benefits of the transaction have always been obvious to us. But since we announced the merger last April, the evidence is even more powerful today than it was then. In the meantime, I have heard what our opponents have to say, and I am here today to address those concerns directly and explain why they're wrong. We are confident that a T-Mobile/Sprint merger will benefit the U.S. economy for American workers and consumers and promote U.S. technological leadership and our national security.

Make no mistake, opponents of the transaction are fear-mongering about job losses and price increases in a desperate effort to maintain the status quo. They know that blocking this transaction will only entrench the incumbent Big Two wireless carriers AND Big Cable—and that's their goal. Opponents and their backers are terrified of the competition that a supercharged Un-carrier will bring!

T-Mobile welcomes this Committee's role in providing oversight, and I am pleased to answer your questions. First, I will provide some further details on the transaction and topics of interest.

EXCITEMENT OVER THE BENEFITS OF THE TRANSACTION

Together with Sprint, we have been working since the deal announcement in April to share the tremendous benefits of the transaction in every corner of the country. We have also provided the evidence to back up our claims so that consumers, employees, policymakers, and regulators could make up their own minds. We have provided over 25 million pages of T-Mobile documents to the U.S. Department of Justice and Federal Communications Commission

and have had many meetings with the staff of both agencies to answer their questions. We've made filings on the transaction in 19 states and met with a number of State Attorneys General and their staffs. I've also had the honor to meet with several members of this Subcommittee one-on-one to discuss the transaction's benefits directly. We engaged from the beginning with U.S. national security agencies with whom both T-Mobile and Sprint have had longstanding partnerships. And we've connected with many consumer groups, small business organizations, civil rights groups, and other important stakeholders in the wireless economy to understand their needs and explain the benefits of this transaction.

It has been a long road, but what we've learned is that when workers, consumers, regulators, and policymakers understand the facts about the transaction – the details I will share with you today – they can understand that together T-Mobile and Sprint will protect and enhance technological leadership in the world, improve the consumer experience and consumer welfare, supercharge competition in wireless and beyond, and create a jobs engine for the U.S. economy.

I'll mention just a few important milestones in our journey. The Committee on Foreign Investment in the United States ("CFIUS") and Team Telecom completed their national security review and approved the transaction. Sixteen of nineteen state regulatory commissions (including the District of Columbia) have approved the transaction, including most recently the New York Public Service Commission, which concluded that the transaction is in the public interest. Attorneys General Sean Reyes (R-UT) and Hector Balderas (D-NM) have written in support, highlighting benefits to rural America. Governor Laura Kelly (D-KS) and numerous other state officials have expressed support for the transaction. We are particularly honored

that Congresswoman Anna Eshoo (D-CA) and Congressman Billy Long (R-MO) spearheaded a bipartisan letter of support.

Over 200 national and local civil rights, economic development, community and business organizations, companies, government officials, and community leaders have provided public support for the transaction, including: the U.S. Hispanic Chamber of Commerce; the U.S. Black Chamber of Commerce; the National Hispanic Caucus of State Legislators; the National Rural Education Association; the National Puerto Rico Chamber of Commerce; and Silicon Harlem, among many others. At three public interest hearings in Fresno, Los Angeles, and San Diego, California, at least 60 private individuals and members of local community groups came out to voice support. And a number of MVNOs – so-called “virtual” carriers that utilize the T-Mobile, AT&T, Verizon, or Sprint networks to offer service – such as TracFone, Ultra Mobile/Mint Mobile, Prepaid Wireless Group, and Republic Wireless, support the merger because it gives them access to a super 5G network that will expand their business opportunities and enable them to compete and better serve their customers.

Several well-respected academics and think tanks have published papers that support and extol the transaction, including papers on the competitiveness and dynamism of wireless markets, the convergence of wireless and wired broadband, the importance of 5G for rural economic development, and how U.S. leadership in 5G can help close the digital divide for the benefit of communities of color.

I have been encouraged by this tremendous support and excited by the opportunity to share our story with all of you.

U.S. LEADERSHIP IN 5G IS CRITICAL TO AMERICAN INNOVATION AND NATIONAL SECURITY

I will start with the amazing 5G network that New T-Mobile will build by combining T-Mobile and Sprint. This merger will help ensure that the tremendous benefits of 5G leadership are realized here in America. The stakes are high – nothing less than preserving our edge in innovation and maintaining our security.

Just look at 4G. The U.S. started rolling it out nationwide before almost any other nation, getting the technology into hands of innovators and entrepreneurs, and today 99.7% of Americans are covered by 4G LTE. The result: America and our innovators led the global mobile economy for the last decade. Uber, Snap, Venmo, and Instagram are all products and businesses built largely or entirely on the 4G mobile web. Furthermore, many of today's global internet leaders like Google, Facebook, and Amazon rose to prominence by leveraging the transition to mobile here in the U.S. first. Analysts estimate this early leadership generated billions in economic value and millions of new jobs here in America.

As the next generation of wireless technology, 5G is a game changer. The capacity, speed, and latency of 5G are truly revolutionary and far beyond what the most advanced 4G network can support today. 5G will enable superior capacity, faster data rates, and much lower latency, as well as energy efficiency leading to longer battery life and the capability to connect a greater number of devices. Our 5G network will deliver fiber-like data speeds, low latency for real-time interactivity, more consistent performance and user experience, and massive capacity for unlimited data to support things like 4K video streaming, smart cities, real time translation, online gaming, and other exciting applications that cannot be served across a substantial number of users by 4G. This will transform the way Americans live, work, travel, and play.

Nearly every business in America will use 5G to revolutionize how they create and deliver goods and services. New T-Mobile's 5G network will serve as a platform for ensuring that the 5G ecosystem of innovation and technological development occurs in the United States.

Just as we experienced with 4G, the countries who are first to deploy broad, robust 5G will enjoy a critical global edge in innovation, development, and deployment of related technologies and products, such as the IoT, autonomous vehicles, advanced telemedicine, and entertainment.

The United States is not alone in pursuing this goal. The United States must win the 5G race against China and do so in a way that protects our national security. 5G will be the means to connect and control phones, computers, cars, and appliances – nearly every device you can imagine. It is therefore imperative that U.S. 5G networks are secure. Winning the 5G deployment race is critical to assuring this security. It will give U.S. companies more influence as the standards that define 5G technology continue to develop. It will also bolster trusted network equipment suppliers who must compete against Chinese companies such as Huawei and ZTE. And it also ensures that cutting-edge U.S. innovation around 5G occurs in the United States, which is as critical for our security as it is for our economy. The flood of innovation that 5G will unleash must occur in our country.

Although 5G leadership is critical to America's future, the United States is falling behind in the 5G race. Other countries have shown that they will do whatever it takes to win the race to 5G and are making substantial commitments to support this goal. China has taken a global lead in the race, thanks to industry momentum and government support. China's 5-year economic plan specifies \$400 billion in 5G-related investment, and China Tower alone has

added nearly ten times the number of 5G sites than all U.S. companies combined. Since 2015, the U.S. has underspent China in wireless infrastructure by \$8 to \$10 billion. It is critically important that we turn the tide and recommit to American leadership in 5G.

THE COMBINATION OF T-MOBILE AND SPRINT ENSURES U.S. 5G LEADERSHIP

Time is of the essence. Only accelerated deployment of robust, nationwide 5G will preserve our edge. And only New T-Mobile's 5G network will do it!

This transaction ensures that America secures 5G leadership today and in the future. The combination of T-Mobile and Sprint accelerates deployment of a world-leading, national, broad and deep 5G network in the United States, built upon a set of perfectly complementary assets of the two companies. T-Mobile possesses low-band (600 MHz) spectrum, which is particularly useful for providing coverage across broad geographic areas, but has limited capacity, and high-band (mmWave) spectrum, which is useful primarily for outdoor applications and in targeted densely populated areas. By contrast, Sprint lacks low and high-band spectrum, but possesses substantial mid-band (2.5 GHz) spectrum, which has more limited coverage capabilities than low-band spectrum but provides deep network capacity. Combining T-Mobile's low-band and high-band wireless spectrum with Sprint's mid-band spectrum will allow for both extremely broad coverage and deep network capacity, providing the optimum scenario for a robust, nationwide 5G network. New T-Mobile will have the complete portfolio of spectrum necessary to offer top speeds and massive capacity to dense urban areas. At the same time, New T-Mobile will also bring robust 5G service to rural areas that will otherwise lag far behind. No other U.S. company currently has the available spectrum necessary to deploy 5G both broadly – truly nationwide coverage to nearly all Americans – and deeply – with the high

speeds and massive capacity that 5G applications will require. Only this merger brings these assets together to enable a supercharged, nationwide 5G network!

New T-Mobile will be able to invest significantly more in its 5G network than either company could standing alone. Through cost savings and efficiencies largely derived from combining the two networks and the scale we will achieve, New T-Mobile will be able to invest nearly \$40 billion over the next three years to build out and enhance its network and bring the company into the 5G future. How? Combining with Sprint will give us the resources to enhance and build the vast, dense network of cellular towers and high-capacity antennas that will make full use of these assets for 5G. Today, T-Mobile has 64,000 macro sites across the nation and Sprint has 46,000. Of the combined 110,000 towers, New T-Mobile will integrate approximately 11,000 sites from the Sprint network into the T-Mobile network and add 10,000 new sites, creating a much denser, higher capacity network that can carry substantially more traffic at the same time than either company could on its own. The breadth of the new cell site infrastructure, with approximately 84,000 macro cell sites blanketing the country, will allow New T-Mobile to provide reliable signal strength levels to far more areas than either standalone company.

When compared to the standalone networks in 2021 and 2024, New T-Mobile will more than *double* 5G capacity by 2021, and nearly *triple* 5G capacity by 2024 –more than eight times the capacity of T-Mobile and Sprint’s networks combined today. This increase in capacity will dramatically decrease our cost of delivering each gigabyte of data, which will be translated into lower prices for customers. Indeed, our business plan anticipates that prices will continue to decline over the next six years, and an analysis of our merger by a leading economist concluded

that building the nationwide 5G network will also provoke competitive responses from Verizon and AT&T and result in as much as a 55 percent decrease in price per gigabyte and a 120 percent increase in data supply for *all* wireless customers across the industry than would happen without this merger.

In terms of speed, within two years of closing, the New T-Mobile network will be able to offer data speeds five times the speed of what the standalone T-Mobile 5G network would be able to offer. By 2024, the speeds will reach a point of fiber-like capabilities, averaging over 450 Mbps – that’s 15 times the speed of today’s T-Mobile network -- and the New T-Mobile 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 IoT applications, as well as the full spectrum of connected devices. In sum, compared to today’s T-Mobile network, New T-Mobile will have 8 times the capacity and 15 times the speed by 2024.

In terms of coverage, New T-Mobile’s 5G network will be truly nationwide. In fact, by 2024, over 290 million Americans (90 percent) will have access to average data speeds over 100 Mbps through New T-Mobile – higher speeds than many homes have through wired broadband service today. Neither Sprint nor T-Mobile on their own would be able to offer anything like that coverage. Even more incredibly, two-thirds of the country will have lightning fast 500 Mbps average data speeds by 2024 – data speeds that neither Sprint nor T-Mobile will be able to offer any consumers on their standalone 5G networks for the foreseeable future.

Even better, the broad geographic reach of New T-Mobile's 5G network will finally bring rural communities into the mobile broadband era. Rural communities that lack access to quality broadband can stagnate economically, as skilled workers take their talents to urban centers to fully participate in today's digital economy. Combining T-Mobile's and Sprint's spectrum allows us to close the gaps in rural broadband access and increase outdoor wireless coverage to reach 59.4 million rural residents, or 95.8 percent of the estimated 62 million rural residents.

Opponents of the transaction have claimed that T-Mobile and Sprint do not need to merge to roll out 5G. That misses the point. To be clear, we are not saying we cannot get to 5G without Sprint. What we are saying is that together, we can build a world class 5G network with breadth and depth well beyond anything we could do alone. So, while it is true that T-Mobile and Sprint have already announced 5G plans, the standalone plans to deploy 5G are not even close to comparable to the network New T-Mobile can and will build.

THE COMBINATION OF T-MOBILE AND SPRINT SAFEGUARDS U.S. NATIONAL SECURITY FOR 5G

This transaction will also empower New T-Mobile with the network, resources, and spectrum to drive U.S. leadership in 5G, safeguarding our networks. New T-Mobile's incredible, industry-leading 5G network will be built and operated right here in the United States by an American company with American management. Our New T-Mobile 5G network will not only be the most robust, but it will also be the most secure.

T-Mobile and Sprint have engaged extensively in partnership with the U.S. Government for many years. This partnership will continue with New T-Mobile into 5G, setting us apart from other U.S. wireless carriers in providing visibility into our 5G suppliers and ensuring our

network remains safe and secure. As the global 5G deployment leader, New T-Mobile will have the most recent and up-to-date security framework with the U.S. Government of any wireless carrier. And as I mentioned at the outset, CFIUS and Team Telecom have approved this transaction after an extensive national security review.

Opponents of the transaction have set up a shadowy group that refuses to disclose its donors and lobs allegations that this transaction will allow Huawei and ZTE into U.S. networks. That's false, and they know it is. Let me be clear – we do not use Huawei or ZTE network equipment in any area of our network. Period. And we will never use it in our 5G network. New T-Mobile will buy network equipment only from trusted network equipment suppliers with a strong security track record in the United States. By accelerating deployment of true, robust nationwide 5G, New T-Mobile will provide a critical lift to these trusted network equipment vendors – Huawei's competitors – protecting the 5G supply chain for the United States and our allies.

Combining T-Mobile and Sprint will create a world-leading robust, broad, and deep nationwide 5G wireless network unlike anything either company could do alone and well before anyone else can do it. The United States will have 5G with or without this merger. The question is whether America will lead or follow. As the Un-carrier, we want to lead! Our merger with Sprint will be the catalyst to do that.

THE CREATION OF NEW T-MOBILE WILL BE BETTER FOR CONSUMERS

New T-Mobile will have the capital, scale, and network to supercharge competition and drive a full-on competitive response from AT&T and Verizon as well as newer players. The competition will still be far, far larger than us, but the merger will allow us to upend their lock

on the market like never before. The combined company will continue the T-Mobile tradition of disrupting the wireless space, but we won't stop there. We will disrupt broadband, enterprise, and video as well. This increased competition in wireless and other areas will also lead to more innovation. This deal is exciting and transformative for American consumers!

At T-Mobile, we are serious about the potential to grow, disrupt, and deliver new solutions and alternatives to consumers from one end of the country to the other. Being a maverick is in my DNA and T-Mobile's DNA, but it is also central to our successful business strategy and to the business plan of the combined company. As we build out our 5G network and expand into new services, we will need to grow our customer base. That means keeping the customers we've fought hard to win and attracting new customers with great quality and prices, and more innovative offerings. That's why two core assumptions of our business plan for the New T-Mobile are that prices will go down and output – data usage by customers – will increase. That's what makes this merger fundamentally different from one designed to restrict consumers' choices, reduce supply, and raise prices. Business success is based on increasing competition, not reducing it!

First and foremost, the merger will increase competition in wireless. Our opponents claim that the merger will lead to higher prices, but this couldn't be further from the truth. I want to reiterate, unequivocally, that New T-Mobile rates will NOT go up. Rather, our merger will ensure that American consumers will pay less and get more.

Greater capacity means our network can handle many more devices with greater capabilities at the same time everywhere in the country. It's like building a new stadium with three times as many seats – we will have the incentive and ability to bring more people in the

door than ever before to fill up the seats. Our existing customers won't be enough to use all that extra capacity. We will have enormous economic incentives to bring new customers in to fill up the network. How will we do that? By lowering our prices, improving our products, and offering better service. Indeed, as capacity goes up, the price per gigabyte goes down, so we will not only be incentivized to add customers, but to do so at lower prices. The business plan for New T-Mobile calls for lower prices to win more customers. This isn't just for any segment of customers – this capacity dividend will be passed along to all customers, including our wholesale and prepaid customers. All American customers will win with lower prices and better services!

In fact, we are so confident that this merger will give consumers more for their money that we are willing to put our money where our mouth is. Last month T-Mobile made a commitment that I stand behind: New T-Mobile will make available the same or better rate plans as those offered by T-Mobile or Sprint for three years following the merger. Let me be clear: we are committed to making the same or better plans available at current or lower prices. We will not raise prices, and we are happy to put it in writing!

But that is only part of the story – that's just what New T-Mobile will do. AT&T, Verizon, Comcast, Charter, and the other players won't stand still as they will be forced to react fast or lose even more customers to New T-Mobile! When we lower our prices, they will have to lower their prices. When we improve quality, they will have to improve quality. The standalone T-Mobile has shaken up the industry and caused the big players to take notice, but the competitive response that we can force from them will be nothing like what we can do as the New T-Mobile. When we innovate to offer new products and services, they will have to do the

same. This competitive response will be game changing, and we can't wait to see the kind of ecosystem of innovation and technological development that will occur right here in the United States. When we force Verizon and AT&T to respond, we're helping more than just our customers, we're helping all wireless customers across the country. We've submitted economic analysis to the FCC and DOJ demonstrating that American consumers will pay roughly 55 percent less per gigabyte of data in 2024 as a result of the transaction. All consumers, including lower-income and our diverse customer base, will benefit from increased competition and lower prices.

One thing I am particularly excited about is that New-T-Mobile will bring new competition beyond wireless to in-home broadband – a market where tens of millions of consumers have few if any choices. Consumers hate their cable and wireline broadband choices, but today, they rarely have somewhere else to turn. With the spectrum and infrastructure assets of the combined companies, New T-Mobile's 5G network will give them a better option and a reason to "cut the cord." By 2024, we will be able to deliver mobile wireless data speeds averaging over 100 Mbps, speeds that will equal or exceed wireline broadband to nearly 90 percent of the U.S. population, giving tens of millions of consumers a new mobile wireless alternative to their current fixed and wired broadband provider, allowing them to cut the broadband cord. Cutting the cord will offer enormous savings to consumers. Today, a consumer will typically pay around \$80 a month for wired in-home broadband service. Cutting the cord will lead to \$960 in annual savings for consumers.

Further, the merger enables New T-Mobile to offer its own in-home wireless broadband solution (New T-Mobile Home Internet), and we project that we will sign up 9.5 million

households nationwide for in-home broadband service by 2024 – New T-Mobile will be the fourth largest in-home internet service provider in the country based upon current subscriber shares, and a real competitive force in that market segment. Our economic analysis shows that by 2024 American consumers will save as much as \$7 to \$13 billion *annually* in lower broadband prices from the new alternatives and competition this merger will create.

While some opponents of the merger have argued that this merger will hurt lower-income or budget-conscious consumers, that is 180 degrees wrong! Budget conscious consumers have the *most* to gain from the combination of T-Mobile and Sprint! Remember, the whole point of this transaction is to give consumers more for less – that is exactly what budget-conscious consumers want. That’s why we love those customers at T-Mobile. They demand the best product at the lowest prices possible. They keep us sharp, so we keep the competition sharp. That’s what we do, and what we will continue to do under the merger – only bigger and better. All customers of New T-Mobile will benefit from the transaction because they will all be on the same great network and benefit from the same massive increases in capacity and dramatic decreases in the costs of delivering our service.

Budget-conscious customers, including those on prepaid plans, will benefit the most from increased capacity and improved quality of the network. Those customers rely far more on mobile data than our other customers. They often lack a fixed broadband connection and use their phones as their primary or sole connection to the internet. Prepaid customers, like all of New T-Mobile’s customers, will benefit from New T-Mobile’s LTE and 5G improvements at no added cost. A faster, deeper, and broader network from New T-Mobile is exactly what they need! And for those that do have broadband today, \$960 in annual savings from cutting the

cord is a massive dividend that we will deliver. New T-Mobile is going to keep all of the great prepaid brands our customers love from both T-Mobile and Sprint – great choices like Metro, Boost, and Virgin will remain, in addition to those our competitors offer.

We will also continue to offer Lifeline services, which is a program that helps low-income consumers afford phone and broadband service. You have my commitment on this: barring material changes to today's Lifeline program, New T-Mobile is committed to continuing to offer Lifeline service indefinitely. But it gets even better: New T-Mobile's expansive 5G network will allow Lifeline services to be offered in many places where Sprint had no coverage. And all Lifeline subscribers will be able to take advantage of the same incredible New T-Mobile network as other subscribers.

And New T-Mobile will also be able to compete in wireless market segments that T-Mobile and Sprint rarely serve today. For example, AT&T and Verizon currently dominate enterprise services, or wireless services for business and government customers. Despite best efforts, neither Sprint nor T-Mobile has been able to make in-roads into AT&T and Verizon's nearly 90 percent share of the enterprise space. T-Mobile has only a very small share of the business market segment (including small businesses) today, and only an estimated 4 percent share of the large enterprise and government portion of the segment. Going forward, New T-Mobile will have the capacity and resources to be a disruptor in the enterprise space, and we will have every reason to compete hard for that business by innovating, offering better service, and lowering prices. Right now, AT&T and Verizon dominate that market. Armed with more scale and network capability, New T-Mobile will inject more competition and innovation into the Enterprise market.

BETTER FOR AMERICAN WORKERS

T-Mobile is an amazing company to work for. I am proud that we are rated a top place to work by many organizations, including among many other accolades being recognized among the “Best Places to Work” by employee crowd-sourced website Glassdoor.com and for the eleventh consecutive year, being named one of the World’s Most Ethical Companies by Ethisphere Institute.

Our employees are motivated and energized by the success of the company. They are proud Magenta heroes, all of whom are owners and invested in the company. Our employees are also diverse, reflecting who we are and who our customers are. We have won many kudos for our leadership in the area of diversity and inclusion. In 2018 alone, Forbes named T-Mobile a “Best Employer for Diversity”; we were honored as one of the “Best Places to Work for Disability Inclusion” by the U.S. Department of Labor’s Disability Employment Initiative; and we were named the “Best-of-the-Best Corporation for Inclusion” by the National LGBT Chamber of Commerce. We were also honored by Military Friendly as one of the “Nation’s Top Military Friendly Employers”; we were named the “Top 30 Best Employers for Latinos” by Latino Leaders Magazine; and we received a perfect score on the Human Rights Campaign Corporate Equality Index.

I am proud that this transaction will grow the number of T-Mobile employees so even more people will experience our terrific teams and culture. Unlike many transactions, our merger will be jobs positive from Day One and in the future. From 2019 forward there will be more employees at the New T-Mobile than the standalone companies combined. This is because New T-Mobile will spend nearly \$40 billion to combine spectrum, sites, and assets and

to develop its business over the next three years. We will need to hire thousands of employees to combine the networks and deploy 5G, to extend the Un-carrier customer care model to a wider subscriber base, and to support growing services like in-home broadband.

New T-Mobile's business plan shows that New T-Mobile will employ 3,600 more employees after year one, and over 11,000 more employees by 2024, than the standalone companies combined. This is a result of approximately 600 new stores located to serve rural customers and small communities and five new technologically advanced customer experience centers that will implement the company's innovative "Team of Experts" customer care model. These stores and customer experience centers will create over 10,000 new American jobs. In fact, we will offer a job with the New T-Mobile to every single employee of T-Mobile and Sprint working in one of our retail stores.

But T-Mobile's history shows that we may end up hiring even more people than we expect. When we acquired MetroPCS in 2013, we expected that MetroPCS's employee count would stay about the same. Flashing forward to today, over 20,000 more people work in support of the MetroPCS brand than when the transaction closed. The same team that integrated MetroPCS into T-Mobile will lead the effort to seamlessly integrate T-Mobile and Sprint, and we can expect a similarly successful transition. We know we will grow jobs, not reduce them. We will need every hand on deck to build a world-leading 5G network and bring new competition to AT&T, Verizon, and the Cable giants.

Communications Workers of America ("CWA") has said that this transaction will lead to nearly 30,000 job losses across the United States – more than the total number of Sprint employees today! Well, I've looked at their study. With all due respect, it's pure hogwash. The

merger does the opposite of what CWA claims – it grows jobs, not eliminates them. How does CWA come up with a different answer? Well, it's easy if you ignore the facts. For example, their analysis doesn't account for any areas where jobs will grow – like in new customer experience centers, enterprise services, broadband and media, and network build and integration. And we've heard this story before: CWA predicted that T-Mobile would cut 10,000 jobs when we merged with MetroPCS. Today, over 20,000 more people have jobs working under the Metro banner than before that merger! CWA was completely wrong then, and they are wrong now.

Beyond T-Mobile, the innovation and growth fostered by the acceleration of broadly deployed 5G networks, which the transaction will instigate, will add hundreds of thousands of jobs to the U.S. economy. A study we have submitted to the FCC shows that New T-Mobile will stimulate economic growth contributing to more than 33,700 additional jobs over the five-year study period. CTIA predicts that the United States will add millions of new jobs if we win the race to 5G, and this transaction will put America in the pole position. We are excited to be a part of that growth, spurring our suppliers to hire more workers as we rely on them to turn our investments into a better, faster 5G network.

NEW T-MOBILE MUST AND WILL DELIVER ON ITS COMMITMENTS

No one except a few self-interested critics disagrees that the United States has to lead in 5G and that creating a more effective competitor for Verizon and AT&T is better for consumers and the economy. But some have argued that this merger will not deliver on what we are promising. I could not disagree more. We are the Un-carrier. If we broke faith we would lose our loyal customers and destroy the future of our brand. I want to assure you that we would

never do this. My management team and I believe in delivering on our promises, and we know if we do not, we will lose credibility and the trust of our customers.

Everyone at T-Mobile has put too much blood, sweat, and tears into this brand and philosophy to abandon our Un-carrier ways, and our customers are committed to us for it. It matters to us, it matters to consumers, and it works for our shareholders. We fully understand that being successful in the evolving telecommunications marketplace requires that New T-Mobile continue being an aggressive disruptor that challenges the status quo. If we changed, we'd run the risk of losing the confidence of our customers and losing our position of brand strength in the marketplace – and it would clearly cost us paying customers. These people came to us because we offered something different from the other guys. They would abandon us – and I wouldn't blame them – if we started acting like AT&T, Verizon, or a hated cable company.

Our business plan and our future success are centered around building a world class 5G network for everyone and delivering more to consumers for less. We have a history of delivering on our promises, and we have no plans of changing that now. New T-Mobile will deliver on the benefits – a robust, deep 5G network, increased competition, lower prices for higher quality, and increased jobs! We will keep true to who we are and deliver for consumers and for our country.

It's who we are at T-Mobile – but delivering more for less is also great business! Accelerated, industry-leading, robust, nationwide 5G deployment is the foundation of New T-Mobile's business plan. New T-Mobile's business plan also projects aggressive share increases – taken from the industry leaders AT&T and Verizon – through its accelerated,

enhanced 5G deployment. New T-Mobile will be able to attract new customers by delivering more data for the same or less dollars on a world-class 5G network and bringing new competition to broadband, enterprise, and video. New T-Mobile's success depends on being a stronger, more aggressive competitor! T-Mobile has committed to shareholders that it will rapidly integrate the networks and deploy industry-leading 5G, and they have staked billions of dollars on this happening.

That's why we are happy to put our money where our mouth is and make clear commitments on prices and jobs. We know we can deliver, as New T-Mobile planned to do it anyway!

CONCLUSION

The New T-Mobile will enable U.S. leadership in 5G and bring tremendous benefits for consumers, American workers, and the economy as a whole. Only this merger, combined with our winning Un-carrier strategy, can get us there. As we build out our 5G network and expand into new services our plan is simple: keep the customers we've fought hard to win and win new customers with great quality, lower prices, and more innovative offerings. Only the New T-Mobile, with the track record and DNA of the Un-carrier, can actually make that a reality.

Thank you for the opportunity to speak today. I look forward to your questions.