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DECLARATION OF JAMES ALLING

Chief Operations Officer and Executive Vice President

T-Mobile USA, Inc.

I, James Alling, hereby declare the following:

1. My name is James Alling. I am the Chief Operations Officer and Executive Vice President of T-Mobile USA, Inc. (“T-Mobile USA”). I joined T-Mobile USA on August 30, 2009 and I have held my current position since that time. In this role, I am responsible for all customer facing activities for a base of over 33 million customers. As such, I have direct working knowledge of T-Mobile USA’s operations.
2. Before joining T-Mobile USA, I worked as an executive at Starbucks in a variety of leadership roles. I served as the President of Starbucks Coffee International from 2007-2008, where I was responsible for a business unit spanning 45 countries with over 5,000 stores and system sales of over \$4 billion. I was also the President of Starbucks Coffee USA from 2004-2007, having direct line management for over 125,000 employees as well as full profit and loss accountability. Prior to Starbucks, I worked at Nestle USA, where I eventually became a Vice President/General Manager. I hold a Bachelor of Arts degree from DePauw University and a Master of International Management from the Thunderbird School of Global Management.
3. This declaration supports T-Mobile USA’s view that wireless providers compete for customers on a local market basis. First, this declaration will explain that T-Mobile USA’s experience has been that consumers buy wireless services based on availability and particular preferences in their local area. Second, this declaration will show how the competitive landscape differs across the country. The market leaders and fastest growing

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competitors vary dramatically from local market to local market and some regional competitors are active only in certain parts of the U.S. These two realities were primary factors that led T-Mobile USA in 2010 to revamp its sales and marketing strategy to focus on the differing conditions in local markets so as to enable it compete more effectively. This declaration will then describe how T-Mobile USA's new Regional Leadership Model gives the company the flexibility to respond to local market conditions. In particular, it will describe how T-Mobile USA utilizes different tactics and strategies in different markets to best compete for customers given the specific conditions of particular markets. T-Mobile USA's regionalized structure allows the company to respond to the unique competitive situation found in each geographic area. For all of these reasons, the proper market area for evaluating wireless competition is the local market.

CONSUMERS BUY WIRELESS SERVICES BASED ON AVAILABILITY AND OPTIONS IN THEIR LOCAL AREA.

4. It has been T-Mobile USA's experience that consumers buy wireless services based on what is available in their local area. If a consumer needs a new wireless device, he or she will generally shop all of the providers that offer wireless service in their local area and compare the offerings. This would include Mobile Virtual Network Operators ("MVNOs") as consumers often do not distinguish between facilities-based carriers and MVNOs. In making their purchasing decisions, it has been T-Mobile USA's experience that consumers may consider value, network strength and coverage, customer service, device lineup, and brand reputation when deciding on a carrier. Those interested in data plans often also evaluate network speed. Local network coverage is generally a

particularly important factor for customers. These purchasing preferences can differ by geography, with value a key consideration for a majority of consumers in some areas, while network speed or the latest devices may be more important in others.

5. The great majority of T-Mobile USA customers – approximately **[Begin Confidential Information]** **[End Confidential Information]** percent – purchase their wireless services locally. These purchases may occur through a company-owned store, local outlets of chain retailers offering T-Mobile service, or T-Mobile agent stores. That is why the location of retail doors is so important. Having sales locations in population traffic areas is critical to building and maintaining a strong customer base in any market. So are partnerships and promotions that appeal to and resonate with customers in the market. However, these appropriate locations, partnerships and promotions necessarily vary from market to market, requiring wireless providers to adopt a local focus in order to compete for customers.

THE COMPETITIVE LANDSCAPE VARIES SIGNIFICANTLY IN EACH LOCAL MARKET.

6. Just as customer demographics and preferences may differ from local market to local market, so too does the competitive landscape. T-Mobile USA faces different competitors in different areas. Even where some of the competitors may be the same in multiple markets, the relative market shares of each are often not. This all contributes to a unique competitive situation in each local market, necessitating a focus on the specifics of local competition.

7. Indeed, local markets can have widely divergent competitive landscapes. For example, T-Mobile USA's internal estimates indicate that **[Begin Confidential**

Information]

[End Confidential

Information] As such, it is a major focus of T-Mobile USA’s—and other carriers’—competitive attention in that local market. But across the state in **[Begin Confidential Information]**

[End Confidential Information] Additionally, in some markets T-Mobile USA is a leading competitor and, in others, it lags in the market. **[Begin Confidential Information]**

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8. There are also regional competitors who are strong market participants in certain areas of the country, despite the fact that they have no presence at all in other areas. For example, **[Begin Confidential Information]**

[End Confidential

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9. As seen above, different local markets have different competitive dynamics, and thus successful messaging may be different depending on a wireless provider’s market

share and which other competitors are active in a given market. For example, **[Begin Confidential Information]**

[End

Confidential Information] A regional and/or local focus allows a company to be more aggressive in some markets than others, particularly with respect to promotions.

10. These varying competitive landscapes compel T-Mobile USA to formulate sales and marketing strategies and address competitive pressures according to the strengths of different entities in different local markets.

BASED ON THESE CONSIDERATIONS, T-MOBILE USA RESTRUCTURED ITS ORGANIZATION REGIONALLY IN ORDER TO BE BETTER ABLE TO IDENTIFY AND RESPOND TO DIFFERING LOCAL MARKET CONDITIONS.

11. When I first arrived at T-Mobile USA in August 2009, the company was organized nationally and marketed its services on a national basis. However, the company was not seeing success with that model. The exception to this national organization was the company's Puerto Rico unit, which had historically operated independently with a local focus. This unit was experiencing success delivering the highest or near highest T-Mobile USA results across an array of Key Operating Indicators (KOIs) such as net adds, gross add penetration, customer satisfaction scores and voluntary churn and had increased its market share. In addition, the Puerto Rico market was the most nimble in responding to and capitalizing on local market opportunities, having a proven track record of launching competitive programs from initial idea to full market implementation sometimes in just a couple of weeks. Based on Puerto Rico's success, and on my previous experience at Starbucks leading a large regionally based organization, I was convinced that T-Mobile USA could compete most

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effectively by restructuring into a regional leadership model. I discussed a potential regional reorganization with then-Chief Executive Officer Robert Dotson and others in senior management at the time. We also studied the regional leadership structures that were in place at the time for Verizon and AT&T. We all agreed that we would like to pursue a regional leadership structure once we had established a deeper leadership bench at the regional level.

12. The regional leadership model idea gained momentum when Philipp Humm joined T-Mobile USA in July 2010 and became Chief Executive Officer in the fall of 2010. The critical need to restructure was highlighted when Mr. Humm and I traveled to Miami in August of 2010. There we saw firsthand while visiting numerous competitive stores (with a special focus on MetroPCS) how T-Mobile USA's national distribution and marketing strategy was failing, as **[Begin Confidential Information]**

[End

Confidential Information] The trip illustrated that we in Bellevue, Washington were not in touch with the needs of the Miami market and that our national messaging was not as effective as the local messaging opportunities we had discussed. We concluded that T-Mobile USA should be competing very differently within local markets and, in some cases, should even have different strategies within particular areas of a city. The trip to Miami served as the final catalyst to move forward with a regionally structured model, which began to be implemented in late 2010.

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13. T-Mobile USA’s Regional Leadership Model involved reorganizing the company into four geographic areas—West, Central, South, and East—with senior vice presidents as area heads. These four areas were further subdivided into twenty-three local regions, each operated by regional general managers with sales, expense, and churn targets for all channels of our business in their specific geography. After establishing the 23 regions, we began to build support teams around them of local marketing, financial, operations support and small business personnel, among others. Mr. Humm and I visited each of the 23 regions to explain to these locally-focused teams that the reorganization would enable them to compete more effectively by allowing each team to customize its response to customers and competitors in their individual markets.

14. Under this new structure, T-Mobile USA **[Begin Confidential Information]**

[End Confidential Information]

15. One component of the new structure is T-Mobile USA’s “Local Go To Market” strategy. The “Local Go To Market” strategy involves each of the 23 regional teams

tailoring **[Begin Confidential Information]**

[End Confidential Information]

16. **[Begin Confidential Information]**

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17. The regional structure is intended to give local employees with knowledge of particular geographic markets a voice in marketing for their regions. **[Begin Confidential Information]**

[End Confidential Information]

18. Further, the regional structure gives T-Mobile USA the flexibility to consider **[Begin Confidential Information]**

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19. The Regional Leadership Model also enables T-Mobile USA to manage distribution at a local level. The regional leadership team is responsible for determining the appropriate mix of distribution points to optimize the profitable growth of their respective geographies. The ultimate distribution choice between selecting a retail company operated store, a branded dealer store, a non-branded dealer store, or a multi-carrier sub-dealer is left to the discretion of the regional leadership team. In determining the optimal portfolio of distribution, the regional leaders take several factors into account such as the relative quality and availability of dealer partners, national retail outlets, the concentration and location of competitive outlets and the buying habits of the local area.

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20. The popularity across the wireless industry of using a regionalized structure focused on the characteristics of local markets highlights the strategy's effectiveness. For example, Verizon Wireless, AT&T and MetroPCS all have a regionalized structure—not

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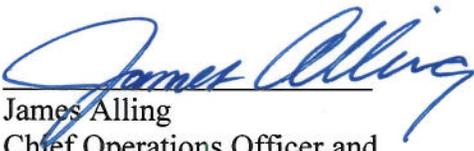
just for marketing but for engineering and operational activities as well. T-Mobile USA is aware that these companies also tailor their sales strategies to particular markets, whether through partnerships with local community groups, advertising touting local network upgrades, or foreign language messaging to better reach certain local populations.

CONCLUSION

21. Wireless providers compete for customers at the local market level. T-Mobile USA has observed repeatedly that consumers buy wireless services based on availability in their local area, often driven by preferences and characteristics unique to that market. Similarly, the competitive landscape for wireless services differs dramatically by local market area, requiring wireless providers to formulate sales and marketing strategies and address competitive pressures according to the strengths of different entities in different markets. Like other wireless providers, T-Mobile USA has recognized the local nature of wireless competition and restructured the company regionally in late 2010 to enable it to be more responsive to differing local market conditions, demographics and preferences. These factors all reinforce that the level and extent of wireless competition is best assessed at the local market level.

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I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct. Executed on June 9, 2011.

Signed: 
James Alling
Chief Operations Officer and
Executive Vice President
T-Mobile USA, Inc.

Dated: June 9, 2011