DECLARATION OF DAVID A. MAYO

1. My name is David A. Mayo. I am the Senior Vice President of Technology Strategy, Finance and Development for T-Mobile USA, Inc ("T-Mobile USA") and have worked for T-Mobile USA and its predecessors since 1996. In my current role at T-Mobile USA, I have business management responsibility for over $6 billion in annual capital and operating costs and developing and driving strategic initiatives. Among other things, I am responsible for T-Mobile USA's purchase and use of wireless backhaul, which is used to transport wireless traffic on the network between cell sites and mobile switching centers and between mobile switching centers and other networks. I am a graduate of the University of Washington.

2. This declaration responds to claims in the record that AT&T has incentives to deny access to backhaul at reasonable prices to wireless competitors, or that the merger will substantially affect competition in the backhaul transport market that exists today. Although T-Mobile USA has advocated for incumbent LEC special access reform over the past several years, that advocacy was premised on the availability of lower capacity DS1s and DS3s offered by the incumbent telephone companies as the only option for wireless backhaul transport in a number of markets. As explained below, however, as part of its effort to build its third generation ("3G") and fourth generation ("4G") HSPA+ technology network, T-Mobile USA has increasingly replaced these copper-based DS1s and DS3s with higher capacity IP Ethernet transport. Fiber Ethernet connections offer T-Mobile USA a cost effective, scalable solution to meet the transport

demands of its wireless broadband networks. I describe below T-Mobile USA's efforts to upgrade its cell sites to IP Ethernet transport and the increasing competition that exists among alternative suppliers of high capacity wireless backhaul transport.

3. T-Mobile USA uses backhaul transport to interconnect its cell sites to mobile switching locations. In 2007, the company's second generation ("2G") GSM cell sites relied primarily on time division multiplexing ("TDM") DS1 or DS3 services for backhaul transport. At the time, T-Mobile USA had an average need of approximately **[Begin Highly Confidential Information]**

[End Highly Confidential Information] of bandwidth per cell site and relied predominantly on incumbent local exchange carriers ("ILECs") for these services. Because of the backhaul capacity requirements inherent in deploying mobile broadband radio networks, it became apparent around this time that the company's demands for backhaul transport would increase dramatically as these new mobile broadband networks were deployed. By way of comparison, T-Mobile USA currently uses **[Begin Highly Confidential Information]**

[End Highly Confidential Information]. T-Mobile USA is in the process of upgrading its **[Begin Highly Confidential Information]**

[End Highly Confidential Information]. T-Mobile USA's purchases of backhaul services totaled **[Begin Confidential Information] [End Confidential Information]** in 2010.

4. Over the last four years, I have overseen T-Mobile USA's rapid network upgrade to 3G and 4G HSPA+ technology. As part of this responsibility, I formulated a strategy to reduce the costs that the company would have otherwise incurred in fully utilizing the bandwidth available at these high capacity cell sites. As such, I sought out the most cost-effective, scalable solutions available in the market and planned the company's transition from TDM-based backhaul transport to high capacity Internet Protocol ("IP")-based backhaul services.

5. In light of our network's need for higher capacity backhaul transport, I began to seek alternatives to TDM backhaul from fixed microwave wireless providers, alternative fiber providers, utility companies, and cable operators. As a consequence of the high capacity transport demands for T-Mobile USA's, as well as other wireless carrier's, network upgrades, the competitive landscape for wireless backhaul services has evolved dramatically. In urban markets, fiber is abundant, and we have been able to choose among fiber-based Ethernet providers. And, even in suburban and fringe areas within its 3G and 4G network footprint, T-Mobile USA has been able to choose from among backhaul options offered by various providers. This competition resulted in better prices and a scalable backhaul solution. And by negotiating with backhaul providers across several markets at the same time, T-Mobile has been able to use alternative supply in one market to help lower prices in other markets, including backhaul obtained from incumbent LECs.

6. While T-Mobile USA originally contracted principally with fixed microwave providers for high capacity links, the company today relies primarily on Ethernet over fiber, provided by multiple service providers, for its IP backhaul needs. In a limited number of situations, T-Mobile USA also builds and operates its own wireless microwave solution. By 2009, T-Mobile USA had entered into a number of agreements for wireless backhaul services for its 3G cell sites with non-ILEC, or "alternative," backhaul providers in several major markets. For example, in **[Begin Highly Confidential Information] [End Highly Confidential Information]** T-Mobile USA entered into backhaul agreements with major cable operators. In **[Begin Highly Confidential Information] [End Highly Confidential Information]**, T-Mobile USA entered into agreements with fiber providers **[Begin Highly Confidential Information] [End Highly Confidential Information].** And, in **[Begin Highly Confidential Information] [End Highly Confidential Information]**, T-Mobile USA purchased backhaul services from a wholly owned subsidiary of a utility company, **[Begin Highly Confidential Information] [End Highly Confidential Information]**. These transactions are representative of many agreements that T-Mobile USA has entered into over the past few years to upgrade its backhaul transport network. By 2010, T-Mobile USA was able to secure high capacity IP backhaul for most of its 3G and 4G cell sites, and today, **[Begin Confidential Information] [End Confidential Information]** of its mobile broadband traffic is transported over Ethernet.

7. Today, T-Mobile USA has IP backhaul agreements with ILECs; cable operators, such as **[Begin Confidential Information]**

[End Confidential Information]; utility companies, such as **[Begin Confidential Information]**

[End Confidential Information]; alternative fiber providers, such as **[Begin Confidential Information]**

[End Confidential Information]; and providers of combined fiber and wireless microwave solutions, such as **[Begin Confidential Information]**

[End Confidential Information]. The majority of T-Mobile USA's Fiber/Ethernet contracts with non-ILEC providers still have several years remaining.

8. At present, approximately **[Begin Highly Confidential Information]**

[End Highly Confidential Information] of T-Mobile USA's cell sites, are either connected, or are contracted to be connected, to Ethernet over fiber and microwave based backhaul facilities. Of the more than **[Begin Highly Confidential Information]** **[End Highly Confidential Information]** 3G/4G capable cell sites**,** non-ILEC access providers now provide the connections to more than half, and three of the largest alternative providers are **[Begin Confidential Information]** **[End Confidential Information]**. By year-end 2011, I estimate that over **[Begin Highly Confidential Information]** **[End**

Highly Confidential Information] of T-Mobile USA's mobile broadband traffic will be carried over Ethernet-based backhaul facilities. At present, approximately **[Begin Highly Confidential Information]** **[End Highly Confidential Information]** of T-Mobile USA's cell sites, covering **[Begin Highly Confidential Information]** **[End Highly Confidential Information]** of T-Mobile USA's 3G/4G postpaid subscribers, are either connected, or are contracted to be connected, to Ethernet over fiber and microwave based backhaul facilities.

9. As a result, it has been T-Mobile USA's experience that there is now choice for obtaining high capacity backhaul services in and around the most populated areas of the United States. In addition, taking into account the additional bandwidth at our mobile broadband sites, our wireless backhaul costs have decreased dramatically on a cost per megabit basis in recent years. I estimate that upgrading to high-capacity IP backhaul from legacy copper has decreased T-Mobile USA's backhaul costs approximately **[Begin Highly Confidential Information]** **[End Highly Confidential Information]** and more than **[Begin Highly Confidential Information]** **[End Highly Confidential information]** from what the costs would have been on a per site basis had we used legacy copper from the LEC to meet the requirements of our recent 4G rollout.

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

David A. Mayo