

DOCKET NO.

12-301

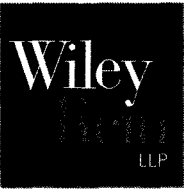
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January 7, 2012

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JAN 7 2013

Federal Communications Commission  
Office of the Secretary

**BY HAND DELIVERY  
VIA ECFS**

Marlene H. Dortch, Secretary  
Federal Communications Commission  
445 12th St., S.W. - The Portals  
Washington, D.C. 20554

Re: Applications of Deutsche Telekom AG, T-Mobile USA, Inc., and MetroPCS  
Communications, Inc. for Consent to Assign Licenses, WT Docket No. 12-  
301

Dear Ms. Dortch:

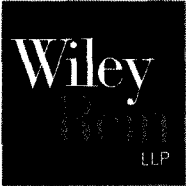
Deutsche Telekom AG (“DT”) and T-Mobile USA, Inc. (“T-Mobile USA”) herewith respond to the December 20, 2012, Information and Document Request from the Federal Communications Commission (the “Commission”) in the above-referenced docket.<sup>1</sup> Enclosed, please find:

- A document with narrative responses to the Information Request (“Response”), which also provides information on a request-by-request basis for other media provided in connection with this filing. The Response contains both “Confidential” and “Highly Confidential” information pursuant to the Protective Order<sup>2</sup> and the

<sup>1</sup> Letter from Ruth Milkman, Chief, Wireless Telecommunications Bureau, to Dan Menser, T-Mobile License LLC, WT Docket No. 12-301 (Dec. 20, 2012) (“Information Request”).

<sup>2</sup> *In the Matter of Applications of Deutsche Telekom AG, T-Mobile USA, Inc., and MetroPCS Communications, Inc. for Consent to Assign or Transfer Control of Licenses and Authorizations*, Protective Order, WT Docket No. 12-301, DA 12-1664 (rel. Oct. 17, 2012).

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January 7, 2012  
Page 2

Second Protective Order<sup>3</sup> adopted in the above-referenced proceeding;

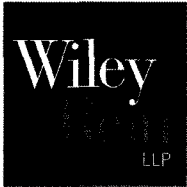
- An encrypted hard drive containing the Summation load files associated with the document requests in the Information Request, containing items tagged as “Highly Confidential,” “Confidential,” and “Public,” per the Protective Order and Second Protective Order;
- Two CD-ROMs, Bates numbers TMUS\_DEN\_9000001 and TMUS\_DEN\_9000002, which contain data associated with the data requests in the Information Request that meet the requirements for treatment as either “Highly Confidential” material under the Second Protective Order or as “Confidential” material under the Protective Order adopted in the above-referenced proceeding.

Pursuant to the procedures set forth in the Information Request and in the Second Protective Order, two copies of the Response in redacted form (the “Redacted Filing”) are being filed with the Office of the Secretary. The Redacted Filing is also being filed electronically through the Commission’s Electronic Comment Filing System. In addition, one copy of the filing containing “Highly Confidential” and “Confidential” information is being delivered to the Office of the Secretary and two copies are being delivered to Scott Patrick of the Wireless Telecommunications Bureau’s Mobility Division. One copy of the encrypted hard drive and of each CD-ROM is being submitted to the Office of the Secretary.

DT and T-Mobile USA have made diligent efforts to ensure that none of the documents being submitted herewith are privileged under the attorney-client privilege or attorney work product doctrine. To the extent that any privileged documents may have been inadvertently produced, such production does not constitute waiver of any applicable privilege. DT and T-Mobile USA request that any privileged documents inadvertently produced be returned to T-Mobile USA as soon as such inadvertent production is discovered by any party, and reserves all rights to seek the return of any such documents.

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<sup>3</sup> *In the Matter of Applications of Deutsche Telekom AG, T-Mobile USA, Inc., and MetroPCS Communications, Inc. for Consent to Assign or Transfer Control of Licenses and Authorizations, Second Protective Order, WT Docket No. 12-301, DA 12-1665 (rel. Oct. 17, 2012).*

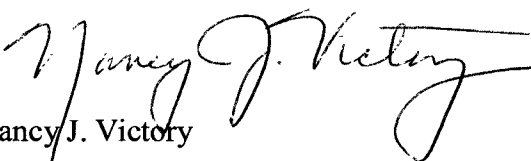


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Marlene H. Dortch  
January 7, 2012  
Page 3

Should any questions arise concerning the Response or the electronic media provided in connection with this filing, please do not hesitate to contact the undersigned counsel for DT and T-Mobile USA.

Best regards,

  
Nancy J. Victory

Attachments

cc: Best Copy and Printing  
David Hu  
Kathy Harris  
Kate Matraves  
Jim Bird  
David Krech

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Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554

In the Matter of )  
)  
Applications of Deutsche Telekom AG, ) WT Docket No. 12-301  
T-Mobile USA, Inc., and MetroPCS )  
Communications, Inc. )  
)  
For Consent to Transfer of Control of )  
Licenses and Authorizations )

**RESPONSE TO INFORMATION REQUEST  
BY DEUTSCHE TELEKOM AG AND T-MOBILE USA, INC.**

Deutsche Telekom AG (“DT”) and T-Mobile USA, Inc. (“T-Mobile USA” and with DT, the “Applicant”) hereby provide narrative responses and explanations relevant to the Items sought in the FCC’s Information and Discovery Request dated December 20, 2012.<sup>1</sup> As noted in the cover letter accompanying this submission, the Applicant has provided other responsive documents and data in the form of electronic media delivered to the FCC, including a series of standalone files (the “Data Production”) and a database of documents compatible with the FCC’s document review software (the “Document Production”).<sup>2</sup> Specifically, the Data Production contains responses to Items 1; 5(f); 12; 13; and 14. The Document Production contains responses to Items 2; 3(a) and (c); 4; 5(a)-(e); 7(a), (b), (e), and (f); 8 (with respect to the request for “plans, analyses, and reports”); 9 (with respect to the request for “plans, analyses, and

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<sup>1</sup> Letter from Ruth Milkman, Chief, Wireless Telecommunications Bureau, to Dan Menser, T-Mobile License LLC, WT Docket No. 12-301 (Dec. 20, 2012) (“Information Request”).

<sup>2</sup> A production index detailing what has been produced in the Summation load files and containing statistical information about each volume is included in TMUS\_DEN\_90000001.

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reports”); 10; 11; 15; and 16.<sup>3</sup> Accordingly, this document references the Document Production with some clarifications and contains narrative responses and explanations to the remainder of the FCC’s Information Request.

1. ***Provide an organization chart and personnel directory in effect, for the Company as a whole and for each of the Company’s facilities or divisions involved in any activity relating to any relevant product or any relevant service.***

Data responsive to *Item 1* are in the Data Production.

2. ***The Applicants state that “the proposed transaction will strengthen T-Mobile USA by addressing the company’s impending capacity challenges in some areas.” (Public Interest Statement, page 31). Mr. McDiarmid states that “T-Mobile USA requires additional spectrum not only to fend off spectrum congestion in certain markets, but also to launch an LTE configuration that will enable T-Mobile USA to better compete with larger carriers.” (McDiarmid Declaration, ¶ 13). Provide all plans, analyses, and reports, including any documentation, methodologies, and assumptions used in any underlying models, discussing the claimed network spectrum capacity challenges and the spectrum requirements of the Company in these areas.***

Documents responsive to *Item 2* are in the Document Production.

3. ***Mr. McDiarmid states that “this transaction will have the effect of further bolstering T-Mobile USA’s network in many of the areas in the country with the greatest population density.” (McDiarmid Declaration, ¶ 16). Mr. McDiarmid also states that “[b]y combining, the two companies will immediately reap the benefits of DAS technology, thereby contributing to the deployment of a denser, more user intense network for LTE.” (McDiarmid Declaration, ¶ 16).***

- a. ***Provide all plans, analyses, and reports, including any documentation, methodologies, and assumptions used in any underlying models, discussing the claimed network efficiencies resulting from an enhanced network density.***

Documents responsive to *Item 3(a)* are in the Document Production.

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<sup>3</sup> Responses to the Items requesting “all plans, analyses, and reports” on various issues have been generated by performing searches on the text and metadata fields of documents collected in late November and December 2012 from certain custodians of the Applicant approved by the FCC staff. The custodians from whom the Applicant collected documents are identified in Exhibit A. The search terms used to create the first-level results, which have been refined through human review, are included as Exhibit B.

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- b. Describe in detail how both companies will immediately reap the benefits of DAS technology by specifying how MetroPCS's DAS nodes will be modified to be integrated into T-Mobile USA's HSPA and/or LTE networks, including the time line for such integration, the timeline for decommissioning support of MetroPCS's CDMA/EV-DO technology from existing DAS nodes, and any plans for additional deployment of DAS technology by Newco.***

As noted in the Public Interest Statement, Newco will be retaining substantially all of MetroPCS' DAS systems. Retention of the DAS sites significantly improves the ability of Newco to meet the capacity needs of its customers, as well as to improve in-building coverage. The incorporation of the DAS systems, which are in densely populated areas with heavy data traffic, will provide substantial benefits to customers.

Some of the retained DAS systems will be modified and integrated into Newco's network. Since T-Mobile USA and MetroPCS agreed to the proposed transaction, T-Mobile USA has relied heavily upon MetroPCS disclosures and presentations for information on MetroPCS' existing DAS systems and the options available for upgrading and/or using them post-transaction. T-Mobile USA continues to see value in the retention of MetroPCS DAS systems, and the contribution they can make to increasing the density of capacity available to customers above that achievable via traditional macro cellular sites. T-Mobile USA and MetroPCS continue to analyze MetroPCS' DAS systems to understand which nodes will be upgraded. The analysis of DAS networks and the planning process was initiated only as recently as December 18<sup>th</sup> with the provision of detailed geographic information about the location of these DAS nodes. For this reason, detailed plans for the upgrade of MetroPCS' DAS networks have not yet been completed.

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The DAS technology deployed by MetroPCS is analog in nature and compatible with both UMTS and LTE radio technologies. T-Mobile USA's understanding is that the DAS systems currently used by MetroPCS attenuate incoming RF signals, sample and modulate the analog radio waveform onto fiber optic, and re-transmit the signal after its conversion to RF and amplification at the DAS node for downlink transmission and reception at the DAS "hotel" location (where cellular base stations are installed) for uplink transmission. Because these DAS systems are radio technology agnostic, the deployment of additional DAS capacity is generic in nature and potentially faster to deploy than traditional cellular base station capacity. Additionally, we believe the currently deployed DAS node capacity can be repurposed immediately as spectrum refarming takes place.

The MetroPCS DAS networks will provide benefits to certain MetroPCS and T-Mobile USA subscribers without the need for an upgrade. In areas where MetroPCS DAS networks primarily provide coverage benefits, and in areas where the combined companies' macro networks will provide equivalent or better coverage, Newco plans to rely on the macro network to provide UMTS and LTE service, rather than upgrading the DAS nodes. In areas where the MetroPCS DAS networks primarily provide capacity to MetroPCS subscribers, T-Mobile USA will assess the viability of relying upon the Newco macro network to provide adequate UMTS and LTE capacity. If this is viable, Newco may not upgrade the DAS nodes with UMTS and LTE, but rather will augment the capacity of the macro networks to support future UMTS and LTE growth.

In areas where the MetroPCS DAS networks provide capacity above and beyond that achievable through the combination of MetroPCS and T-Mobile USA macro sites, the DAS nodes will be retained and upgraded. These upgrades will, in most cases, include more RF



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power, enablement of UMTS 1900, and expansion of LTE in the AWS band. If capacity is available, Newco may also augment these nodes with AWS banded UMTS. For DAS nodes that currently have LTE operating in PCS spectrum, Newco will leverage the fact that all LTE-equipped MetroPCS customers have devices that are capable of operating LTE on either the PCS or AWS bands and move LTE to the AWS band. This will provide spectrum and technology alignment with the macro network and future device ecosystem. Upon completion of the combination of the two companies, Newco will commence negotiations with and seek the execution of agreements with DAS system providers to provision additional RF power where needed, as well as additional fiber backhaul and DAS “hotel space” for new base station equipment. T-Mobile USA’s understanding is that these upgrades may take **[BEGIN HIGHLY CONFIDENTIAL]** **[END HIGHLY CONFIDENTIAL]** to complete once agreements have been executed. This estimate is based on verbal input from MetroPCS, and the relevant T-Mobile USA employees have not seen MetroPCS’ DAS lease agreements. Ultimately, the deployment timeline for upgrades will be subject to the supply of materials and future negotiations with DAS providers.

CDMA and EvDO customers will be supported on all existing DAS nodes throughout the migration of MetroPCS customers to UMTS and LTE. Only upon the completion of the customer migration to UMTS and LTE will the spectrum being utilized by the CDMA/EvDO DAS networks be re-purposed. For DAS nodes that will be retained for the purpose of providing LTE and UMTS capacity, additional spectrum will be repurposed for UMTS and LTE on these nodes. For those nodes that are not being retained, the spectrum will be re-purposed on the macro network.

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Finally, at this time T-Mobile USA has not completed an analysis of the need for additional DAS nodes in the Newco network plan.

- c. *Provide all documents provided to, reviewed by, or relied upon by Mr. McDiarmid in making the above statements.*

Documents responsive to *Item 3(c)* are in the Document Production.

4. *The Applicants state that “T-Mobile USA expects that the data rates on the Newco LTE network will reach peak download rates of 150 Mbps with an average downlink rate of 30 Mbps and peak uplink rates of 50 Mbps with an average uplink rate of 20 Mbps.” (Public Interest Statement, page 24). The Applicants state that Newco “will continue to offer HSPA+ service, which will achieve data rates of peak downlink rates of 42 Mbps with an average downlink rate of 11 Mbps and peak uplink rates of 5.8 Mbps with average uplinks of 1.25 Mbps.” (Public Interest Statement, page 34). Provide all plans, analyses, and reports underlying these statements, including those discussing the current and projected performance characteristics of HSPA+ and LTE, the efficiency of spectrum use, upload and download speed, latency, and deployment configuration. Further, include all plans, analyses, and reports regarding the support and expansion of the HSPA/HSPA+ network post-transaction.*

Documents responsive to *Item 4* are in the Document Production.

5. *The Applicants state that by combining the spectrum resources of the two companies, Newco can deploy LTE more efficiently and effectively than either company could on its own. (Public Interest Statement, page 27). Further, the Applicants state that T-Mobile USA needs the additional spectrum and resources to deploy an LTE network that can accommodate the increasing consumer demand for data and support its new unlimited voice and data plans. (Public Interest Statement, page 35). The Applicants assert that the mobile spectrum of the two providers is “highly complementary” particularly in common markets where the parties hold adjacent bands which can be combined as contiguous spectrum, “ultimately [allowing Newco] to deploy at least 20 x 20 MHz blocks for LTE in many areas, providing T-Mobile USA customers with deeper LTE coverage in those areas and yielding faster data speeds, lower latency and greater capacity.” (Public Interest Statement, pages iii, 24).*

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- a. Provide all plans, analyses, and reports, including any documentation, methodologies, and assumptions used in any underlying models, addressing spectrum requirements for both T-Mobile USA and Newco, including all re-farming scenarios, and including all radio access technologies.*

Documents responsive to *Item 5(a)* are in the Document Production.

- b. Provide all plans, analyses, and reports, including any documentation, methodologies, and assumptions used in any underlying models, discussing the implementation and build of the T-Mobile USA nationwide LTE network and proposed LTE service plans, devices and roaming plans absent the Proposed Transaction, including the number of cell sites and backhaul facilities.*

Documents responsive to *Item 5(b)* are in the Document Production.

- c. Provide all plans, analyses, reports, and documents discussing the Company's assessments and plans to transition MetroPCS's spectrum and devices to Newco's LTE network.*

Documents responsive to *Item 5(c)* are in the Document Production. As discussed with the staff, the response to *Item 5(c)* contains only "plans, analyses, and reports."

- d. Provide all plans, analyses, and reports discussing the planned integration of the Company's LTE networks including the advantages of transitioning from 1.4 x 1.4 MHz or 3 x 3 MHz channels to 5 x 5 MHz or 10 x 10 MHz channels to 20 x 20 MHz channels.*

Documents responsive to *Item 5(d)* are in the Document Production.

- e. Provide all plans, analyses, and reports, discussing the value of having a 20 x 20 MHz block of contiguous spectrum for deploying LTE, the ways a 20 x 20 MHz block of spectrum would be potentially superior for LTE deployment compared to any alternatives considered, and any additional benefits of having contiguous spectrum compared to any alternatives considered.*

Documents responsive to *Item 5(e)* are in the Document Production.

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- f. Provide a list of counties, in csv format, where Newco proposes to deploy LTE through mid-2015 for those counties subject to the Proposed Transaction. Identify for each county whether Newco would hold less than 20 x 20 MHz blocks of contiguous spectrum or at least 20 x 20 MHz blocks of contiguous spectrum.*

Data responsive to *Item 5(f)* are in the Data Production.

- 6. Provide all merger simulations, econometric modeling, or similar analyses, including those regarding market concentration or pricing, that have been undertaken by the Company or any consultant or expert hired by the Company to analyze the effect of the Proposed Transaction, including all documents and data used in these analyses.*

The Applicant does not have any merger simulations, econometric modeling, and similar analyses other than those protected by legal privilege and registered in the privilege log for the Document Production. Any relevant underlying subscriber shares and switching data have been separately submitted to the FCC.

- 7. The Applicants state that the Proposed Transaction “will generate substantial and achievable synergies projected to be \$6-7 billion NPV” (Public Interest Statement, page 13, 39, see also pages 41-42). Of this, network synergies will generate savings of “approximately \$5-6 billion NPV” and non-network synergies will generate savings of “an estimated \$1 billion NPV.” (Ewens Declaration ¶¶ 7-8). Mr. Ewens states that the “network synergies will come from Newco’s rationalization of T-Mobile USA and MetroPCS LTE networks into a single network, the decommissioning of overlapping cell sites and corresponding reduction in lease and backhaul costs, the eventual decommissioning of MetroPCS’s CDMA/EvDO network, the elimination of overlapping network functions, and reduction in duplicative network-based capital expenditures. (Ewens Declaration, ¶ 15). Mr. Ewens also asserts that roaming costs will be reduced and asset utilization improved. (Ewens Declaration, ¶ 15). Further, Mr. Ewens states that nonnetwork synergies will arise from “Newco’s increased scale in back-office and administrative functions, as well as reduced handset and device procurement costs from switching handsets supplied to MetroPCS customers from CDMA to the larger global GSM ecosystem.” (Ewens Declaration, ¶ 17). Further, the Applicants state that “Newco’s proposed transaction-specific savings will free up significant financial resources that could be invested back in its network and operations. This will allow the company to grow, potentially increasing employment opportunities.” (Public Interest Statement, page 44).*

- a. Provide all plans, analyses, and reports supporting the estimates of operational savings and other cost synergies referred to above.*

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Documents responsive to *Item 7(a)* are in the Document Production.

- b. Provide all documents provided to, reviewed by, or relied upon by Mr. Ewens in making the statements contained in Section N of his declaration.*

Documents responsive to *Item 7(b)* are in the Document Production.

- c. For each operational savings or cost synergy identified by the Applicants in determining their total savings and annual savings referred to in the Public Interest Statement and the supporting declarations, (i) provide a quantification of the operational savings or cost synergy and an explanation of how the quantification was calculated; and (ii) state the steps that the Company anticipates taking to achieve that operational savings or cost synergy, and the estimated time and costs required to achieve it.*

**(i) Quantification of Network and Non-Network Synergies**

The proposed transaction will result in network and non-network synergies projected to be \$6-7 billion on a net present value (“NPV”) basis. Network synergies will come from Newco’s rationalization of T-Mobile USA and MetroPCS LTE networks into a single network, the decommissioning of overlapping cell sites and corresponding reduction in lease and backhaul costs, the eventual decommissioning of MetroPCS’ CDMA/EvDO network, Newco’s elimination of overlapping network functions, and reduction in duplicative network-based capital expenditures. The projected network synergies are estimated at approximately \$5-6 billion NPV. The combined company’s enhanced scale and its integrated operations will likewise allow it to realize cost efficiencies. Non-network synergies resulting from the proposed transaction are estimated at approximately \$1 billion NPV. A detailed breakdown of the projected network and non-network synergies is found in the following two documents:

- *TD Synergies 120917 v1.0.xlsx*. This file, TMUS\_DEN\_00124858, provides details underlying expected network and non-network synergies from the transaction. The results from this file are summarized in the “Synergy Output” tab and are also

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incorporated into the “Tiger + Denali Model-vCurrent (GAAP).xls” file in the “Network & Non-Network Syn” tab. Note that while the “TD Synergies 120917N,1.0.xlsx.xlsx” file includes avoidance of MetroPCS’s (standalone) spectrum acquisition cost of \$1.5 billion as a synergy, this is not included in the “Tiger + Denali Model-vCurrent (GAAP).xls” file.

- *Tiger + Denali Model - vCurrent (GAAP).xls*. This file, TMUS\_DEN\_00124855, is the comprehensive current Newco synergy model and incorporates each company's standalone business, a cost synergy model for the combined company, a revenue synergy model for the combined company, and various pro forma combinations. The “Pro Forma Operation Model” tab brings all of these elements together. Alternative scenarios are specified in the “Master Controls” tab.

The most significant component of the network synergies is the elimination of duplicative cell sites and associated costs. The decommissioning of [BEGIN HIGHLY CONFIDENTIAL] [END HIGHLY CONFIDENTIAL] redundant MetroPCS cell base station sites will result in projected savings of [BEGIN HIGHLY CONFIDENTIAL] [END HIGHLY CONFIDENTIAL] per year per site. These savings are generated from the elimination of leases, backhaul, utilities, upgrade, maintenance and other recurring site-related expenses. Even when offset by the higher operating expenses (“OPEX”) on retained and upgraded DAS and T-Mobile USA sites, this elimination will result in a projected annual run-rate synergy of between \$600-700 million by 2017.

Other network synergies will also be achieved. The company will be able to reduce MetroPCS’s roaming costs by leveraging T-Mobile USA’s nationwide network for a projected run-rate savings of [BEGIN HIGHLY CONFIDENTIAL] [END HIGHLY CONFIDENTIAL] per year. In addition, both companies will save by eliminating future individual network upgrades—capacity improvements, coverage expansion, technology upgrades—an estimated savings of [BEGIN HIGHLY CONFIDENTIAL] [END HIGHLY CONFIDENTIAL] per year.

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The most significant non-network synergies will result from the migration of MetroPCS customers to a GSM-compatible network, enabling Newco to realize significant savings with respect to handsets. Because the GSM-based ecosystem of devices is larger than that of CDMA, GSM-based devices are less expensive. With greater scale, Newco will increase its purchasing volume, realizing further cost savings. The company expects that its projected handset purchasing costs of GSM-based handsets will be [BEGIN HIGHLY CONFIDENTIAL]

[END HIGHLY CONFIDENTIAL] lower than CDMA-based handsets, for a projected annual run-rate savings of [BEGIN HIGHLY CONFIDENTIAL] [END HIGHLY CONFIDENTIAL] by 2015. The company will realize additional savings by combining back-office operations, for a projected annual run-rate savings of [BEGIN HIGHLY CONFIDENTIAL] [END HIGHLY CONFIDENTIAL] by 2015. Similar purchasing efficiencies can be achieved in customer support, resulting in a projected annual run-rate savings of [BEGIN HIGHLY CONFIDENTIAL] [END HIGHLY CONFIDENTIAL]. Further, the combined company anticipates being able to reduce non-network capital expenditures for annual run-rate savings of \$10-50 million by 2015.

**(ii) Explanation of How Quantification Was Calculated**

The network synergies were calculated by first determining which network sites could be decommissioned based on conducting an overlap analysis of both T-Mobile USA's and MetroPCS' networks. The company established the costs of running the sites and any liabilities associated with the sites (for example, whether there were lease termination fees). Based on this information, the company determined whether to keep and upgrade the sites or decommission them. The company took the cost of these actions and multiplied it by the number of sites affected. The non-network synergies were calculated based on both companies' experience in

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the industry and their knowledge of their current and projected costs. Any assumptions used in synergy modeling as well as the full calculation of achievable synergies are available in the synergy models produced herewith. *See* TD Synergies 120917 v1.0.xlsxxlsx, TMUS\_DEN\_00124858; Tiger + Denali Model - vCurrent (GAAP).xls, TMUS\_DEN\_00124855.

**(iii) Steps to Achieve Synergy and Estimated Time and Costs**

The company will achieve the synergies described above by decommissioning MetroPCS cell sites and integrating the companies' operations. The first step the company will take to achieve these synergies is moving customers to handsets that work on T-Mobile USA's networks. Doing so will lead to integration of the handset supply chain and distribution systems. These efforts will begin shortly after closing the proposed transaction. Decommissioning the duplicative sites will proceed over the following years.

The estimated costs of achieving these synergies are detailed in the synergy models produced herewith. *See* TD Synergies 120917 v1.0.xlsxxlsx, TMUS\_DEN\_00124858; Tiger + Denali Model - vCurrent (GAAP).xls, TMUS\_DEN\_00124855]. The synergies are based on a ten-year timeframe. T-Mobile USA is in the early planning stages regarding the timeline for integrating T-Mobile USA's and MetroPCS' networks and realizing the costs savings described in the Public Interest Statement and Declarations.

- d. For each cost savings, state separately the one-time fixed cost savings, recurring fixed cost savings, and variable cost savings (in dollars per subscriber and dollars per year).*

The synergies were calculated based on a 10-year period. On the whole, network CAPEX savings represent a one-time fixed cost savings, as such savings stem from avoidance of



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discrete one-time projects budgeted for the MetroPCS network—such as coverage expansion one year, capacity the next year, and then a technology upgrade the following year. The cost savings from roaming and handsets will be variable cost savings, as these are driven by customer volume. Non-network cost savings mainly consist of recurring fixed costs savings (e.g. legal/professional and other administrative overhead). However, non-network cost savings associated with customer care are variable.

On a per customer basis, T-Mobile USA estimates that total synergies will be approximately **[BEGIN HIGHLY CONFIDENTIAL]**

**[END HIGHLY CONFIDENTIAL]**. The dollars per year cost savings are below:

**[BEGIN HIGHLY CONFIDENTIAL]**

[END HIGHLY CONFIDENTIAL]

Detailed cost savings broken down by year are found in the synergy models produced herewith. See TD Synergies 120917 v1.0.xlsx, TMUS\_DEN\_00124858; Tiger + Denali Model - vCurrent (GAAP).xls, TMUS\_DEN\_00124855.

- e. Provide all plans, analyses, and reports discussing how Newco will integrate networks, switching facilities, and cell sites, including where and when existing cell sites will be consolidated and the criteria to be used to consolidate cell sites; and the number of cell sites that Newco will own, share, or decommission.*

Documents responsive to *Item 7(e)* are in the Document Production.

- f. Provide all plans, analyses, and reports discussing the impact of the synergies referenced above on employment at Newco post-transaction.*

Documents responsive to *Item 7(f)* are in the Document Production.

- 8. *The Applicants state, “T-Mobile USA and MetroPCS plan a straightforward technology migration program that will allow for rapid expansion of capacity without customer disruption. This migration plan involves: (1) accommodating the use of LTE by MetroPCS’s existing LTE customers on the T-Mobile USA network very soon after closing and (2) beginning distribution of MetroPCS-branded GSM/HSPA+/LTE handsets that operate on T-Mobile USA’s network as soon as practical after closing.” (Public Interest Statement, pages 36-37). The Applicants estimate that the customer migration will be complete by the second half of 2015. (Public Interest Statement, page 38). Describe in detail how Newco expects to accomplish this migration plan by the second half of 2015 and provide all plans, analyses, and reports discussing the migration plan.***

Newco plans to accomplish this migration plan by allowing MetroPCS customers to purchase HSPA+ and HSPA+/LTE devices (these devices will also support GSM 2G operation) through MetroPCS distribution channels promptly after closing. [BEGIN CONFIDENTIAL]

[END

**CONFIDENTIAL]** Because historically 60-65 percent of MetroPCS’ customer base upgrade their handset each year, a large percentage of MetroPCS’ existing CDMA/EvDO customers can quickly and naturally be migrated to the Newco network. The Newco MetroPCS brand will continue to sell, reactivate, and support CDMA handsets for **[BEGIN HIGHLY**  
**CONFIDENTIAL]** **[END HIGHLY CONFIDENTIAL]** post-launch. As for existing MetroPCS LTE customers, their LTE-capable devices can simply be reactivated on the Newco LTE network without any handset change-out, because the two companies’ bands are compatible and all MetroPCS LTE handsets are already equipped to run on Newco’s planned LTE AWS spectrum band. To support this migration plan, Newco also plans to use additional customer incentives toward the end of the customer migration period to ensure a timely migration. The company has already budgeted for such incentives. The specific amount of these incentives and the scale and breadth of their use by location has not yet been planned. The Applicant believes that incentive plans will have to be tailored specifically to local geographic areas because the size of the migration challenge is different area to area as is the available Newco network capacity. Additionally, the determination of incentives will have to be made with a full and complete understanding of the comparative costs of feature-equivalent CDMA/EvDO, HSPA+ and HSPA+/LTE devices. At this time, CDMA and EvDO handset pricing (cost to operator) has not been shared between the companies due to the commercially sensitive nature of this information.

With respect to the request for “all plans, analyses, and reports discussing the migration plan,” documents responsive to *Item 8* are in the Document Production.

9. *The Applicants state that “MetroPCS customers will experience improved services and options – many at no additional cost.” (Public Interest Statement, page 22). The Applicants also state that “current MetroPCS customers will receive the benefits of an expanded and enhanced network without an increase in price of their existing service plans.” (Public Interest Statement, page 24). Applicants assert that “[c]ompetition will also be enhanced through the planned extension of the MetroPCS brand to new metropolitan areas.” (Public Interest Statement, page iii). Describe in detail plans for the expansion of the MetroPCS brand, including service plans and pricing in these expansion areas if the Proposed Transaction were approved. Provide all plans, analyses, and reports discussing these expansion plans, such as reports and analyses discussing the Company’s pricing forecasts and launches into new geographic areas.*

At this stage, T-Mobile USA is in the process of examining conditions in MetroPCS’ existing geographic areas and in expansion areas. T-Mobile USA has planned to commence the geographic expansion in July 2013 and has identified more than [BEGIN HIGHLY CONFIDENTIAL] [END HIGHLY CONFIDENTIAL] additional geographic areas where it hopes to expand the MetroPCS brand by the end of 2016. These areas include [BEGIN HIGHLY CONFIDENTIAL]

[END HIGHLY CONFIDENTIAL] T-Mobile USA expects that Newco will price MetroPCS services in expansion areas consistent with existing, non-promotional MetroPCS pricing. T-Mobile USA also plans for the Newco MetroPCS to offer no-contract plans with options for family plans, competitive handset pricing, and “anytime upgrades.”

T-Mobile USA also has plans to expand the MetroPCS brand within areas where MetroPCS already offers service, with particular focus on geographic areas such as [BEGIN HIGHLY CONFIDENTIAL] [END HIGHLY CONFIDENTIAL] where MetroPCS offers service but does not have a strong presence. This primarily will be achieved through strengthening of the wireless network for MetroPCS customers through the integration of T-Mobile USA network features.

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With respect to the request for “all plans, analyses, and reports discussing these expansion plans,” documents responsive to *Item 9* are in the Document Production.

10. *The Applicants state that Newco intends to be the “leading value carrier in the U.S., with a focus on offering a variety of appealing plans to compete aggressively for customers seeking affordability and certainty in the cost of their wireless plans.” (Public Interest Statement, page 52). Provide all plans, analyses and reports discussing how Newco would compete post-transaction with other service providers including plan offerings, promotions, and offered device mixes for both the T-Mobile USA and MetroPCS brands.*

Documents responsive to *Item 10* are in the Document Production.

11. *Provide all plans, analyses, and reports (including any surveys conducted by the Company or third party) discussing how customers view and value the Company’s network quality, service plans, pricing, and promotions (including local promotions), including any competitive changes as a result of service offerings by T-Mobile USA, and any contemplated or actual competitive changes to T-Mobile USA’s service plans, pricing or promotions as a response to other service providers’ offerings.*

Documents responsive to *Item 11* are in the Document Production.

12. *Provide a list, in csv format, as of the date of this Request, for each county within each state, the District of Columbia, and each municipality within Puerto Rico, of each spectrum license that can be used in the provision of mobile wireless services that the Company holds, has a joint venture or other business arrangement with regard to, leases from another person, has another interest in, manages, has contracted to acquire, or is in negotiations to acquire. For each license, identify the: (a) PIPS Code; (b) county (or the District of Columbia, or municipality in the case of Puerto Rico); (c) state (including the District Columbia and Puerto Rico); (d) market name; (e) market number (in the case of CMA, MTA, or BTA); (f) spectrum type; (g) spectrum block; (h) amount of spectrum; (i) the wireless technology format deployed or planned (e.g., GSM, EDGE, CDMA, EV-DO, EV-DO Rev. A, UMTS, HSPA, HSPA+, LTE); and (j) whether the Company: (i) holds; (ii) has a joint venture or other business arrangement with regard to; (iii) leases to or from another person; (iv) has an interest in; (v) manages; (vi) has contracted to acquire; (vii) is in negotiations to acquire; or (viii) plans to sell.*

Data responsive to *Item 12* are in the Data Production. Please note that some of the data in the responsive data set is highly confidential information and thus, for ease of production, the

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entire data set responsive to *Item 12* is marked as highly confidential. The non-confidential information in the data set has already been submitted by the Applicants in unredacted form in Exhibits 3-4 to the Applicants' lead wireless application, ULS File No. 0005446627.

- 13. Provide, as of the date of this Request, maps by bands of the geographic coverage of each relevant wireless service provided by the Company, distinguishing by technological format (e.g., GSM, EDGE, CDMA, EV-DO, EV-DO Rev. A, UMTS, HSPA, HSPA+, LTE). Provide the maps in a geo-referenced format, such as a shapefile (for ArcMap) or table (for MapInfo), and provide all assumptions, methodology (e.g., propagation, field measurements), calculations (including link budgets), tools (e.g., predictive and field measurements) and data (e.g., terrain, morphology, buildings) used in the production of the maps. On these coverage maps, depict in separate colors two ranges of signal levels (-95 to -85 dBm, and greater than -85 dBm).**

Data responsive to *Item 13* are in the Data Production.

- 14. Provide the Company's monthly data, including data on subscribers, additions, revenues, and costs, as specified in Attachment A**

Data responsive to *Item 14* are in the Data Production.

- 15. Provide copies of any agreements that T-Mobile USA and MetroPCS have entered into related to the Proposed Transaction.**

Documents responsive to *Item 15* are in the Document Production. As discussed with the Commission staff, with respect to the disclosure letters, the Document Production is limited to certain identified schedules.

- 16. Provide copies of the following T-Mobile USA documents that were provided to the Department of Justice:**

- a. Business Combination Agreement (Execution Copy - Confidential version) (October 3, 2012): Bates number TMUS-00000001;**
- b. T-Mobile USA Consolidated Operating Statement - F06: TMUS-00001171-72;**

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- c. *Wireless Subscribers and Subscriber Shares by Carrier and DMA (Spreadsheet): October 23, 2012 date of voluntary production;*
- d. *Switching To/From T-Mobile USA and MetroPCS Prepaid Plans: TMUS-00001338;*
- e. *Nielsen Mobile Insights, Customer Analysis & Insights for T-Mobile USA (Q2 2012): TMUS- 00001173-1337;*
- f. *Network Modernization Plan (January 30, 2012): TMUS- 00001393-1414;*
- g. *T-Mobile USA “Covered POPs” and Covered Geographic Areas (October 25, 2012);*
- h. *Wireless Subscriber Switching Behavior by DMA and Month (March 2012 - September 2012);*
- i. *Integrated Strategy Marketing & Operations (September 6, 2012): TMUS-00001355-1392; and*
- j. *DOJ Submission on December 11, 2012 (T-Mobile USA’s response on that date to DOJ’s second information request).*

Documents responsive to *Item 16* are in the Document Production. The Business Combination Agreement requested in *Item 16(a)* has been produced in response to *Item 15* and is not produced again here. With respect to *Item 16(j)*, the Commission staff has informed Applicant that it does not need a copy of the full reproduction of documents provided by T-Mobile USA to the Department of Justice in connection with the proposed transaction between AT&T and DT/T-Mobile USA. Accordingly, those materials have been excluded from the Document Production. This Document Production also contains a copy of DT/T-Mobile USA’s submission to the Department of Justice on December 21, 2012, as requested by the FCC staff.

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**Exhibit A – Custodians from Whom the Applicant Collected Documents for Items  
Requesting “Plans, Analyses, and Reports”**

**[BEGIN HIGHLY CONFIDENTIAL]**

**[END HIGHLY CONFIDENTIAL]**



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**Exhibit B – Search Terms for Items Requesting “Plans, Analyses, and Reports”**

**[BEGIN HIGHLY CONFIDENTIAL]**

**[END HIGHLY CONFIDENTIAL]**