

**Communications  
Workers of America  
AFL-CIO, CLC**

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February 11, 2013

Ms. Marlene Dortch, Secretary  
Federal Communications Commission  
445 Twelfth Street, S.W.  
Washington, D.C. 20554

Dear Ms. Dortch:

**RE: Ex Parte Notice. WT Docket No 12-301. In the Matter of Applications of Deutsche Telekom AG, T-Mobile USA, Inc., and Metro PCS Communications Inc. for Consent to Assign or Transfer Control of Licenses and Authorizations**

On February 8, Debbie Goldman, Tony Daley, and Sandy Rusher of the Communications Workers of America (CWA) accompanied three T-Mobile employees and one former T-Mobile employee in meetings to discuss the employment impact of the proposed T-Mobile/MetroPCS merger. The three T-Mobile employees were Felicia Smalls and Tanisha Simmons, Customer Service Representatives at the Charleston, South Carolina T-Mobile call center; Leila Choudhury, Customer Service Representative at the Richmond, Virginia T-Mobile call center; and Richard Blake Poindexter, a former Specialized Technical Care Representative who worked at the Frisco, Texas T-Mobile call center before T-Mobile closed that center last year.

The CWA representatives and T-Mobile employees met with Commissioner Jessica Rosenworcel and David Goldman, policy advisor to Commissioner Rosenworcel; Commissioner Mignon Clyburn and Louis Peraertz and David Grimaldi, legal advisor and chief of staff, respectively, to Commissioner Clyburn; Commissioner Ajit Pai and Courtney Reinhard, legal advisor to Commissioner Pai; Zachary Katz, chief of staff to Chairman Julius Genachowski; and the following members of the Transaction Team: Kathy Harris (WTB/MD), Monica DeLong (WTB/SCPD), Jim Bird (OGC), Joel Rabinovitz (OGC), Linda Ray (WTB/BD), David Hu (WBC/BD), Neil Dellar (OGC).

During the meetings, Ms. Goldman explained that CWA seeks to ensure that the proposed T-Mobile/MetroPCS merger is one of growth and opportunity for the merged entity, and that employees share in that growth and opportunity.<sup>1</sup> The Commission has repeatedly affirmed

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<sup>1</sup> See CWA Comments, *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*, WT Docket No. 12-

that the impact of a merger on employment and related service quality is part of its public interest merger review.<sup>2</sup> Ms. Goldman explained that there is substantial evidence in the record to indicate that, absent verifiable and enforceable merger conditions, the proposed T-Mobile/MetroPCS merger will result in significant job loss for T-Mobile employees. Ms. Goldman provided the following evidence to substantiate these concerns:

- The Applicants (T-Mobile and MetroPCS) project \$1 billion NPV in “non-network synergies,” including reductions in back-office operations and customer support. “Synergies” is often a euphemism that means job loss or reduction in employment standards.<sup>3</sup>
- MetroPCS already outsources virtually all of its customer care, billing, payment processing and logistics operations. A portion of its vendors’ call centers are located outside the U.S., including in Mexico, Antigua, Panama, and the Philippines.<sup>4</sup>
- Soon after its failed attempt to merge with AT&T, T-Mobile closed seven of its 24 call centers and displaced 3,300 employees. The work was sent to call centers in foreign countries.<sup>5</sup> This is a practice that is likely to accelerate after the proposed merger if T-Mobile adopts MetroPCS’ practice of outsourcing its customer care operation, including to foreign-based call centers.

In each of the meetings, the T-Mobile customer service representatives shared their concerns regarding their own job security and that of their co-workers after a T-Mobile/MetroPCS merger. They are aware that MetroPCS outsources its customer care operation. They are acutely aware of the fact that T-Mobile closed seven domestic call centers last year and sent the work overseas. They explained that it is difficult to find family-supporting jobs in Charleston SC and Richmond VA. They noted that many of the employees in the call centers are single mothers who depend on these jobs to support their families. They explained that they want to grow their careers with T-Mobile, but fear that after the merger, the company is likely to

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301, Nov. 26, 2012 (“CWA Comments”).

<sup>2</sup> *Id.*, See citations at 2-3 and fn 3, 4, 5.

<sup>3</sup> See Description of Transaction at 39-44. Specifically, the Applicants contend that their post-merger business plan projects over \$6-7 billion in total synergies on a net present value (“NPV”) basis, which will in turn yield approximately \$1 billion in projected annual savings by 2017. Description of Transaction at Attachment 1, Declaration of Peter Ewans at 14.

<sup>4</sup> See CWA Ex Parte Notice, Dec. 20, 2012 with attachment from MetroPCS SEC Form 10-K for the fiscal year ended Dec. 31, 2011 (noting “We [MetroPCS] outsource some or all of our customer care, billing, payment processing and logistics to nationally recognized third-party providers...Some of these outsourced call centers are located outside the United States, including Mexico, Antigua, Panama, and the Philippines...”); See also CWA Comments at 6.

<sup>5</sup> See CWA Ex Parte Notice, Dec. 20, 2012 with attachment from Department of Labor Employment and Training Administration, Certification Regarding Eligibility to Apply for Worker Adjustment Assistance (July 11, 2012) (finding that T-Mobile “has acquired from a foreign country services like or directly competitive with services supplied by the workers” laid off from T-Mobile call centers in Allentown, Pennsylvania, Fort Lauderdale, Florida, Frisco, Texas, Brownsville, Texas, Lenexa, Kansas, Thornton, Colorado, and Redmond, Oregon); See also CWA Comments at 6.

pursue a “low road” customer service operation by adopting MetroPCS’ outsourcing strategy as it targets “value conscious” pre-paid wireless customers.

Richard Poindexter shared his personal story when he was laid-off last year when T-Mobile closed his call center in Frisco, Texas as well as six other centers, displacing 3,300 employees. Mr. Poindexter learned about the center closure through a text message, only days after T-Mobile management had reassured employees that their jobs were secure. His unemployed co-workers were eligible for federal Trade Adjustment Assistance benefits because the U.S. Department of Labor concluded that T-Mobile sent the work overseas.

Ms. Goldman urged the Commission to require the Applicants to adopt enforceable and verifiable commitments to ensure current employees’ job security and to maintain quality of service and to repatriate jobs to the United States. In accordance with Commission precedent,<sup>6</sup> the FCC should ensure that the Applicants go beyond a vague, speculative claim of potential employment opportunities and require the following enforceable conditions:

1. No U.S. employees will lose their jobs as a result of the proposed Transaction
2. Network maintenance will continue to be provided by U.S. employees; and
3. Work previously sent offshore by T-Mobile and MetroPCS will be returned to the U.S.

Sincerely,



Debbie Goldman  
Telecommunications Policy Director  
Communications Workers of America

cc: Commissioner Jessica Rosenworcel  
Commissioner Mignon Clyburn  
Commissioner Ajit Pai  
Zachary Katz  
David Goldman  
Louis Peraertz  
David Grimaldi  
Courtney Reinhard  
Kathy Harris  
Monica DeLong

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<sup>6</sup> See CWA Comments at 8 and fn 24, 25, 26.

Jim Bird  
Joel Rabinovitz  
Linda Ray  
David Hu  
Neil Dellar