



Sprint

Brighter Future For All

Michel Combes, CEO
Sprint

April 2, 2019

Via ECFS

The Honorable Geoffrey Starks
Commissioner
Federal Communications Commission
445 Twelfth Street, S.W.
Washington, DC 20554

**Re: Applications of T-Mobile US, Inc. and Sprint Corporation for Consent to
Transfer Control of Licenses and Authorizations; WT Docket No. 18-197**

Dear Commissioner Starks,

I enjoyed meeting with you in Washington, D.C., and truly appreciate your taking time to discuss the ever-changing landscape of the wireless industry. I share your passion and commitment to the Kansas City area and give utmost consideration to the impact that our company has in the community and on the thousands of employees who work on the Sprint campus. Sprint has been a longstanding, significant contributor to the Kansas City community. Every year, Sprint's employees inject tens of millions of dollars into the local economy.

I read your recent comments in *The Kansas City Star* and wanted to reiterate a few important points about our proposed merger with T-Mobile. When we announced the merger, I emphasized to Sprint employees that I support the transaction because it is my responsibility to position our company – and them – for long-term success, and the proposed merger offers the best path for Sprint's customers and employees.

Despite working hard in the past five years to transform Sprint, significant challenges continue to prevent us from thriving as a stand-alone company. Simply put, we lack the spectrum assets, scale and financial resources needed to compete


aggressively against the larger wireless companies. Though we continue to improve the Sprint network, consumers still rank us last among the nationwide carriers. And, though we are on track to launch mobile 5G in select markets this May, we cannot build a consistently reliable nationwide 5G network on our own.

Together, however, Sprint and T-Mobile will build the world's best 5G network, propel the United States forward in the global race to 5G, and offer incredible 5G speed and capacity to consumers across every corner of the United States. The combined company, New T-Mobile, will invest nearly \$40 billion in the first three years alone. That investment, coupled with the growth of New T-Mobile, will create thousands of jobs. New T-Mobile will compete aggressively in mobile wireless and enter new sectors, such as in-home wireless broadband. It will open 600 new retail stores and five new customer experience centers. Sprint's corporate headquarters in Overland Park will be the second headquarters for New T-Mobile and the site of one of New T-Mobile's new customer experience centers, which will add approximately 1,000 new jobs.

New T-Mobile is expected to be jobs positive from Day 1 following the close of the transaction. By 2024, the New T-Mobile will create 11,000 new jobs, including 7,500 more customer experience employees than the stand-alone companies have today. It's clear that the New T-Mobile will be a job creator and add jobs in the Kansas City area.

Without the merger, Sprint will continue to struggle. To survive financially, Sprint had to make painful but necessary reductions to our operating expenses during the past four years, removing \$6 billion in costs from our business. Unfortunately, as part of this retrenchment, we have been forced to cut thousands of jobs.

For example, Sprint went from more than 43,000 employees in 2010 to approximately 28,000 employees today, with many of those headcount reductions affecting employees in our headquarters. Many jobs have moved off-shore, and Sprint's employees have endured rounds of layoffs, constant restructuring, and uncertainty about their livelihoods. The local community also has been affected. In 2010, Sprint had approximately 4,300 non-employees working on the campus, but today we have just 2,000. Sprint's future affects not just Sprint's employees, but the entire Kansas City community.



Despite this painful cost cutting, we're still not a profitable company. Excluding last year's paper gain (a result of corporate tax reform), Sprint has lost \$25 billion over the past decade. The bottom line is that the proposed merger provides the scale, spectrum mix, and financial wherewithal we need to be an effective competitor in the dynamic wireless marketplace.

Without the merger, the trajectory for Sprint will worsen and Sprint's prospects will be limited. Sprint will be forced to further reduce its operating expenses, which means more job reductions in Kansas City and throughout the company, and our future as a stand-alone company will be in jeopardy.

In the past year, I have seen many of our Sprint employees go from being a bit skeptical of the merger to understanding and even embracing their role as ambassadors for the many benefits it will bring. They are excited to join forces with T-Mobile to deliver the first nationwide 5G network, create thousands of jobs, and secure better pricing for existing and new customers. While CWA, whose members work for our competitors, purports to be concerned about our employees, Sprint's hard-working team knows the merger offers a brighter future for our company. Governor Laura Kelly (D-KS) and former Governor Jeff Coyler (R-KS) have also recognized the importance of the merger to Sprint and the region and voiced their support in letters to the FCC.

Thank you again for taking the time to meet with me in Washington. This is such an important issue that I will make myself available to meet with you again if you would like to discuss it further. I ask you to act in the best interest of Sprint, its employees, and the many communities we serve each day by supporting our proposed merger.

Thank you,

A handwritten signature in black ink, appearing to read 'Michel Combes', with a stylized flourish at the end.

Michel Combes, CEO
Sprint

cc: Chairman Ajit Pai
Commissioner Michael O’Rielly
Commissioner Brendan Carr
Commissioner Jessica Rosenworcel
David Lawrence
Jim Bird
Kathy Harris
Charles Mathias
Kate Matraves
Linda Ray

