

Attachment—Additional Questions for the Record
Subcommittee on Communications and Technology
Hearing on
“Protecting Consumers and Competition: An Examination of the T-Mobile and Sprint
Merger”
February 13, 2019

Mr. Marcelo Claure, Executive Chairman, Sprint Corp.

The Honorable Yvette D. Clarke (D-NY)

- 1. Increasing diversity on corporate boards is not just about fairness; it’s also in the economic interests of companies themselves. Corporate leaders who better reflect the consumer base can offer new perspectives and act as a failsafe against groupthink. Unfortunately, people of color and women remain significantly underrepresented on corporate boards and in senior management positions.**

In your testimony before the Committee, in response to my questioning, you promised to provide my office with a detailed analysis of the diversity of the boards of T-Mobile and Sprint, as well as the likely racial and gender composition of the board of a future New T-Mobile.

- a. In addition to supplying specific racial and gender information about the current T-Mobile board, current Sprint board, and future New T-Mobile board, will you commit to increasing diversity in senior management positions at each of these entities?**

Response: If the merger is approved, John Legere will be the CEO of the combined company. Accordingly, I defer to Mr. Legere about the current makeup of the T-Mobile board and the future New T-Mobile board.

I have been an outspoken proponent of enhancing Sprint’s diversity at all levels of the company—including management—because I think it makes us more competitive and better able to meet the needs of our customers. The Sprint board currently includes a woman and three people of color, including myself. Sprint’s senior executive ranks include eight women and six people of color. Sprint is always looking for ways to recruit talented individuals from all backgrounds to serve our customers. Sprint understands the value of having varied experiences and perspectives contribute to any decision-making process.

- 2. In order to maintain our innovation edge, it is critical that America intensify our efforts to deploy 5G. Proponents of this deal have argued the merger will enable the combined company to make these investments. But in 2011, after T-Mobile**

sought to merge with AT&T and the Obama Administration rejected the deal on antitrust grounds, T-Mobile soon thereafter made a multi-billion dollar network upgrade, while also lowering prices.

a. If the merger is rejected, what approach will each of your companies take towards 5G deployment?

Response: It is critical for America to aggressively support the deployment of 5G in order for this country to maintain its technological and innovative edge. China and other countries are investing heavily in 5G because they understand how important it is to their economies and their global leadership. When America leads in the deployment of cutting-edge technology, Americans reap the benefits of explosive job growth and increased economic productivity and entrepreneurship. The impact of the deployment of 4G/LTE proves this fact: Some of the world's most valuable companies were born because of the revolutionary 4G networks American wireless companies built.

5G will provide an entirely new standard of connectivity that will change the way Americans live and work, and will spur new technology like autonomous driving, telemedicine, and smart farming. But the full potential of these innovations will only be unlocked if America has a truly nationwide 5G network. Unfortunately, that kind of nationwide network cannot be built by Sprint or T-Mobile alone.

It is important to recognize that T-Mobile's multi-billion dollar investment in its 4G network was enabled by the money and significant spectrum assets that T-Mobile received as a break-up fee following the rejection of the proposed AT&T / T-Mobile merger. Sprint, by comparison, does not stand to receive any such benefits if this proposed merger is rejected.

Sprint has already hit significant milestones in its plans for 5G deployment. If it remains a standalone company, Sprint will continue to pursue the deployment of 5G, but our limited spectrum assets and our financial difficulties will mean that the geographic reach of our network will be concentrated in large cities and suburban areas. And to build even this type of 5G network, we will need to spend between \$20 and \$25 billion and will have to borrow additional funds to do so, leading to higher prices for our customers.