

Mr. John Legere, Chief Executive Officer and President, T-Mobile US

The Honorable Jim Sensenbrenner (R-WI)

1. During the course of the hearing, there was confusion about whether data submitted by T-Mobile's economists demonstrated that prices would rise should the merger with Sprint be completed. T-Mobile has claimed that its economists' data has been misinterpreted. Can you provide additional information concerning this issue?

Response: T-Mobile's economists have documented that consumers will benefit from competition and lower prices under conservative assumptions and considering a wide range of different data sources. There is nothing ambiguous or unclear about this showing. The only confusion is caused by false statements by DISH that have been parroted by Free Press and others.

As we show in our submissions to the FCC on December 18, 2018, February 7, 2019, and March 14, 2019, DISH has repeatedly misinterpreted and mischaracterized our economic analyses. Our analyses have been rigorous, in line with academic literature, and based on actual detailed consumer behavior data. DISH's criticisms, however, have been incomplete and internally inconsistent and ignore fundamental demand estimation and merger simulation methods. Moreover, as we showed in our March 14, 2019 submission to the FCC, DISH has presented an economic study that fabricates harms on low income consumers where none exist. We have called for the FCC to exclude that report from the record because of the serious false statements it contains.

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The Honorable David N. Cicilline (D-RI)

1. During the hearing, I shared a concern regarding T-Mobile's current policy of "Out-of-Plan" domestic phone numbers, where T-Mobile Unlimited customers are charged an incremental penny-per-minute for dialing a phone number that has been deemed by T-Mobile to be "Out-of-Plan."

I have concerns that T-Mobile continues to be the only wireless or wireline provider with such a policy, and it seemingly targets specific calling applications, such as FreeConferenceCall.com. The lack of consumer information of this pricing policy is a slippery slope that can seemingly lend itself to frequently increasing the pool of "Out-of-Plan" numbers, a de-facto price increase. It's also my understanding that there is no public notice as to which telephone numbers are "Out-of-Plan" and why such telephone numbers are "Out-of-Plan" and thus, such price increases appear to be done without notice to consumers.

In your testimony, you underscored a going-forward business plan to freeze price increases, and also that the "New T-Mobile" would honor pricing arrangements that pre-exist with Sprint, both on the consumer side, as well as wholesale arrangements such as roaming and MVNO contracts.

Considering your repeated commitments on these issues, will New T-Mobile continue its "Out-of-Plan" domestic phone numbers for Unlimited customers, since Sprint does not have this pricing policy in place today?

Response: The "out-of-plan" or OOP program provides an important safeguard for consumers that we would continue following the merger.

Some companies inflate or "pump" traffic for their own financial benefit. These companies partner with a high-cost provider in return for kickbacks. In 2012, the FCC described these practices as arbitrage that raises costs, hurts consumers, and requires customers who don't use the services to pay for them. T-Mobile's OOP program exists to defray the costs created by companies whose business model is to stimulate large call volumes to higher-cost connections. Our OOP program ensures that T-Mobile does not pass along these high costs onto the vast majority of customers who are not interested in them, while at the same time allowing the less than one percent of customers that want these services to get them at a one cent charge.

T-Mobile has always been clear that its plans that include talk and text offer unlimited direct communications between two people, so calls to chat lines, radio broadcast lines, and similar services may not be included in our plans. Fewer than three out of every 1,000,000 telephone numbers are included in our OOP

Program. Customers who do want to call a number in the OOP program are notified of the \$0.01 per minute charge when they dial but before they incur the charge. Those terms are clearly disclosed online and in our terms and conditions (see T-Mobile Support, Out-of-plan phone numbers, <https://support.t-mobile.com/docs/DOC-33322>; T-Mobile Terms and Conditions, <https://www.t-mobile.com/responsibility/legal/terms-and-conditions>), so consumers can consider them before signing up for one of our plans.

As explained in our pricing commitment, New T-Mobile will honor its current plans, and Sprint's current plans, for the next three years.

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The Honorable Ted W. Lieu (D-CA)

1. What is the purpose of the “out-of-plan number program”?

Response: The “out-of-plan” or OOP program provides an important safeguard for consumers. T-Mobile’s OOP program exists to defray the costs created by companies whose business model is to steer call volume to higher cost connections. These companies partner with a high-cost provider in return for kickbacks. In 2012, the FCC described these practices as arbitrage that raises costs, hurts consumers, and requires customers who don’t use the services to pay for them. Our OOP program ensures that T-Mobile does not pass along the high cost incurred by these kinds of services onto the vast majority of customers who are not interested in them, while at the same allowing the less than one percent of customers that want these services to get them at a one cent charge.

2. How are “out-of-plan” numbers different from numbers that are included in your plans?

Response: T-Mobile’s OOP program covers numbers, called by a very small portion of T-Mobile customers, that are not identified with a person, but rather with a chat line or similar service, and impose additional, higher costs on T-Mobile and its customers.

3. How many telephone numbers are deemed “out-of-plan” by T-Mobile?

Response: Fewer than three out of every 1,000,000 telephone numbers are included in our OOP Program.

4. Does T-Mobile notify consumers of which telephone numbers are deemed “out-of-plan” prior to signing contracts with T-Mobile?

Response: Yes. Customers are notified which telephone numbers are identified as “out-of-plan” in T-Mobile’s disclosures, and customers are given further specific notice upon dialing any of those numbers.

5. How are numbers deemed “out-of-plan”?

Response: T-Mobile determines which numbers are out of plan by considering the costs associated with calls to that number and other characteristics (e.g., abnormally high call durations).