



March 6, 2019

The Honorable Tony Cárdenas
2438 Rayburn House Office Building
Washington, DC 20515

Dear Rep. Cárdenas:

Thank you for your letter dated February 12, 2019, regarding New T-Mobile's plans for the Lifeline program. As you know, Sprint's facilities-based Assurance Wireless brand is the largest Lifeline provider in the country, and I would like to offer my personal assurance that barring material changes to today's Lifeline program New T-Mobile is committed to maintaining the Lifeline services of Sprint and T-Mobile indefinitely.¹

We understand and agree that expanding broadband accessibility for America's most vulnerable populations is critical to bridging the digital divide. New T-Mobile will help close this divide by accelerating deployment of a superior nationwide 5G network that will reduce prices and provide faster speeds and broader coverage for consumers, including for Lifeline customers.

T-Mobile is committed to serving the connectivity needs of low-income and value-conscious consumers—a commitment it has consistently demonstrated through T-Mobile, Metro, and its mobile virtual network operator ("MVNO") partners. Below, please find responses to your questions concerning Lifeline.

1. Should the merger be approved, for how long will the new company be committed to providing Lifeline services?

New T-Mobile has no contemplated end date to its participation in the Lifeline program, and the company has no intention to stop offering Lifeline in any state where T-Mobile and Assurance currently offer it. Starting on Day 1 following the merger, New T-Mobile will continue to offer Lifeline services in 41 states plus the District of Columbia where Sprint's Assurance Wireless currently offers service as well as areas where T-Mobile supports Lifeline service today.

¹ This commitment applies to any jurisdiction in which Sprint and T-Mobile currently hold Eligible Telecommunications Carrier status, as well as, future designations.

2. Should the merger be approved, in which states will the New T-Mobile commit to offering Lifeline services? Will the company expand beyond the current level of participation by Sprint?

Assurance Wireless currently provides Lifeline service in 41 states and the District of Columbia. T-Mobile provides Lifeline services in nine of the 41 states where Assurance provides Lifeline service and Puerto Rico as a condition of the Universal Service Fund High Cost support program. Following the merger, the combined network will cover a broader footprint in these 41 states and the District of Columbia (subject to all necessary regulatory approvals, of course) than what either T-Mobile or Sprint could provide as standalone companies. Within just six months, New T-Mobile expects to cover many more census blocks than Sprint does today. This expansion of coverage relative to Sprint's current and planned footprints presents an opportunity for Lifeline service to reach a larger pool of eligible Lifeline users than what Sprint or T-Mobile could achieve separately. Where Lifeline service is currently offered, New T-Mobile also expects subscribers to be able to take advantage of much faster speeds and lower latencies than are available today.

3. If the merger is approved by regulators, will there be any disruption in Lifeline services while the two companies transition to a single entity?
a. If yes, what steps will you take to mitigate those disruptions?

New T-Mobile's plans will avoid disruption to Lifeline customers during the migration of subscribers to the combined network. We recognize that Lifeline customers are members of vulnerable populations, and the company is committed to ensuring these customers receive support throughout the network integration process. Such measures will include a customer notification campaign that will support the distribution of carefully tailored messages that clearly advise existing customers of important details on how to avoid any impact to service during the network integration.

As noted, there are distinct transitions for two broad categories of Assurance Lifeline customers: (i) one transition supports *new* customers enrolling in Lifeline following closing of the merger, and (ii) another transition supports *pre-existing* Lifeline customers, who enrolled prior to closing of the merger. The company has designed both transition periods to minimize customer disruptions as follows:

New Assurance Lifeline Customers. Following closing, New T-Mobile will rely on a brief transition period of no more than six months to implement the necessary changes to activate new Assurance Lifeline customers on the New T-Mobile platform. During this time, new Assurance Lifeline customers will receive a free handset at the time of enrollment that is compatible on both the New T-Mobile and the Sprint networks but their service will continue to be activated on the Sprint network. No later than six months after the close, new Assurance customers will be activated on the New T-Mobile Network.

Existing Assurance Lifeline Customers. Migrating existing Assurance Lifeline customers presents a unique challenge because we understand that they generally have handsets that are not interoperable with the New T-Mobile network. To minimize any possibility of a service disruption for these customers, they will receive free, compatible handsets as part of the migration process. Those existing Assurance Lifeline customers will be migrated to the New T-Mobile network on a schedule and on terms comparable to those offered to legacy Sprint customers with similarly incompatible equipment.

4. Given that the addition of the new Lifeline National Eligibility Verifier is fundamentally changing how eligible consumers learn about and apply for Lifeline services, what steps will the New T-Mobile take to ensure consumers are made aware of the program and their eligibility to participate through advertising or other means?

T-Mobile fully understands and appreciates that relying solely on traditional marketing may not be sufficient to reach the intended recipients of Lifeline service. Today, both the T-Mobile program and Sprint's Assurance Wireless use outreach and marketing efforts consistent with program requirements. They use a diverse array of tools to inform consumers about Lifeline services, including "feet on the street" sales agents, digital marketing, direct mail, and partner marketing. But more than that, T-Mobile views the Lifeline business as an opportunity to enhance its overall brand insofar as the family of T-Mobile brands have always stood for delivering great value, particularly for those who are less economically advantaged. Indeed, the massive increase in capacity and dramatic reduction in the cost structure of New T-Mobile vs. standalone T-Mobile directly addresses and resolves the primary concerns that led T-Mobile to cede much of its direct Lifeline offering to MVNO partners. Given the capacity and cost advantages this merger will provide, New T-Mobile can sustainably offer Lifeline service directly, and intends to put more marketing spend behind the Lifeline brand.

Both T-Mobile and Sprint have invested considerable resources into developing carefully tailored marketing techniques to reach vulnerable communities. T-Mobile expects to leverage Sprint's and Assurance Wireless's extensive expertise to raise consumer awareness and sustain and grow its Lifeline program and use the combined company's greater scale to reach more potentially eligible subscribers wherever they are via print, online, radio, television and point-of-purchase marketing opportunities.

* * *

In addition to the benefits that current T-Mobile and Sprint Lifeline subscribers will enjoy from New T-Mobile's commitment to the Lifeline program, the merger of Sprint and T-Mobile will have a positive effect on the Lifeline offerings of New T-Mobile's wholesale mobile virtual network operator (MVNO) partners. New T-Mobile will offer a vastly superior service beyond what either standalone company could provide. The New T-Mobile MVNO partners will benefit

from the new network's improved quality and, in turn, each of the MVNO partners' Lifeline customers will benefit from improved network performance and coverage.

TracFone, a large provider of Lifeline services, summarized the benefits of increased competition for improved network coverage and performance in a recent filing to the Federal Communications Commission. The merger of T-Mobile and Sprint will create a "wholesale market . . . [that is] more competitive, with three full service competitors rather than two," TracFone said.² The company added that:

TracFone expects that the New T-Mobile will increase [facilities-based] wholesale competition for TracFone's business and thus reduce wholesale costs. As a result, TracFone expects this new competition will enable it to continue to compete successfully in the retail wireless market.³

As TracFone explained, the proposed merger of T-Mobile and Sprint will mean more competition, improved performance, and better prices not only for New T-Mobile's Lifeline customers, but also for all Lifeline customers whose service depends in some way on the New T-Mobile network. As a result, the proposed merger promises to help improve and sustain Lifeline access for far more people than either T-Mobile or Sprint serve through the program today.

I appreciate your interest in Lifeline service and share your commitment to the program. The T-Mobile leadership team and I intend to maintain Lifeline support and to ensure that New T-Mobile continues the strong track record of providing high-quality, low-cost wireless services for Lifeline subscribers and all consumers. Please let me know if I can be of any further assistance.

Sincerely,

A handwritten signature in black ink, appearing to read "John Legere". The signature is stylized with large loops and a cursive-like flow.

John Legere

² See *Comments of TracFone Wireless, Inc.*, WT Docket No. 18-197, at 3 (filed Sept. 13, 2018).

³ *Id.*