UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the fiscal year ended December 31, 2019
or
☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from to

Commission File Number: 1-33409

T-MOBILE US, INC.
(Exact name of registrant as specified in its charter)

Delaware	**20-0836269**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

12920 SE 38th Street
Bellevue, Washington
(Address of principal executive offices)
98006-1350
(Zip Code)
(425) 378-4000
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock, par value $0.00001 per share	TMUS	The NASDAQ Stock Market LLC

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. Yes No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of June 28, 2019, the aggregate market value of the voting and non-voting common equity held by non-affiliates was $23.2 billion based on the closing sale price as reported on the NASDAQ Global Select Market. As of January 31, 2020, there were 856,932,845 shares of common stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Part III of this Annual Report on Form 10-K will be incorporated by reference from certain portions of the definitive Proxy Statement for the Registrant's Annual Meeting of Stockholders, which definitive Proxy Statement will be filed with the Securities and Exchange Commission pursuant to Regulation 14A or will be included in an amendment to this Report.

T-Mobile US, Inc.
Form 10-K
For the Year Ended December 31, 2019

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Cautionary Statement Regarding Forward-Looking Statements

This Annual Report on Form 10-K ("Form 10-K") includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All statements, other than statements of historical fact, including information concerning our future results of operations, are forward-looking statements. These forward-looking statements are generally identified by the words "anticipate," "believe," "estimate," "expect," "intend," "may," "could" or similar expressions. Forward-looking statements are based on current expectations and assumptions, which are subject to risks and uncertainties and may cause actual results to differ materially from the forward-looking statements. The following important factors, along with the Risk Factors included in Part I, Item 1A of this Form 10-K, could affect future results and cause those results to differ materially from those expressed in the forward-looking statements:

- the failure to obtain, or delays in obtaining, regulatory approval for the merger (the "Merger") with Sprint Corporation ("Sprint"), pursuant to the Business Combination Agreement with Sprint and other parties therein (as amended, the "Business Combination Agreement") and the other transactions contemplated by the Business Combination Agreement (collectively, the "Transactions"), risks associated with the actions and conditions we have agreed to in connection with regulatory approval for the Transactions, and the risk that such regulatory approval may result in the imposition of additional conditions that, if accepted by the parties, could adversely affect the combined company or the expected benefits of the Transactions, or the failure to satisfy any of the other conditions to the Transactions on a timely basis or at all;
- the risk that the antitrust litigation related to the Transactions brought by the attorneys general of certain states and the District of Columbia will result in an order preventing the completion of the Transactions and the risk of other litigation or regulatory actions related to the Transactions;
- the exercise by one or both parties of a right to terminate the Business Combination Agreement;
- adverse effects on the market price of our common stock or on our operating results because of a failure to complete the Merger in the anticipated timeframe, on the anticipated terms or at all;
- inability to obtain the financing contemplated to be obtained in connection with the Transactions on the expected terms or timing or at all;
- the ability of us, Sprint and the combined company to make payments on debt or to repay existing or future indebtedness when due or to comply with the covenants contained therein;
- adverse changes in the ratings of our or Sprint's debt securities or adverse conditions in the credit markets;
- negative effects of the announcement, pendency or consummation of the Transactions on the market price of our common stock and on our or Sprint's operating results, including as a result of changes in key customer, supplier, employee or other business relationships;
- the assumption of significant liabilities in connection with, and significant costs related to, the Transactions, including liabilities of Sprint that may become liabilities of the combined company or that may otherwise arise and financing costs;
- failure to realize the expected benefits and synergies of the Transactions in the expected timeframes, in part or at all;
- costs or difficulties related to the integration of Sprint's network and operations into our network and operations, including intellectual property and communications systems, administrative and information technology infrastructure and accounting, financial reporting and internal control systems;
- differences with Sprint's control environments, cultures, and auditor expectations may result in future material weaknesses, significant deficiencies, and/or control deficiencies while we work to integrate the companies and align guidelines and practices;
- costs or difficulties related to the completion of the Divestiture Transaction and the satisfaction of the Government Commitments (each as defined below);
- the inability of us, Sprint or the combined company to retain and hire key personnel;
- the risk that certain contractual restrictions contained in the Business Combination Agreement during the pendency of the Transactions could adversely affect our or Sprint's ability to pursue business opportunities or strategic transactions;
- adverse economic, political or market conditions in the U.S. and international markets;
- competition, industry consolidation, and changes in the market for wireless services, which could negatively affect our ability to attract and retain customers;
- the effects of any future merger, investment, or acquisition involving us, as well as the effects of mergers, investments, or acquisitions in the technology, media and telecommunications industry;

- challenges in implementing our business strategies or funding our operations, including payment for additional spectrum or network upgrades;
- the possibility that we may be unable to renew our spectrum licenses on attractive terms or acquire new spectrum licenses at reasonable costs and terms;
- difficulties in managing growth in wireless data services, including network quality;
- material changes in available technology and the effects of such changes, including product substitutions and deployment costs and performance;
- the timing, scope and financial impact of our deployment of advanced network and business technologies;
- the impact on our networks and business from major technology equipment failures;
- inability to implement and maintain effective cyber security measures over critical business systems;
- breaches of our and/or our third-party vendors' networks, information technology and data security, resulting in unauthorized access to customer confidential information;
- natural disasters, terrorist attacks or similar incidents;
- unfavorable outcomes of existing or future litigation;
- any changes in the regulatory environments in which we operate, including any increase in restrictions on the ability to operate our networks and changes in data privacy laws;
- any disruption or failure of our third parties' or key suppliers' provisioning of products or services;
- material adverse changes in labor matters, including labor campaigns, negotiations or additional organizing activity, and any resulting financial, operational and/or reputational impact;
- changes in accounting assumptions that regulatory agencies, including the Securities and Exchange Commission ("SEC"), may require, which could result in an impact on earnings;
- changes in tax laws, regulations and existing standards and the resolution of disputes with any taxing jurisdictions;
- the possibility that the reset process under our trademark license results in changes to the royalty rates for our trademarks;
- the possibility that we may be unable to adequately protect our intellectual property rights or be accused of infringing the intellectual property rights of others;
- our business, investor confidence in our financial results and stock price may be adversely affected if our internal controls are not effective;
- the occurrence of high fraud rates related to device financing, credit cards, dealers, or subscriptions; and
- interests of our majority stockholder may differ from the interests of other stockholders.

Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. We undertake no obligation to revise or publicly release the results of any revision to these forward-looking statements, except as required by law. In this Form 10-K, unless the context indicates otherwise, references to "T-Mobile," "T-Mobile US," "our Company," "the Company," "we," "our," and "us" refer to T-Mobile US, Inc., a Delaware corporation, and its wholly-owned subsidiaries.

Investors and others should note that we announce material financial and operational information to our investors using our investor relations website, press releases, SEC filings and public conference calls and webcasts. We intend to also use certain social media accounts as means of disclosing information about us and our services and for complying with our disclosure obligations under Regulation FD (the @TMobileIR Twitter account (https://twitter.com/TMobileIR) and through April 30, 2020, the @JohnLegere Twitter (https://twitter.com/JohnLegere), Facebook and Periscope accounts, which Mr. Legere also uses as means for personal communications and observations, and on and after May 1, 2020 the @SievertMike Twitter (https://twitter.com/SievertMike) account, which Mr. Sievert also uses as a means for personal communications and observations). The information we post through these social media channels may be deemed material. Accordingly, investors should monitor these social media channels in addition to following our press releases, SEC filings and public conference calls and webcasts. The social media channels that we intend to use as a means of disclosing the information described above may be updated from time to time as listed on our investor relations website.

PART I.

Item 1. Business

Business Overview and Strategy

Un-carrier Strategy

We are the Un-carrier. Through our Un-carrier strategy, we have disrupted the wireless communications services industry, by actively engaging with and listening to our customers and eliminating their existing pain points, including providing them with added value, an exceptional experience and implementing signature Un-carrier initiatives that have changed wireless for good. We ended annual service contracts, overages, unpredictable international roaming fees, data buckets and so much more. We are inspired by a relentless customer experience focus, consistently leading the wireless industry in customer care by delivering an excellent customer experience with our “Team of Experts,” which drives our record-high customer satisfaction levels while enabling operational efficiencies. Since the launch of the Un-carrier in 2013, approximately 53 million customers have joined the Un-carrier movement, and we will continue forward with our customer experience focus, determined to bring the Un-carrier to every potential customer in the United States.

Our network is the foundation of our success and everything we do is powered by our nationwide 4G Long-Term Evolution (“LTE”) network, which covers 327 million Americans (99% of the U.S. population) and our recently launched nationwide 5G network. We continue to expand the footprint and improve the quality of our network, providing outstanding wireless experiences for customers who will not have to compromise on quality and value. Going forward, it is this network that will allow us to deliver new, innovative products and services with the same customer experience focus and industry-disrupting mentality that has redefined the wireless communications services industry in the United States in the customers’ favor.

History

T-Mobile USA, Inc. (“T-Mobile USA”), a Delaware corporation, was formed in 1994 as VoiceStream Wireless PCS (“VoiceStream”), a subsidiary of Western Wireless Corporation (“Western Wireless”). VoiceStream was spun off from Western Wireless in 1999, acquired by Deutsche Telekom AG (“DT”) in 2001 and renamed T-Mobile USA, Inc. in 2002.

In 2013, T-Mobile US, Inc., a Delaware corporation, was formed through the business combination of T-Mobile USA and MetroPCS Communications, Inc. (“MetroPCS”). The business combination was accounted for as a reverse acquisition with T-Mobile USA as the accounting acquirer. Accordingly, T-Mobile USA’s historical financial statements became the historical financial statements of the combined company.

Proposed Sprint Transactions

On April 29, 2018, we entered into the Business Combination Agreement with Sprint to merge in an all-stock transaction at a fixed exchange ratio of 0.10256 shares of T-Mobile common stock for each share of Sprint common stock, or 9.75 shares of Sprint common stock for each share of T-Mobile common stock. If the Merger closes, the combined company will be named “T-Mobile,” and as a result of the Merger, is expected to be able to build upon our recently launched foundational 5G network of 600 MHz spectrum to deliver transformational broad, deep and nationwide 5G for all, accelerate innovation and increase competition in the U.S. wireless, video and broadband industries. If the Merger closes, we expect to be able to combine Sprint’s 2.5 GHz mid-band spectrum with our foundational layer of 5G and millimeter-wave spectrum, completing the “layer cake” of spectrum and providing customers with an unmatched 5G experience at lower prices.

The consummation of the Merger remains subject to certain closing conditions, as well as pending judicial and regulatory proceedings. We expect the Merger will be permitted to close in early 2020. For more information regarding our Business Combination Agreement, see Note 2 – Business Combinations of the Notes to the Consolidated Financial Statements.

Business

We provide wireless services to 86.0 million postpaid, prepaid and wholesale customers and generate revenue by providing affordable wireless communications services to these customers, as well as a wide selection of wireless devices and accessories. Our most significant expenses relate to acquiring and retaining high-quality customers, providing a full range of devices, compensating employees, and operating and expanding our network. We provide service, devices and accessories across our flagship brands, T-Mobile and Metro by T-Mobile, through our owned and operated retail stores, as well as through our

websites (www.T-Mobile.com and www.metrobyt-mobile.com), T-Mobile app and customer care channels. In addition, we sell devices to dealers and other third-party distributors for resale through independent third-party retail outlets and a variety of third-party websites. The information on our websites is not part of this Form 10-K. See Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations for additional information.

Customers

We provide wireless communications services to three primary categories of customers:

- Branded postpaid customers generally include customers who are qualified to pay after receiving wireless communications services utilizing phones, wearables, DIGITS or other connected devices which includes tablets and SyncUp DRIVE™;
- Branded prepaid customers generally include customers who pay for wireless communications services in advance. Our branded prepaid customers include customers of T-Mobile and Metro by T-Mobile; and
- Wholesale customers include Machine-to-Machine ("M2M") and Mobile Virtual Network Operator ("MVNO") customers that operate on our network but are managed by wholesale partners.

We generate the majority of our service revenues by providing wireless communications services to branded postpaid and branded prepaid customers. Our ability to acquire and retain branded postpaid and prepaid customers is important to our business in the generation of service revenues, equipment revenues and other revenues. In 2019, our service revenues generated by providing wireless communications services by customer category were:

- 67% Branded postpaid customers;
- 28% Branded prepaid customers; and
- 5% Wholesale customers and Roaming and other services.

Starting with the three months ended March 31, 2020, we plan to discontinue reporting wholesale customers and instead focus on branded customers and wholesale revenues, which we consider more relevant than the number of wholesale customers given the expansion of M2M and Internet of Things ("IoT") products.

All of our revenues for the years ended December 31, 2019, 2018, and 2017 were earned in the United States, including Puerto Rico and the U.S. Virgin Islands.

Services and Products

We provide wireless communications services through a variety of service plan options. We also offer a wide selection of wireless devices, including smartphones, wearables, tablets and other mobile communication devices, which are manufactured by various suppliers.

Our primary service plan offering, which allows customers to subscribe for wireless communications services separately from the purchase of a device, is our signature Magenta plan ("Magenta") and is packed with exclusive benefits, including unlimited talk, text and smartphone data on our network, free stuff, discounts, and more every week from T-Mobile Tuesdays and "Team of Experts," our dedicated customer care team. Customers also have the ability to choose additional features for an additional cost on Magenta Plus.

We also offer an Essentials rate plan, for customers who want the basics, as well as specific rate plans to qualifying customers, including Unlimited 55+, Military, First Responder, and Business.

Our device options for qualifying customers on Magenta, and previously on T-Mobile ONE and Simple Choice plans, include:

- The option of financing all or a portion of the individual device or accessory purchase price at the time of sale over an installment period of up to 36 or 12 months, respectively, using an Equipment Installment Plan ("EIP");
- For qualifying customers who finance their initial device with an EIP, an option to enroll in our Just Upgrade My Phone ("JUMP!®") program to later upgrade their device; and
- The option to lease a device over a period of up to 18 months and upgrade it for a new device up to one time per month with JUMP! On Demand™.

5G

- In December 2019, T-Mobile launched America's first nationwide 5G network, including prepaid 5G with Metro by T-Mobile, covering more than 200 million people and more than 5,000 cities and towns across the United States with 5G. In addition, we introduced two new 600 MHz 5G capable superphones, the exclusive OnePlus 7T Pro 5G McLaren and the Samsung Galaxy Note10+ 5G and anticipate offering an industry-leading smartphone portfolio built to work on nationwide 5G in 2020. This 5G network is our foundational layer of 5G coverage on 600 MHz low-band spectrum.
- T-Mobile's 5G network is not just bigger, it's better. T-Mobile's 5G is based on real, standards-based 5G and covers more than 60% of the population across more than 1 million square miles. T-Mobile's 5G network works indoors and is available to anyone with a capable device.

Spectrum Position

We provide wireless communications services utilizing mid-band spectrum licenses, such as Advanced Wireless Services ("AWS") and Personal Communications Service ("PCS"), low-band spectrum licenses utilizing our 600 MHz and 700 MHz spectrum, and mmWave spectrum.

- We owned an average of 111 MHz of spectrum nationwide as of December 31, 2019, not including mmWave spectrum. The spectrum comprises an average of 31 MHz in the 600 MHz band, 10 MHz in the 700 MHz band, 29 MHz in the 1900 MHz PCS band and 41 MHz in the AWS band.
    - We have cleared 600 MHz spectrum covering approximately 275 million POPs as of December 31, 2019 and expect to clear the remaining 600 MHz spectrum POPs in 2020.
    - We continue our deployment of LTE on 600 MHz spectrum using 5G-ready equipment. As of December 31, 2019, we were live with 4G LTE in nearly 8,900 cities and towns in 49 states and Puerto Rico covering 1.5 million square miles and 248 million POPs.
    - Combining 600 and 700 MHz spectrum, we have deployed 4G LTE in low-band spectrum to 316 million POPs.
    - Currently, more than 33 million devices on T-Mobile's network are compatible with 600 MHz spectrum.
- On June 3, 2019, the Federal Communications Commission ("FCC") announced the results of Auctions 101 (28 GHz spectrum) and 102 (24 GHz spectrum). In the combined auctions, T-Mobile spent $842 million to more than quadruple its nationwide average total mmWave spectrum holdings from 104 MHz to 471 MHz.
- We will evaluate future spectrum purchases in current and upcoming auctions and in the secondary market to further augment our current spectrum position. We are not aware of any such spectrum purchase options that come close to matching the efficiencies and synergies possible from the Merger.

Network Coverage Growth

- We continue to expand our coverage breadth and covered 327 million people with 4G LTE as of December 31, 2019;
- Our nationwide 5G network covered more than 200 million people as of December 31, 2019; and
- As of December 31, 2019, we had equipment deployed on approximately 66,000 macro cell sites and 25,000 small cell/distributed antenna system sites.

Network Capacity Growth

Due to industry spectrum limitations (especially in mid-band), we continue to make efforts to expand our capacity and increase the quality of our network through the re-farming of existing spectrum and implementation of new technologies including Voice over LTE ("VoLTE"), Carrier Aggregation, 4x4 multiple-input and multiple-output ("MIMO"), 256 Quadrature Amplitude Modulation ("QAM") and Licensed Assisted Access ("LAA").

- VoLTE comprised 90% of total voice calls in the fourth quarter of 2019, compared to 87% in the fourth quarter of 2018.
- Carrier aggregation is live for our customers in 969 markets as of December 31, 2019, up from 923 markets as of December 31, 2018.
- 4x4 MIMO is currently available in 708 markets as of December 31, 2019, up from 564 markets as of December 31, 2018.

- Our customers have 256 QAM available across the Un-carrier's entire 4G LTE footprint.
- We are the first carrier globally to have rolled out the combination of carrier aggregation, 4x4 MIMO and 256 QAM. This trifecta of standards has been rolled out to 701 markets as of December 31, 2019, up from 549 markets as of December 31, 2018.
- LAA has been deployed to 30 cities including Atlanta, Austin, Chicago, Denver, Houston, Las Vegas, Los Angeles, Miami, New Orleans, New York, Philadelphia, Sacramento, San Diego, Seattle, and Washington DC.

Competition

The wireless communications services industry is highly competitive. We are the third largest provider of postpaid service plans and the second largest provider of prepaid service plans in the U.S. as measured by customers. Our competitors include other national carriers, such as AT&T Inc. (“AT&T”), Verizon Communications, Inc. (“Verizon”) and Sprint. AT&T and Verizon are significantly larger than we are and enjoy greater resources and scale advantages as compared to us. In addition, our competitors include numerous smaller regional carriers, mobile virtual network operators (“MVNOs”), including TracFone Wireless, Inc., Comcast Corporation, Charter Communications, Inc., and Altice USA, Inc., many of which offer no-contract, postpaid and prepaid service plans. Competitors also include providers who offer similar communication services, such as voice, messaging and data services, using alternative technologies or services. Competitive factors within the wireless communications services industry include pricing, market saturation, service and product offerings, customer experience, network investment and quality, development and deployment of technologies, availability of additional spectrum licenses and regulatory changes. Some competitors have shown a willingness to use aggressive pricing as a source of differentiation. Other competitors have sought to add ancillary services, like mobile video or music streaming services, to enhance their offerings. Taken together, the competitive factors we face continue to put pressure on growth and margins as companies compete to retain the current customer base and continue to add new customers.

Employees

As of December 31, 2019, we employed approximately 53,000 full-time and part-time employees, including network, retail, administrative and customer support functions.

Regulation

The FCC regulates many key aspects of our business, including licensing, construction, the operation and use of our network, modifications of our network, control and ownership of our licenses and authorizations, the sale, transfer and acquisition of certain licenses, domestic roaming arrangements and interconnection agreements, pursuant to its authority under the Communications Act of 1934, as amended (“Communications Act”). The FCC has a number of complex requirements that affect our operations and pending proceedings regarding additional or modified requirements that could increase our costs or diminish our revenues. For example, the FCC has rules regarding provision of 911 and E-911 services, porting telephone numbers, interconnection, roaming, internet openness or net neutrality, disabilities access, privacy and cybersecurity, consumer protection, and the universal service and Lifeline programs. Many of these and other issues are being considered in ongoing proceedings, and we cannot predict whether or how such actions will affect our business, financial condition or results of operations. Our ability to provide services and generate revenues could be harmed by adverse regulatory action or changes to existing laws and regulations. In addition, regulation of companies that offer competing services can impact our business indirectly.

Except for operations in certain unlicensed frequency bands, wireless communications services providers generally must be licensed by the FCC to provide communications services at specified spectrum frequencies within specified geographic areas and must comply with the rules and policies governing the use of the spectrum as adopted by the FCC. The FCC issues each license for a fixed period of time, typically 10-15 years depending on the particular licenses. While the FCC has generally renewed licenses given to operating companies like us, the FCC has authority to both revoke a license for cause and to deny a license renewal if a renewal is not in the public interest. Furthermore, we could be subject to fines, forfeitures and other penalties for failure to comply with FCC regulations, even if any such non-compliance was unintentional. In extreme cases, penalties can include revocation of our licenses. The loss of any licenses, or any related fines or forfeitures, could adversely affect our business, results of operations and financial condition.

Additionally, Congress’ and the FCC’s allocation of additional spectrum for broadband commercial mobile radio service (“CMRS”), which includes cellular, PCS, miscellaneous wireless services and specialized mobile radio, could significantly increase and intensify competition. We cannot assess the impact that any developments that may occur in the U.S. economy or any future spectrum allocations by the FCC may have on license values. FCC spectrum auctions and other market

developments may adversely affect the market value of our licenses in the future. A significant decline in the value of our licenses could adversely affect our financial condition and results of operations. In addition, the FCC periodically reviews its policies on how to evaluate carriers' spectrum holdings. A change in these policies could affect spectrum resources and competition among us and other carriers.

Congress and the FCC have imposed limitations on foreign ownership of CMRS licensees that exceed 20% direct ownership or 25% indirect ownership through an entity controlling the licensee. The FCC has ruled that higher levels of indirect foreign ownership, even up to 100%, are presumptively consistent with the public interest, but must be reviewed and approved. Consistent with that established policy, the FCC has issued a declaratory ruling authorizing up to 100% ownership of our Company by DT. This declaratory ruling, and our licenses, are conditioned on DT's and the Company's compliance with a network security agreement with the Department of Justice, the Federal Bureau of Investigation and the Department of Homeland Security. Failure to comply with the terms of this agreement could result in fines, injunctions and other penalties, including potential revocation of our spectrum licenses.

While the Communications Act generally preempts state and local governments from regulating the entry of, or the rates charged by, wireless communications services providers, certain state and local governments regulate other terms and conditions of wireless service, including billing, termination of service arrangements and the imposition of early termination fees, advertising, network outages, the use of devices while driving, zoning and land use. Additionally, after the FCC's adoption of the 2017 "Restoring Internet Freedom" (RIF) Order reclassifying broadband internet access services as Title I (non-common carrier services), a number of states have sought to impose state-specific net neutrality and privacy requirements on providers' broadband services. The FCC ruling broadly preempted such state efforts, which are inconsistent with the FCC's federal deregulatory approach. Recently, however, the DC Circuit issued a ruling largely upholding the RIF Order, but also vacating the portion of the ruling broadly preempting state/local net neutrality laws. The court left open the prospect that particular state laws could still unlawfully conflict with the FCC net neutrality rules and be preempted. A petition seeking rehearing of the decision has been filed. Court challenges to some of the state enactments also remain pending.

While most states are largely seeking to codify the repealed federal rules, there are differences in some states, notably California, which has passed separate privacy and net neutrality legislation. There are also efforts within Congress to pass federal legislation to codify uniform federal privacy and net neutrality requirements, while also ensuring the preemption of separate state requirements, including the California laws. If not rescinded, separate state requirements will impose significant business costs and could also result in increased litigation costs and enforcement risks. State authority over wireless broadband services will remain unsettled until final action by the courts or Congress.

In addition, the Federal Trade Commission ("FTC") and other federal agencies have jurisdiction over some consumer protection and elimination and prevention of anticompetitive business practices with respect to the provision of non-common carrier services. Further, the FCC and the Federal Aviation Administration regulate the siting, lighting and construction of transmitter towers and antennae. Tower siting and construction are also subject to state and local zoning, as well as federal statutes regarding environmental and historic preservation. The future costs to comply with all relevant regulations are to some extent unknown and changes to regulations, or the applicability of regulations, could result in higher operating and capital expenses, or reduced revenues in the future.

Available Information

The SEC maintains an internet site that contains reports, proxy and information statements, and other information regarding issuers that file electronically at www.sec.gov. Our Form 10-K and all other reports and amendments filed with or furnished to the SEC are also publicly available free of charge on the investor relations section of our website at investor.t-mobile.com as soon as reasonably practicable after these materials are filed with or furnished to the SEC. Our corporate governance guidelines, code of ethics for senior financial officers, code of business conduct, speak-up policy, supplier code of conduct, and charters for the audit, compensation, nominating and corporate governance and executive committees of our Board of Directors are also posted on the investor relations section of our website at investor.t-mobile.com. The information on our websites is not part of this or any other report we file with, or furnish to, the SEC.

Item 1A. Risk Factors

In addition to the other information contained in this Form 10-K, the following risk factors should be considered carefully in evaluating T-Mobile. Our business, financial condition, liquidity, or operating results, as well as the price of our common stock and other securities, could be materially adversely affected by any of these risks.

Risks Related to Our Business and the Wireless Industry

Competition, industry consolidation, and changes in the market for wireless services could negatively affect our ability to attract and retain customers and adversely affect our business, financial condition, and operating results.

We have multiple wireless competitors, some of which have greater resources than we have and compete for customers based principally on service/device offerings, price, network coverage, speed and quality and customer service. We expect market saturation to continue to cause the wireless industry's customer growth rate to be moderate in comparison with historical growth rates, or possibly negative, leading to ongoing competition for customers. We also expect that our customers' appetite for data services will place increasing demands on our network capacity. This competition and our capacity will continue to put pressure on pricing and margins as companies compete for potential customers. Our ability to compete will depend on, among other things, continued absolute and relative improvement in network quality and customer service, effective marketing and selling of products and services, innovation, attractive pricing, and cost management, all of which will involve significant expenses.

Joint ventures, mergers, acquisitions and strategic alliances in the wireless sector have resulted in and are expected to result in larger competitors competing for a limited number of customers. The two largest national wireless communications services providers currently serve a significant percentage of all wireless customers and hold significant spectrum and other resources. Our largest competitors may be able to enter into exclusive handset, device, or content arrangements, execute pervasive advertising and marketing campaigns, or otherwise improve their cost position relative to ours. In addition, refusal of our large competitors to provide critical access to resources and inputs, such as roaming services on reasonable terms could improve their position within the wireless broadband mobile services industry.

We face intense and increasing competition from other service providers as industry sectors converge, such as cable, telecom services and content, satellite, and other service providers. Companies like Comcast and AT&T (with acquisitions of DirecTV and Time Warner, Inc.) will have the scale and assets to aggressively compete in a converging industry. Verizon, through its acquisitions of AOL, Inc. and Yahoo! Inc. is also a significant competitor focusing on premium content offerings to diversify outside of core wireless. Further, some of our competitors now provide content services in addition to voice and broadband services, and consumers are increasingly accessing video content from Internet-based providers and applications, all of which create increased competition in this area. These factors, together with the effects of the increasing aggregate penetration of wireless services in all metropolitan areas and the ability of our larger competitors to use resources to build out their networks and to quickly deploy advanced technologies, such as 5G, could make it more difficult for us to continue to attract and retain customers, and may adversely affect our competitive position and ability to grow, which would have a material adverse effect on our business, financial condition and operating results.

The scarcity and cost of additional wireless spectrum, and regulations relating to spectrum use, may adversely affect our business, financial condition and operating results.

We will need to acquire additional spectrum in order to continue our customer growth, expand and deepen our coverage, maintain our quality of service, meet increasing customer demands, and deploy new technologies. We will be at a competitive disadvantage and possibly experience erosion in the quality of service in certain geographic areas if we fail to gain access to necessary spectrum before reaching network capacity. As a result, we are actively seeking to make additional investment in spectrum, which could be significant.

The continued interest in, and acquisition of, spectrum by existing carriers and others may reduce our ability to acquire and/or increase the cost of acquiring spectrum in the secondary market or negatively impact our ability to gain access to spectrum through other means, including government auctions. We may need to enter into spectrum sharing or leasing arrangements, which are subject to certain risks and uncertainties and may involve significant expenditures. In addition, our return on investment in spectrum depends on our ability to attract additional customers and to provide additional services and usage to existing customers. As a result, the return on any investment in spectrum that we make may not be as much as we anticipate or take longer than expected. Additionally, the FCC may not be able to provide sufficient additional spectrum to auction or we may be unable to secure the spectrum we need in any auction we may elect to participate in or in the secondary market, on favorable terms or at all.

The FCC may impose conditions on the use of new wireless broadband mobile spectrum that may negatively impact our ability to obtain spectrum economically or in appropriate configurations or coverage areas. Additional conditions that may be imposed by the FCC include heightened build-out requirements, limited license terms or renewal rights, and clearing obligations that may make it less attractive or less economical to acquire spectrum. In addition, rules may be established for future government

spectrum auctions that may negatively impact our ability to obtain spectrum economically or in appropriate configurations or coverage areas.

If we cannot acquire needed spectrum from the government or otherwise, if competitors acquire spectrum that will allow them to provide services competitive with our services, or if we cannot deploy services over acquired spectrum on a timely basis without burdensome conditions, at reasonable cost, and while maintaining network quality levels, then our ability to attract and retain customers and our business, financial condition and operating results could be materially adversely affected.

If we are unable to take advantage of technological developments on a timely basis, we may experience a decline in demand for our services or face challenges in implementing or evolving our business strategy.

Significant technological changes continue to impact the communications industry. In general, these technological changes enhance communications and enable a broader array of companies to offer services competitive with ours. In order to grow and remain competitive with new and evolving technologies in our industry, we will need to adapt to future changes in technology, continually invest in our network, increase network capacity, enhance our existing offerings, and introduce new offerings to address our current and potential customers' changing demands. Enhancing our network, including our 5G network, is subject to risk from equipment changes and migration of customers from older technologies and the potential inability to secure mid-band 5G spectrum that is necessary to add capacity to advanced technologies. Adopting new and sophisticated technologies may result in implementation issues such as scheduling and supplier delays, unexpected or increased costs, technological constraints, regulatory permitting issues, customer dissatisfaction, and other issues that could cause delays in launching new technological capabilities, which in turn could result in significant costs or reduce the anticipated benefits of the upgrades. In general, the development of new services in the wireless telecommunications industry will require us to anticipate and respond to the continuously changing demands of our customers, which we may not be able to do accurately or timely. If our new services fail to retain or gain acceptance in the marketplace or if costs associated with these services are higher than anticipated, this could have a material adverse effect on our business, financial condition and operating results.

We could be harmed by data loss or other security breaches, whether directly or indirectly.

Our business, like that of most retailers and wireless companies, involves the receipt, storage, and transmission of our customers' confidential information, including sensitive personal information and payment card information, confidential information about our employees and suppliers, and other sensitive information about our Company, such as our business plans, transactions and intellectual property ("Confidential Information"). Unauthorized access to Confidential Information may be difficult to anticipate, detect, or prevent, particularly given that the methods of unauthorized access constantly change and evolve. We are subject to the threat of unauthorized access or disclosure of Confidential Information by state-sponsored parties, malicious actors, third parties or employees, errors or breaches by third-party suppliers, or other security incidents that could compromise the confidentiality and integrity of Confidential Information. In August 2018 and November 2019, we notified affected customers of incidents involving unauthorized access to certain customer information (not involving credit card information, financial data, social security numbers or passwords). While we do not believe these security incidents were material, we expect to continue to be the target of cyber-attacks, data breaches, or security incidents, which may in the future have a material adverse effect on our business, reputation, financial condition, and operating results.

Cyber-attacks, such as denial of service and other malicious attacks, could disrupt our internal systems and applications, impair our ability to provide services to our customers, and have other adverse effects on our business and that of others who depend on our services. As a telecommunications carrier, we are considered a critical infrastructure provider and therefore may be more likely to be the target of such attacks. Such attacks against companies may be perpetrated by a variety of groups or persons, including those in jurisdictions where law enforcement measures to address such attacks are ineffective or unavailable, and such attacks may even be perpetrated by or at the behest of foreign governments.

In addition, we provide confidential, proprietary and personal information to third-party service providers as part of our business operations. These third-party service providers have experienced data breaches and other attacks that included unauthorized access to Confidential Information in the past, and face security challenges common to all parties that collect and process information. Past data breaches include a breach of the networks of one of our credit decisioning providers in September 2015, during which a subset of records containing current and potential customer information was acquired by an external party.

Our procedures and safeguards to prevent unauthorized access to sensitive data and to defend against attacks seeking to disrupt our services must be continually evaluated and revised to address the ever-evolving threat landscape. We cannot make assurances that all preventive actions taken will adequately repel a significant attack or prevent information security breaches or the misuses of data, unauthorized access by third parties or employees, or exploits against third-party supplier environments. If

we or our third-party suppliers are subject to such attacks or security breaches, we may incur significant costs or other material financial impacts, which may not be covered by, or may exceed the coverage limits of, our cyber insurance, be subject to regulatory investigations, sanctions and private litigation, experience disruptions to our operations or suffer damage to our reputation. Any future cyber-attacks, data breaches, or security incidents may have a material adverse effect on our business, financial condition, and operating results.

System failures and business disruptions may allow unauthorized use of or interference with our network and other systems which could materially adversely affect our reputation and financial condition.

To be successful, we must provide our customers with reliable, trustworthy service and protect the communications, location, and personal information shared or generated by our customers. We rely upon both our systems and networks and the systems and networks of other providers and suppliers to provide and support our services and, in some cases, protect our customers' information and our information. Failure of our or others' systems, networks, or infrastructure may prevent us from providing reliable service or may allow for the unauthorized use of or interference with our networks and other systems or for the compromise of customer information. Examples of these risks include:

- human error such as responding to deceptive communications or unintentionally executing malicious code;
- physical damage, power surges or outages, or equipment failure, including those as a result of severe weather, natural disasters, terrorist attacks, political instability and volatility, and acts of war;
- theft of customer and/or proprietary information offered for sale for competitive advantage or corporate extortion;
- unauthorized access to our IT and business systems or to our network and critical infrastructure and those of our suppliers and other providers;
- supplier failures or delays; and
- system failures or outages of our business systems or communications network.

Such events could cause us to lose customers, lose revenue, incur expenses, suffer reputational damage, and subject us to litigation or governmental investigation. Remediation costs could include liability for information loss, repairing infrastructure and systems, and/or costs of incentives offered to customers. Our insurance may not cover, or be adequate to fully reimburse us for, costs and losses associated with such events.

We continue implementing a new billing system, which will support a portion of our subscribers, while maintaining our legacy billing systems. Any unanticipated difficulties, disruption, or significant delays could have adverse operational, financial, and reputational effects on our business.

We continue implementing a new customer billing system, that involves a new third-party supported platform and utilization of a phased deployment approach. Elements of the billing system have been placed into service and are operational and we plan to operate both the existing and new billing systems in parallel to aid in the transition to the new system until all phases of the conversion are complete.

The ongoing implementation may cause major system or business disruptions, or we may fail to implement the new billing system in its entirety or in a timely or effective manner. In addition, we or the supporting vendor may experience errors, cyber-attacks, or other operational disruptions that could negatively impact us and over which we may have limited control. Interruptions and/or failure of this billing services system could disrupt our operations and impact our ability to provide or bill for our services, retain customers, attract new customers, or negatively impact overall customer experience. Any occurrence of the foregoing could cause material adverse effects on our operations and financial condition, material weaknesses in our internal control over financial reporting, and reputational damage.

We rely on third parties to provide products and services for the operation of our business, and the failure or inability of such parties to provide these products or services could adversely affect our business, financial condition, and operating results.

We depend heavily on suppliers, service providers, their subcontractors and other third parties for us to efficiently operate our business. Due to the complexity of our business, it is not unusual to engage a diverse set of suppliers to help us develop, maintain, and troubleshoot products and services such as network components, software development services, and billing and customer service support. Some of our suppliers may provide services from outside of the United States, which carries additional regulatory and legal obligations. We commonly rely on suppliers to provide us with contractual assurances and to disclose accurate information regarding risks associated with their provision of products or services in accordance with our

policies and standards, including our Supplier Code of Conduct and our third party-risk management practices. The failure of our suppliers to comply with our expectations and policies could have a material adverse effect on our business, financial condition, and operating results.

Many of the products and services we use are available through multiple sources and suppliers. However, there are a limited number of suppliers who can support or provide billing services, voice and data communications transport services, network infrastructure, equipment, handsets, other devices, and payment processing services, among other products and services. Disruptions or failure of such suppliers to adequately perform could have a material adverse effect on our business, financial condition, and operating results.

In the past, our suppliers, service providers and their subcontractors may not have always performed at the levels we expected or at the levels required by their contracts. Our business could be severely disrupted if critical suppliers or service providers fail to comply with their contracts or if we experience delays or service degradation during any transition to a new outsourcing provider or other supplier or if we are required to replace the supplied products or services with those from another source, especially if the replacement becomes necessary on short notice. Any such disruptions could have a material adverse effect on our business, financial condition, and operating results.

Economic, political, and market conditions may adversely affect our business, financial condition, and operating results, as well as our access to financing on favorable terms or at all.

Our business, financial condition, and operating results are sensitive to changes in general economic conditions, including interest rates, consumer credit conditions, consumer debt levels, consumer confidence, rates of inflation (or concerns about deflation), unemployment rates, economic growth, energy costs, and other macro-economic factors. Difficult, or worsening, general economic conditions could have a material adverse effect on our business, financial condition, and operating results.

Market volatility, political and economic uncertainty, and weak economic conditions, such as a recession or economic slowdown, may materially adversely affect our business, financial condition, and operating results in a number of ways. Our services and device financing plans are available to a broad customer base, a significant segment of which may be more vulnerable to weak economic conditions, particularly our subprime customers. We may have greater difficulty in gaining new customers within this segment, and existing customers may be more likely to terminate service and default on device financing plans due to an inability to pay.

Weak economic conditions and credit conditions may also adversely impact our suppliers, dealers, and MVNOs, some of which may file for or may be considering bankruptcy, or may experience cash flow or liquidity problems, or may be unable to obtain or refinance credit such that they may no longer be able to operate. Any of these could adversely impact our ability to distribute, market, or sell our products and services.

In addition, instability in the global financial markets could lead to periodic volatility in the credit, equity, and fixed income markets. This volatility could limit our access to the credit markets, leading to higher borrowing costs or, in some cases, the inability to obtain financing on terms that are acceptable to us or at all.

The agreements governing our indebtedness and other financing arrangements include restrictive covenants that limit our operating flexibility.

The agreements governing our indebtedness and other financing arrangements impose significant operating and financial restrictions on us. These restrictions, subject in certain cases to customary baskets, exceptions, and incurrence-based ratio tests, may limit our or our subsidiaries' ability to pursue strategic business opportunities and engage in certain transactions, including the following:

- incurring additional indebtedness and issuing preferred stock;
- paying dividends, redeeming capital stock, or making other restricted payments or investments;
- selling or buying assets, properties, or licenses;
- developing assets, properties, or licenses that we have or in the future may procure;
- creating liens on assets securing indebtedness or other obligations;
- participating in future FCC auctions of spectrum or private sales of spectrum;
- engaging in mergers, acquisitions, business combinations, or other transactions;
- entering into transactions with affiliates; and

- placing restrictions on the ability of subsidiaries to pay dividends or make other payments.

These restrictions could limit our ability to obtain debt financing, engage in share repurchases, refinance or pay principal on our outstanding indebtedness, complete acquisitions for cash or indebtedness or react to business, economic, market and industry conditions and other changes in our operating environment or the economy. Any future indebtedness that we incur may contain similar or more restrictive covenants. Any failure to comply with the restrictions of our debt agreements and other financing arrangements may result in an event of default under these agreements, which in turn may result in defaults or acceleration of obligations under these and other agreements, giving our lenders the right to terminate any commitments they had made to provide us with further funds and to require us to repay all amounts then outstanding plus any interest, fees, penalties or premiums, which may require us to sell certain assets securing indebtedness. Any of these events could have a material adverse effect on our business, financial condition, and operating results.

Our significant indebtedness could adversely affect our business, financial condition and operating results.

Our ability to make payments on our debt, to repay our existing indebtedness when due, to fund our capital-intensive business and operations, and to make significant planned capital expenditures will depend on our ability to generate cash in the future, which is in turn subject to the operational risks described elsewhere in this report. Our debt service obligations could have material adverse effects on our business, financial condition, and operating results, including by:

- limiting our flexibility in planning for, or reacting to, changes in our business or the communications industry or pursuing growth opportunities;
- reducing the amount of cash available for other operational or strategic needs; and
- placing us at a competitive disadvantage to competitors who are less leveraged than we are.

Any hedging agreements we have and may continue to enter into to limit our exposure to interest rate increases or foreign currency fluctuations may not offer complete protection from these risks or may be unsuccessful, and consequently may effectively increase the interest rate we pay on our debt or the exchange rate with respect to such debt, and any portion not subject to such hedging agreements would have full exposure to interest rate increases or foreign currency fluctuations, as applicable.

We are exposed to credit-related losses in the event of nonperformance by counterparties to our hedging agreements. The primary credit exposure that we have with respect to our hedging agreements is that a counterparty will default on payments due, which could result in us having to acquire a replacement derivative from a different counterparty at a higher cost or we may be unable to find a suitable replacement. The counterparties to our hedging agreements are all major financial institutions; however, this does not eliminate our exposure to credit risk with these institutions. In addition, any netting and/or set off rights we may have through master netting arrangements with these counterparties may not apply to affiliates of a counterparty with whom we may have various other financial arrangements. If any financial institutions that are parties to our hedging agreements were to default on their payment obligations to us, declare bankruptcy or become insolvent, we would be unhedged against the underlying exposures. Any of these risks could have a material adverse effect on our business, financial condition and operating results**.** Additionally, under some of our hedging agreements, the counterparties' and our obligations are required to be secured by cash or U.S. Treasury securities, subject to defined thresholds. Any additional posting of collateral by us under these arrangements would negatively impact our liquidity. The modification or termination of our hedging agreements could also negatively impact our liquidity or other financial metrics.

Some of our debt has a variable rate of interest linked to various indices. If the changes in indices result in interest rate increases, our debt service requirements will increase, which could adversely affect our cash flow and operating results. In particular, some or all of our variable-rate indebtedness may use the London Inter-Bank Offered Rate ("LIBOR") or similar rates as a benchmark for establishing the rate. LIBOR will be discontinued after 2021 and will be replaced with an alternative reference rate. The consequence of this development cannot be entirely predicted but could include an increase in the cost of our variable rate indebtedness.

Failure to maintain effective internal controls in accordance with Section 404 of the Sarbanes-Oxley Act could result in a loss of investor confidence regarding our financial statements or may have a material adverse effect on our business.

Under Section 404 of the Sarbanes-Oxley Act of 2002, we along with our independently registered public accounting firm are required to report on the effectiveness of our internal control over financial reporting. We rely heavily on IT systems and, manual and automated processes as an important part of our internal controls in order to operate, transact, and otherwise manage our business, as well as provide effective and timely reporting of our financial results. Failure to design and maintain effective internal controls, including those over our IT systems, could constitute a material weakness that could result in

inaccurate financial statements, inaccurate disclosures, or failure to prevent fraud. If we or our independent registered public accounting firm were unable to conclude that we have effective internal control over financial reporting, investor confidence regarding our financial statements and our business could be materially adversely affected.

Our financial condition and operating results will be impaired if we experience high fraud rates related to device financing, credit cards, dealers, or subscriptions.

Our operating costs could increase substantially as a result of fraud, including any fraud related to device financing, customer credit card, subscriptions, or dealers. If our fraud detection strategies and processes are not successful in detecting and controlling fraud, whether directly or by way of the systems, processes, and operations of third parties such as national retailers, dealers, and others, the resulting loss of revenue or increased expenses could have a material adverse effect on our financial condition and operating results.

We rely on highly skilled personnel throughout all levels of our business. Our business could be harmed if we are unable to retain or motivate key personnel, hire qualified personnel or maintain our corporate culture.

The market for highly skilled workers and leaders in our industry is extremely competitive. We believe that our future success depends in substantial part on our ability to recruit, hire, motivate, develop, and retain talented and highly-skilled personnel for all areas of our organization, including our CEO, the other members of our senior leadership team and highly skilled employees in technical, marketing and staff positions. Doing so may be difficult due to many factors, including fluctuations in economic and industry conditions, changes to U.S. immigration policy, competitors' hiring practices, employee tolerance for the significant amount of change within and demands on our Company and our industry, and the effectiveness of our compensation programs. Our continued ability to compete effectively depends on our ability to retain and motivate our existing employees and to attract new employees. If we do not succeed in retaining and motivating our existing key employees and attracting new key personnel, we may not be able to meet our business plan and, as a result, our revenue growth and profitability may be materially adversely affected. In addition, certain members of our senior leadership team, including our CEO, have term employment agreements with us. Our inability to extend the terms of these employment agreements or to replace these members or our senior leadership team at the end of their terms with qualified and capable successors could hinder our strategic planning and execution. In November 2019, we announced that John Legere would retire as our Chief Executive Officer on April 30, 2020. Our ability to execute our business strategies and retain key executives may be adversely affected by the transition to our successor, Michael Sievert.

Any acquisition, investment, or merger may subject us to significant risks, any of which may harm our business.

We may pursue acquisitions of, investments in or mergers with businesses, technologies, services and/or products that complement or expand our business. Some of these potential transactions could be significant relative to the size of our business and operations. Any such transaction would involve a number of risks and could present financial, managerial and operational challenges, including:

- diversion of management attention from running our existing business;
- increased costs to integrate the networks, spectrum, technology, personnel, customer base and business practices of the business involved in any such transaction with our business;
- difficulties in effectively integrating the financial and operational systems of the business involved in any such transaction into (or supplanting such systems with) our financial and operational reporting infrastructure and internal control framework in an effective and timely manner;
- potential exposure to material liabilities not discovered in the due diligence process or as a result of any litigation arising in connection with any such transaction;
- significant transaction expenses in connection with any such transaction, whether consummated or not;
- risks related to our ability to obtain any required regulatory approvals necessary to consummate any such transaction;
- acquisition financing may not be available on reasonable terms or at all and any such financing could significantly increase our outstanding indebtedness or otherwise affect our capital structure or credit ratings; and
- any business, technology, service, or product involved in any such transaction may significantly under-perform relative to our expectations, and we may not achieve the benefits we expect from the transaction, which could, among other things, also result in a write-down of goodwill and other intangible assets associated with such transaction.

For any or all of these reasons, our pursuit of an acquisition, investment, or merger may have a material adverse effect on our business, financial condition, and operating results.

Risks Related to Legal and Regulatory Matters

Changes in regulations or in the regulatory framework under which we operate could adversely affect our business, financial condition and operating results.

The FCC regulates the licensing, construction, modification, operation, ownership, sale, and interconnection of wireless communications systems, as do some state and local regulatory agencies. In particular, the FCC imposes significant regulation on licensees of wireless spectrum with respect to how radio spectrum is used by licensees, the nature of the services that licensees may offer and how the services may be offered, and the resolution of issues of interference between spectrum bands. Additionally, the FTC and other federal and state agencies have asserted that they have jurisdiction over some consumer protection, and elimination and prevention of anticompetitive business practices with respect to the provision of wireless products and services. We are subject to regulatory oversight by various federal, state and local agencies, as well as judicial review and actions, on issues related to the wireless industry that include, but are not limited to: roaming, interconnection, spectrum allocation and licensing, facilities siting, pole attachments, intercarrier compensation, Universal Service Fund (“USF”), net neutrality, 911 services, consumer protection, consumer privacy, and cybersecurity. We are also subject to regulations in connection with other aspects of our business, including handset financing and insurance activities.

We cannot assure you that the FCC or any other federal, state or local agencies will not adopt regulations or take enforcement or other actions that would adversely affect our business, impose new costs, or require changes in current or planned operations. For example, under the Obama administration, the FCC established net neutrality and privacy regimes that applied to our operations. Both sets of rules potentially subjected some of our initiatives and practices to more burdensome requirements and heightened scrutiny by federal and state regulators, the public, edge providers, and private litigants regarding whether such initiatives or practices are compliant. While the FCC rules are now largely rolled back under the Trump administration, some states and other jurisdictions have enacted, or are considering enacting, laws in these areas (including for example the CCPA cited below), perpetuating the risk and uncertainty regarding the regulatory environment and compliance around these issues.

In addition, states are increasingly focused on the quality of service and support that wireless communications services providers provide to their customers and several states have proposed or enacted new and potentially burdensome regulations in this area. We also face potential investigations by, and inquiries from or actions by state public utility commissions. We also cannot assure you that Congress will not amend the Communications Act, from which the FCC obtains its authority, and which serves to limit state authority, or enact other legislation in a manner that could be adverse to our business.

Additionally, in June 2018, California passed the California Consumer Privacy Act (the “CCPA”) effective January 2020, creating new data privacy rights for California residents and new compliance obligations for us. We have incurred and will continue to incur significant implementation costs to ensure compliance with the CCPA, and we could see increased litigation costs with the law now in effect. The California Attorney General has proposed related CCPA regulations, which could be adopted in a form that increases our costs and/or litigation exposure. If we are unable to put proper controls and procedures in place to ensure compliance, it could have an adverse effect on our business. A California ballot initiative has recently been introduced by the original proponent of the CCPA that would provide additional data privacy rights and require additional implementation processes if passed. Other states, such as Nevada and Washington, have passed or are considering similar legislation, which, if passed, could create more risks and potential costs for us, especially to the extent the specific requirements of these laws vary significantly from those in California, Nevada and other existing laws.

Failure to comply with applicable regulations could have a material adverse effect on our business, financial condition and operating results. We could be subject to fines, forfeitures, and other penalties (including, in extreme cases, revocation of our spectrum licenses) for failure to comply with FCC or other governmental regulations, even if any such non-compliance was unintentional. The loss of any licenses, or any related fines or forfeitures, could adversely affect our business, financial condition, and operating results.

Unfavorable outcomes of legal proceedings may adversely affect our business, financial condition and operating results.

We are regularly involved in a number of legal proceedings before various state and federal courts, the FCC, the FTC, other federal agencies, and state and local regulatory agencies, including state attorneys general. Such legal proceedings can be complex, costly, and highly disruptive to our business operations by diverting the attention and energy of management and other key personnel. The assessment of the outcome of legal proceedings, including our potential liability, if any, is a highly subjective process that requires judgments about future events that are not within our control. The amounts ultimately received or paid upon settlement or pursuant to final judgment, order or decree may differ materially from amounts accrued in our financial statements. In addition, litigation or similar proceedings could impose restraints on our current or future manner of

doing business. Such potential outcomes including judgments, awards, settlements or orders could have a material adverse effect on our business, financial condition and operating results.

We offer highly regulated financial services products. These products expose us to a wide variety of state and federal regulations.

The financing of devices, through our EIP and JUMP! On Demand programs, has expanded our regulatory compliance obligations. Failure to remain compliant with applicable regulations, may increase our risk exposure in the following areas:

- consumer complaints and potential examinations or enforcement actions by federal and state regulatory agencies, including but not limited to the Consumer Financial Protection Bureau, state attorneys general, the FCC and the FTC; and
- regulatory fines, penalties, enforcement actions, civil litigation, and/or class action lawsuits.

Failure to comply with applicable regulations and the realization of any of these risks could have a material adverse effect on our business, financial condition, and operating results.

We may not be able to adequately protect the intellectual property rights on which our business depends or may be accused of infringing intellectual property rights of third parties.

We rely on a combination of patent, service mark, trademark, and trade secret laws and contractual restrictions to establish and protect our proprietary rights, all of which offer only limited protection. The steps we have taken to protect our intellectual property may not prevent the misappropriation of our proprietary rights. We may not have the ability in certain jurisdictions to adequately protect intellectual property rights. Moreover, others may independently develop processes and technologies that are competitive to ours. Also, we may not be able to discover or determine the extent of any unauthorized use of our proprietary rights. Unauthorized use of our intellectual property rights may increase the cost of protecting these rights or reduce our revenues. We cannot be sure that any legal actions against such infringers will be successful, even when our rights have been infringed. We cannot assure you that our pending or future patent applications will be granted or enforceable, or that the rights granted under any patent that may be issued will provide us with any competitive advantages. In addition, we cannot assure you that any trademark or service mark registrations will be issued with respect to pending or future applications or will provide adequate protection of our brands. We do not have insurance coverage for intellectual property losses, and as such, a charge for an anticipated settlement or an adverse ruling awarding damages represents an unplanned loss event. Any of these factors could have a material adverse effect on our business, financial condition, and operating results.

Third parties may claim we infringe their intellectual property rights. We are a defendant in numerous intellectual property lawsuits, including patent infringement lawsuits, which exposes us to the risk of adverse financial impact either by way of significant settlement amounts or damage awards. As we adopt new technologies and new business systems and provide customers with new products and/or services, we may face additional infringement claims. These claims could require us to cease certain activities or to cease selling relevant products and services. These claims can be time-consuming and costly to defend, and divert management resources, and expose us to significant damages awards or settlements, any or all of which could have a material adverse effect on our operations and financial condition. In addition to litigation directly involving our Company, our vendors and suppliers can be threatened with patent litigation and/or subjected to the threat of disruption or blockage of sale, use, or importation of products, posing the risk of supply chain interruption to particular products and associated services which could have a material adverse effect on our business, financial condition and operating results.

Our business may be impacted by new or amended tax laws or regulations, judicial interpretations of same or administrative actions by federal, state, and/or local taxing authorities.

In connection with the products and services we sell, we calculate, collect, and remit various federal, state, and local taxes, fees and regulatory charges ("tax" or "taxes") to numerous federal, state and local governmental authorities, including federal USF contributions and common carrier regulatory fees. In addition, we incur and pay state and local taxes and fees on purchases of goods and services used in our business.

Tax laws are dynamic and subject to change as new laws are passed and new interpretations of the law are issued or applied. In many cases, the application of existing, newly enacted or amended tax laws (such as the U.S. Tax Cuts and Jobs Act of 2017) may be uncertain and subject to differing interpretations, especially when evaluated against new technologies and telecommunications services, such as broadband internet access and cloud related services. Changes in tax laws could also impact revenue reported on tax inclusive plans.

In the event that we have incorrectly described, disclosed, determined, calculated, assessed, or remitted amounts that were due to governmental authorities, we could be subject to additional taxes, fines, penalties, or other adverse actions, which could materially impact our business, financial condition and operating results. In the event that federal, state, and/or local municipalities were to significantly increase taxes on our network, operations, or services, or seek to impose new taxes, it could have a material adverse effect on our business, financial condition and operating results.

Our wireless licenses are subject to renewal and may be revoked in the event that we violate applicable laws.

Our existing wireless licenses are subject to renewal upon the expiration of the 10-year or 15-year period for which they are granted. Historically, the FCC has approved our license renewal applications. However, the Communications Act provides that licenses may be revoked for cause and license renewal applications denied if the FCC determines that a renewal would not serve the public interest. In addition, our licenses are subject to our compliance with the terms set forth in the agreement pertaining to national security among us, DT, the Federal Bureau of Investigation, the Department of Justice and the Department of Homeland Security. The failure of DT or the Company to comply with the terms of this agreement could result in fines, injunctions and other penalties, including potential revocation or non-renewal of our spectrum licenses. If we fail to timely file to renew any wireless license or fail to meet any regulatory requirements for renewal, including construction and substantial service requirements, we could be denied a license renewal. Many of our wireless licenses are subject to interim or final construction requirements and there is no guarantee that the FCC will find our construction, or the construction of prior licensees, sufficient to meet the build-out or renewal requirements. Accordingly, we cannot assure you that the FCC will renew our wireless licenses upon their expiration. If any of our wireless licenses were to be revoked or not renewed upon expiration, we would not be permitted to provide services under that license, which could have a material adverse effect on our business, financial condition, and operating results.

Our business could be adversely affected by findings of product liability for health or safety risks from wireless devices and transmission equipment, as well as by changes to regulations or radio frequency emission standards.

We do not manufacture the devices or other equipment that we sell, and we depend on our suppliers to provide defect-free and safe equipment. Suppliers are required by applicable law to manufacture their devices to meet certain governmentally imposed safety criteria. However, even if the devices we sell meet the regulatory safety criteria, we could be held liable with the equipment manufacturers and suppliers for any harm caused by products we sell if such products are later found to have design or manufacturing defects. We generally seek to enter into indemnification agreements with the manufacturers who supply us with devices to protect us from losses associated with product liability, but we cannot guarantee that we will be protected in whole or in part against losses associated with a product that is found to be defective.

Allegations have been made that the use of wireless handsets and wireless transmission equipment, such as cell towers, may be linked to various health concerns, including cancer and brain tumors. Lawsuits have been filed against manufacturers and carriers in the industry claiming damages for alleged health problems arising from the use of wireless handsets. In addition, the FCC has from time to time gathered data regarding wireless handset emissions and its assessment of this issue may evolve based on its findings. The media has also reported incidents of handset battery malfunction, including reports of batteries that have overheated. These allegations may lead to changes in regulatory standards. There have also been other allegations regarding wireless technology, including allegations that wireless handset emissions may interfere with various electronic medical devices (including hearing aids and pacemakers), airbags and anti-lock brakes. Defects in the products of our suppliers, such as the 2016 recall by a handset original equipment manufacturer of one of its smartphone devices, could have a material adverse effect on our business, financial condition and operating results. Any of these allegations or risks could result in customers purchasing fewer devices and wireless services, and could also result in significant legal and regulatory liability.

Additionally, there are safety risks associated with the use of wireless devices while operating vehicles or equipment. Concerns over any of these risks and the effect of any legislation, rules or regulations that have been and may be adopted in response to these risks could limit our ability to sell our wireless services.

Risks Related to Ownership of our Common Stock

We are controlled by DT, whose interests may differ from the interests of our other stockholders.

DT beneficially owns and possesses majority voting power of the fully diluted shares of our common stock. Through its control of the voting power of our common stock and the rights granted to DT in our certificate of incorporation and the Stockholder’s Agreement, DT controls the election of our directors and all other matters requiring the approval of our stockholders. By virtue of DT’s voting control, we are a “controlled company,” as defined in The NASDAQ Stock Market LLC (“NASDAQ”) listing

rules, and are not subject to NASDAQ requirements that would otherwise require us to have a majority of independent directors, a nominating committee composed solely of independent directors or a compensation committee composed solely of independent directors. Accordingly, our stockholders will not be afforded the same protections generally as stockholders of other NASDAQ-listed companies with respect to corporate governance for so long as we rely on these exemptions from the corporate governance requirements.

In addition, our certificate of incorporation and the Stockholder's Agreement restrict us from taking certain actions without DT's prior written consent as long as DT beneficially owns 30% or more of the outstanding shares of our common stock, including:

- the incurrence of debt (excluding certain permitted debt) if our consolidated ratio of debt to cash flow, as defined in the indenture dated April 28, 2013, for the most recently ended four full fiscal quarters for which financial statements are available would exceed 5.25 to 1.0 on a pro forma basis;
- the acquisition of any business, debt or equity interests, operations or assets of any person for consideration in excess of $1.0 billion;
- the sale of any of our or our subsidiaries' divisions, businesses, operations or equity interests for consideration in excess of $1.0 billion;
- the incurrence of secured debt (excluding certain permitted secured debt);
- any change in the size of our Board of Directors;
- the issuances of equity securities in excess of 10% of our outstanding shares or to repurchase debt held by DT;
- the repurchase or redemption of equity securities or the declaration of extraordinary or in-kind dividends or distributions other than on a pro rata basis; and
- the termination or hiring of our chief executive officer.

These restrictions could prevent us from taking actions that our Board of Directors may otherwise determine are in the best interests of the Company and our stockholders or that may be in the best interests of our other stockholders.

DT effectively has control over all matters submitted to our stockholders for approval, including the election or removal of directors, changes to our certificate of incorporation, a sale or merger of our Company and other transactions requiring stockholder approval under Delaware law. DT's controlling interest may have the effect of making it more difficult for a third party to acquire, or discouraging a third party from seeking to acquire, the Company. DT may have strategic, financial, or other interests different from our other stockholders, including as the holder of a substantial amount of our indebtedness and as the counter-party in a number of commercial arrangements, and may make decisions adverse to the interests of our other stockholders.

In addition, we license certain trademarks from DT, including the right to use the trademark "T-Mobile" as a name for the Company and our flagship brand, under a trademark license agreement with DT. As described in more detail in our proxy statement under the heading "Transactions with Related Persons and Approval," we are obligated under the trademark license agreement to pay DT a royalty in an amount equal to 0.25%, which we refer to as the royalty rate, of the net revenue (as defined in the trademark license) generated by products and services we sell under the licensed trademarks. The trademark license agreement includes a royalty rate adjustment mechanism that would have occurred in early 2018 and potentially resulted in a new royalty rate effective in January 2019. The license agreement includes a royalty rate adjustment mechanism that has been postponed until the conclusion of the proposed Sprint Merger. The current royalty rate will remain effective until that time. The royalty rate under the license agreement will be adjusted retroactively if the Business Combination Agreement is terminated. We also have the right to terminate the trademark license upon one year's prior notice. An increase in the royalty rate or termination of the trademark license could have a material adverse effect on our business, financial condition and operating results.

Future sales or issuances of our common stock, including sales by DT, could have a negative impact on our stock price.

We cannot predict the effect, if any, that market sales of shares or the availability of shares of our common stock will have on the prevailing trading price of our common stock from time to time. Sales or issuances of a substantial number of shares of our common stock could cause our stock price to decline and could result in dilution of your shares.

We and DT are parties to the Stockholder's Agreement pursuant to which DT is free to transfer its shares in public sales without notice, as long as such transactions would not result in the transferee owning 30% or more of the outstanding shares of our common stock. If a transfer would exceed the 30% threshold, it is prohibited unless the transferee makes a binding offer to

purchase all of the other outstanding shares on the same price and terms. The Stockholder's Agreement does not otherwise impose any other restrictions on the sales of common stock by DT. Moreover, we may be required to file a shelf registration statement with respect to the common stock and certain debt securities held by DT, which would facilitate the resale by DT of all or any portion of the shares of our common stock it holds. The sale of shares of our common stock by DT (other than in transactions involving the purchase of all of our outstanding shares) could significantly increase the number of shares available in the market, which could cause a decrease in our stock price. In addition, even if DT does not sell a large number of its shares into the market, its right to transfer a large number of shares into the market may depress our stock price.

Our stock price may be volatile and may fluctuate based upon factors that have little or nothing to do with our business, financial condition and operating results.

The trading prices of the securities of communications companies historically have been highly volatile, and the trading price of our common stock may be subject to wide fluctuations. Our stock price may fluctuate in reaction to a number of events and factors that may include, among other things:

- our or our competitors' actual or anticipated operating and financial results;
- introduction of new products and services by us or our competitors or changes in service plans or pricing by us or our competitors;
- analyst projections, predictions and forecasts, analyst target prices for our securities and changes in, or our failure to meet, securities analysts' expectations;
- transaction in our common stock by major investors;
- share repurchases by us or purchases by DT;
- DT's financial performance, results of operation, or actions implied or taken by DT;
- entry of new competitors into our markets or perceptions of increased price competition, including a price war;
- our performance, including subscriber growth, and our financial and operational performance;
- market perceptions relating to our services, network, handsets, and deployment of our LTE and 5G platforms and our access to iconic handsets, services, applications, or content;
- market perceptions of the wireless communications services industry and valuation models for us and the industry;
- conditions or trends in the Internet and the industry sectors in which we operate;
- changes in our credit rating or future prospects;
- changes in interest rates;
- changes in our capital structure, including issuance of additional debt or equity to the public;
- the availability or perceived availability of additional capital in general and our access to such capital;
- actual or anticipated consolidation, or other strategic mergers or acquisition activities involving us or our competitors, or other participants in related or adjacent industries, or market speculations regarding such activities, including the pending Merger and views of market participants regarding the likelihood the conditions to the Merger will be satisfied and the anticipated benefits of the Merger will be realized;
- disruptions of our operations or service providers or other vendors necessary to our network operations;
- the general state of the U.S. and world politics and economies; and
- availability of additional spectrum, whether by the announcement, commencement, bidding and closing of auctions for new spectrum or the acquisition of companies that own spectrum, and the extent to which we or our competitors succeed in acquiring additional spectrum.

In addition, the stock market has been volatile in the recent past and has experienced significant price and volume fluctuations, which may continue for the foreseeable future. This volatility has had a significant impact on the trading price of securities issued by many companies, including companies in the communications industry. These changes frequently occur irrespective of the operating performance of the affected companies. Hence, the trading price of our common stock could fluctuate based upon factors that have little or nothing to do with our business, financial condition and operating results.

We have never paid or declared any cash dividends on our common stock, and we do not intend to declare or pay any cash dividends on our common stock in the foreseeable future.

We have never paid or declared any cash dividends on our common stock, and we do not intend to declare or pay any cash dividends on our common stock in the foreseeable future. Our credit facilities and the indentures and supplemental indentures

governing our long-term debt to affiliates and third parties contain covenants that, among other things, restrict our ability to declare or pay dividends on our common stock. We currently intend to use future earnings, if any, to invest in our business and to fund our previously authorized stock repurchase program if the Merger fails to close.

Our previously announced stock repurchase program, and any subsequent stock purchase program put in place from time to time, could affect the price of our common stock, increase the volatility of our common stock and could diminish our cash reserves. Such repurchase program may be suspended or terminated at any time, which may result in a decrease in the trading price of our common stock.

We may have in place from time to time, a stock repurchase program. Any such stock repurchase program adopted will not obligate the Company to repurchase any dollar amount or number of shares of common stock and may be suspended or discontinued at any time, which could cause the market price of our common stock to decline. The timing and actual number of shares repurchased under any such stock repurchase program depends on a variety of factors including the timing of open trading windows, the price of our common stock, corporate and regulatory requirements and other market conditions. We may effect repurchases under any stock repurchase program from time to time in the open market, in privately negotiated transactions or otherwise, including accelerated stock repurchase arrangements. Repurchases pursuant to any such stock repurchase program could affect our stock price and increase its volatility. The existence of a stock repurchase program could also cause our stock price to be higher than it would be in the absence of such a program and could potentially reduce the market liquidity for our stock. There can be no assurance that any stock repurchases will enhance stockholder value because the market price of our common stock may decline below the levels at which we repurchased shares of common stock. Although our stock repurchase program is intended to enhance stockholder value, short-term stock price fluctuations could reduce the program's effectiveness. Additionally, our share repurchase program could diminish our cash reserves, which may impact our ability to finance future growth and to pursue possible future strategic opportunities and acquisitions. See Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations - Liquidity and Capital Resources for additional information.

Risks Related to the Proposed Transactions

The closing of the Transactions is subject to a number of conditions, including the receipt of approval from, and the absence of any order preventing the closing issued by, governmental entities, which may not approve the Transactions, may delay the approval for, or may impose conditions or restrictions on, jeopardize or delay completion of, or reduce or delay the anticipated benefits of, the Transactions, and if these conditions are not satisfied or waived, the Transactions will not be completed.

The completion of the Transactions is subject to a number of conditions, including, among others, the receipt of approval from, and the absence of any legal requirements preventing the completion of the Transactions enacted or enforced by, governmental entities, including courts. As noted below, while the parties have obtained a number of approvals from governmental entities to date, the Transactions remain subject to various judicial proceedings, and the California Public Utility Commission review remains pending.

In connection with the required approval for the Transactions, we have agreed to significant actions and conditions, including the planned Prepaid Transaction (as defined below) and ongoing commercial and transition services arrangements to be entered into in connection with such Prepaid Transaction, which we and Sprint announced on July 26, 2019 (collectively, the "Divestiture Transaction"), a stipulation and order and proposed final judgment with the U.S. Department of Justice, which we and Sprint announced on July 26, 2019 (the "Consent Decree"), the proposed commitments contained in the *ex parte* presentation filed with the Secretary of the FCC, which we and Sprint announced on May 20, 2019 (the "FCC Commitments") and commitments and undertakings we have entered into at the federal and state level (collectively, with the Consent Decree, the FCC Commitments and any other commitments or undertakings that we have entered into and may in the future enter into with governmental authorities (including but not limited to those we have made to certain states) and nongovernmental organizations, the "Government Commitments"). All state public utility commission proceedings have been completed other than the California Public Utility Commission review, which remains pending.

While the parties have received approval from the FCC, the DOJ and the Committee on Foreign Investment in the United States for the Transactions to proceed subject to the above-described commitments and undertakings, the Transactions remain subject to several judicial proceedings. The Consent Decree is subject to judicial approval, which proceeding is underway. The attorneys general of certain states and the District of Columbia filed a lawsuit in New York federal court seeking an order prohibiting the consummation of the Transactions. The trial in that case has concluded and the parties are awaiting the judge's ruling. Another case seeking to prohibit the Transactions was filed in California federal court on behalf of individual consumers, and has been stayed pending the outcome of the New York case. Appeals of any or all of these judicial and agency actions could be filed, which could further delay the Transactions or, if the Transactions close over a pending proceeding, create

risk and uncertainty after the Transactions close. The ultimate outcome of these matters is uncertain and there is no assurance that we will prevail or prevail in a timely manner, or whether remaining required approvals will be subject to additional required actions, conditions, limitations or restrictions on the combined company's business, operations or assets. Such litigation, and any such additional required actions, conditions, limitations or restrictions, may prevent the completion of the Transactions, or, even if they do not prevent the completion of the Transactions, they may delay such completion, or reduce or delay the anticipated benefits of the Transactions, which could result in a material adverse effect on our or the combined company's business, financial condition or operating results. In particular, the substantial delay in the completion of the Transactions may delay, reduce or eliminate synergies and other benefits anticipated to be realized from the Transactions and/or increase costs and expenses associated with the Transactions.

In addition, because the Transactions were not completed by the "outside date" provided in the Business Combination Agreement, each of T-Mobile and Sprint may terminate the Business Combination Agreement unless the parties agree to extend such outside date, and there can be no assurance that the parties will not exercise this termination right or will agree to extend the outside date. Furthermore, the completion of the Transactions is also subject to T-Mobile USA having specified minimum credit ratings on the closing date of the Transactions (after giving effect to the Merger) from at least two of three specified credit rating agencies, subject to certain qualifications. There is no assurance that the required ratings will be obtained or that they will be obtained in a timely manner. In the event that we terminate the Business Combination Agreement in connection with a failure to satisfy the closing condition related to the specified minimum credit ratings, then in certain circumstances, we may be required to pay Sprint an amount equal to $600 million. The Business Combination Agreement may also be terminated if there is a final and non-appealable order or injunction preventing the consummation of the Transactions or the other conditions to closing are not satisfied, and we and Sprint may also mutually decide to terminate or amend the Business Combination Agreement.

Failure to complete, or additional delay in the completion of, the Merger could negatively impact us and our business, assets, liabilities, prospects, outlook, financial condition or results of operations.

If the completion of the Merger is prevented or continues to be delayed, or if the Merger is not completed for any other reason, we may be subject to a number of material risks. The price of our common stock may decline to the extent that its current market price reflects a market assumption that the Merger will or may be completed. In addition, significant costs related to the Transactions must be paid by us whether or not the Transactions are completed. Furthermore, we may experience negative reactions from our stockholders, customers, employees, suppliers, distributors, retailers, dealers and others who deal with us, which could have an adverse effect on our business, financial condition and results of operations.

In addition, it is expected that if the Merger is not completed, we will continue to lack the network, scale and financial resources of the current market share leaders in, and other companies that have more recently begun providing, wireless services. Further, if the Merger is not completed, we will need to seek access to additional wireless spectrum, in particular mid-band wireless spectrum through other sources, which if we are not successful, in turn would impact our ability to maintain (or improve) service from current levels, and to deploy a broad and deep nationwide 5G network on the same scale and on the same timeline as the combined company, and therefore limit our ability to compete effectively in the 5G era.

We are subject to various uncertainties, including litigation and contractual restrictions and requirements while the Transactions are pending that could disrupt our or the combined company's business and adversely affect our or the combined company's business, assets, liabilities, prospects, outlook, financial condition and results of operations.

Uncertainty about whether the Transactions will be completed and/or the effect of the Transactions on employees, customers, suppliers, vendors, distributors, dealers and retailers may have an adverse effect on us or the combined company. These uncertainties may impair the ability to attract, retain and motivate key personnel during the pendency of the Transactions and, whether or not the Transactions are completed, for a period of time thereafter, as existing and prospective employees may experience uncertainty about their future roles with us or the combined company. If key employees, including key employees of Sprint, depart because of issues related to the uncertainty and difficulty of integration or a desire not to remain with the combined company, the combined company's business following the completion of the Transactions could be negatively impacted. We or the combined company may have to incur significant costs in identifying, hiring and retaining replacements for departing employees and may lose significant expertise and talent. Additionally, these uncertainties could cause customers, suppliers, distributors, dealers, retailers and others to seek to change or cancel existing business relationships with us or the combined company or fail to renew existing relationships. Suppliers, distributors and content and application providers may also delay or cease developing for us or the combined company new products that are necessary for the operations of its business due to the uncertainty created by the Transactions. Competitors may also target our existing customers by highlighting potential uncertainties and integration difficulties that may result from the Transactions.

The Business Combination Agreement also restricts us, without Sprint's consent, from taking certain actions outside of the ordinary course of business while the Transactions are pending, including, among other things, certain acquisitions or dispositions of businesses and assets, entering into or amending certain contracts, repurchasing or issuing securities, making capital expenditures, incurring indebtedness, and refinancing existing indebtedness, in each case subject to certain exceptions. These restrictions and the inability to independently access the debt capital markets during the pendency of the Merger may have a significant negative impact on our business, results of operations and financial condition.

Management and financial resources have been diverted and will continue to be diverted toward the completion of the Transactions. We have incurred, and expect to incur, significant costs, expenses and fees for professional services and other transaction costs in connection with the Transactions. These costs could adversely affect our or the combined company's financial condition and results of operations.

In addition, we and our affiliates are involved in various disputes, governmental and/or regulatory inspections, investigations and proceedings and litigation matters, including for example the antitrust litigation related to the Transactions brought by the attorneys general of certain states and the District of Columbia, and it is possible that an unfavorable resolution of these matters or other future matters, could prevent the consummation of the Transactions and/or adversely affect us and our results of operations, financial condition and cash flows and the results of operations, financial condition and cash flows of the combined company.

The Business Combination Agreement contains provisions that restrict the ability of our Board to pursue alternatives to the Transactions.

The Business Combination Agreement contains non-solicitation provisions that restrict our ability to solicit, initiate, knowingly encourage or knowingly take any other action designed to facilitate, any inquiries regarding, or the making of, any proposal the completion of which would constitute an alternative transaction for purposes of the Business Combination Agreement. In addition, the Business Combination Agreement does not permit us to terminate the Business Combination Agreement in order to enter into an agreement providing for, or to complete, such an alternative transaction. Furthermore, if the completion of the Transactions continues to be delayed, we or the combined company may be unable to pursue strategic opportunities or business transactions that we may otherwise pursue, such as spectrum acquisitions, share buybacks and/or debt transactions.

Our directors and officers may have interests in the Transactions different from the interests of our stockholders.

Certain of our directors and executive officers negotiated the terms of the Business Combination Agreement. Our directors and executive officers may have interests in the Transactions that are different from, or in addition to, those of our stockholders. These interests include, but are not limited to, the continued service of certain of our directors as directors of the combined company, the continued employment of certain of our executive officers by the combined company, severance arrangements and employment terms linked to the Transactions and other rights held by our directors and executive officers, and provisions in the Business Combination Agreement regarding continued indemnification of and advancement of expenses to our directors and officers.

Risks Related to Integration and the Combined Company

Although we expect that the Transactions will result in synergies and other benefits, those synergies and benefits may not be realized or may not be realized within the expected time frame, and risks associated with the foregoing may increase as a result of the extended delay in the completion of the Transactions.

Our ability to realize the anticipated benefits of the Transactions will depend, to a large extent, on the combined company's ability to integrate our and Sprint's businesses in a manner that facilitates growth opportunities and achieves the projected standalone cost savings and revenue growth trends identified by each company without adversely affecting current revenues and investments in future growth. In addition, some of the anticipated synergies are not expected to occur for a significant time period following the completion of the Transactions and will require substantial capital expenditures in the near term to be fully realized. Moreover, additional delay in the completion of the Transactions may delay, reduce or eliminate the anticipated synergies and other benefits of the Transactions, including as a result of the delay in the integration of, or inability to integrate, the networks of T-Mobile and Sprint to launch a broad and deep nationwide 5G network and increasing costs and expenses incurred by T-Mobile and Sprint during the pendency of the Transactions. Even if the combined company is able to integrate the two companies successfully, the anticipated benefits of the Transactions, including the expected synergies and network benefits, may not be realized fully or at all or may take longer to realize than expected.

Our business and Sprint's business may not be integrated successfully or such integration may be more difficult, time consuming or costly than expected. Operating costs, customer loss and business disruption, including difficulties in

completing the Divestiture Transaction, satisfying all of the Government Commitments and maintaining relationships with employees, customers, suppliers or vendors, may be greater than expected following the Transactions. Revenues following the Transactions may be lower than expected.

The combination of two independent businesses is complex, costly and time-consuming and may divert significant management attention and resources to combining our and Sprint's business practices and operations. This process, as well as the Divestiture Transaction and the Government Commitments, may disrupt our business or otherwise impact our ability to compete. The failure to meet the challenges involved in combining our and Sprint's businesses and to realize the anticipated benefits of the Transactions could cause an interruption of, or a loss of momentum in, the activities of the combined company and could adversely affect the results of operations of the combined company. The overall combination of our and Sprint's businesses, the completion of the Divestiture Transaction and compliance with the Government Commitments may also result in material unanticipated problems, expenses, liabilities, competitive responses and impacts, and loss of customer and other business relationships. The difficulties of combining the operations of the companies, completing the Divestiture Transaction and satisfying all of the Government Commitments include, among others:

- the diversion of management attention to integration matters;
- difficulties in integrating operations and systems, including intellectual property and communications systems, administrative and information technology infrastructure and financial reporting and internal control systems;
- challenges in conforming standards, controls, procedures and accounting and other policies, business cultures and compensation structures between the two companies;
- differences in control environments, cultures, and auditor expectations may result in future material weaknesses, significant deficiencies, and/or control deficiencies while we work to integrate the companies and align guidelines and practices;
- alignment of key performance measurements may result in a greater need to communicate and manage clear expectations while we work to integrate the companies and align guidelines and practices;
- difficulties in integrating employees and attracting and retaining key personnel;
- challenges in retaining existing customers and obtaining new customers;
- difficulties in achieving anticipated cost savings, synergies, accretion targets, business opportunities, financing plans and growth prospects from the combination;
- difficulties in managing the expanded operations of a significantly larger and more complex company;
- the impact of the additional debt financing expected to be incurred in connection with the Transactions;
- the transition of management to the combined company management team, and the need to address possible differences in corporate cultures and management philosophies;
- challenges in managing the divestiture process for the Divestiture Transaction and the ongoing commercial and transition services arrangements to be entered into in connection with the Divestiture Transaction;
- known or potential unknown liabilities arising in connection with the Divestiture Transaction that are larger than expected;
- an increase in competition from DISH and other third parties that DISH may enter into commercial agreements with, who are significantly larger than we are and enjoy greater resources and scale advantages as compared to us;
- difficulties in satisfying the large number of Government Commitments in the required timeframes and cost incurred in the tracking and monitoring of them, including the network build-out obligations under the Government Commitments;
- known or potential unknown liabilities of Sprint that are larger than expected; and
- other potential adverse consequences and unforeseen increased expenses or liabilities associated with the Transactions, the Divestiture Transaction and the Government Commitments.

Some of these factors are outside of our control and/or will be outside the control of the combined company, and any one of them could result in lower revenues, higher costs and diversion of management time and energy, which could materially impact the business, financial condition and results of operations of the combined company. In addition, even if the operations of our and Sprint's businesses are integrated successfully, the full benefits of the Merger may not be realized, including, among others, the synergies, cost savings or sales or growth opportunities that are expected, including as a result of the Divestiture Transaction, the Government Commitments and/or the other actions and conditions we have agreed to in connection with the Transactions, or otherwise. These benefits may not be achieved within the anticipated time frame or at all. Further, additional unanticipated costs may be incurred in the integration of our and Sprint's businesses and in connection with the Divestiture Transaction and the Government Commitments, including potential penalties that could arise if we fail to fulfill our obligations thereunder. All of these factors could suppress the earnings per share of the combined company, decrease or delay the projected accretive effect of the Merger, and negatively impact the price of our common stock following the Merger. As a result, it cannot be assured that the combination of T-Mobile and Sprint will result in the realization of the full benefits expected from the Transactions within the anticipated time frames or at all.

The indebtedness of the combined company following the completion of the Transactions will be substantially greater than the indebtedness of each of T-Mobile and Sprint on a standalone basis prior to the execution of the Business Combination Agreement. This increased level of indebtedness could adversely affect the combined company's business flexibility and increase its borrowing costs.

In connection with the Transactions, we and Sprint have conducted, and expect to conduct, certain pre-Merger financing transactions, which will be used in part to prepay a portion of our and Sprint's existing indebtedness and to fund liquidity needs. After giving effect to the pre-Merger financing transactions and the Transactions, we anticipate that the combined company will have consolidated indebtedness of up to approximately $69.0 billion to $71.0 billion, based on estimated December 31, 2019 debt and cash balances, and excluding tower obligations and operating lease liabilities.

Our substantially increased indebtedness following the Transactions could have the effect, among other things, of reducing our flexibility to respond to changing business, economic, market and industry conditions and increasing the amount of cash required to meet interest payments. In addition, this increased level of indebtedness following the Transactions may reduce funds available to support efforts to combine our and Sprint's businesses and realize the expected benefits of the Transactions, and may also reduce funds available for capital expenditures, share repurchases and other activities that may put the combined company at a competitive disadvantage relative to other companies with lower debt levels. Further, it may be necessary for the combined company to incur substantial additional indebtedness in the future, subject to the restrictions contained in its debt instruments, which could increase the risks associated with the capital structure of the combined company.

Because of the substantial indebtedness of the combined company following the completion of the Transactions, there is a risk that the combined company may not be able to service its debt obligations in accordance with their terms.

The ability of the combined company to service its substantial debt obligations following the Transactions will depend on future performance, which will be affected by business, economic, market and industry conditions and other factors, including the ability of the combined company to achieve the expected benefits of the Transactions. There is no guarantee that the combined company will be able to generate sufficient cash flow to service its debt obligations when due. If the combined company is unable to meet such obligations or fails to comply with the financial and other restrictive covenants contained in the agreements governing such debt obligations, it may be required to refinance all or part of its debt, sell important strategic assets at unfavorable prices or make additional borrowings. The combined company may not be able to, at any given time, refinance its debt, sell assets or make additional borrowings on commercially reasonable terms or at all, which could have a material adverse effect on its business, financial condition and results of operations after the Transactions.

Some or all of the combined company's variable-rate indebtedness may use LIBOR as a benchmark for establishing the rate. LIBOR will be discontinued after 2021 and will be replaced with an alternative reference rate. The consequence of this development cannot be entirely predicted but could include an increase in the cost of our variable rate indebtedness. In addition, any hedging agreements we have and may continue to enter into to limit our exposure to interest rate increases or foreign currency fluctuations may not offer complete protection from these risks or may be unsuccessful, and consequently may effectively increase the interest rate we pay on our debt or the exchange rate with respect to such debt, and any portion not subject to such hedging agreements would have full exposure to interest rate increases or foreign currency fluctuations, as applicable. If any financial institutions that are parties to our hedging agreements were to default on their payment obligations to us, declare bankruptcy or become insolvent, we would be unhedged against the underlying exposures. Any posting of collateral by us under our hedging agreements and the modification or termination of any of our hedging agreements could negatively impact our liquidity or other financial metrics. Any of these risks could have a material adverse effect on our business, financial condition and operating results.

The agreements governing the combined company's indebtedness and other financings will include restrictive covenants that limit the combined company's operating flexibility.

The agreements governing the combined company's indebtedness and other financings will impose material operating and financial restrictions on the combined company. These restrictions, subject in certain cases to customary baskets, exceptions and maintenance and incurrence-based financial tests, may limit the combined company's ability to engage in transactions and pursue strategic business opportunities, including the following:

- incurring additional indebtedness and issuing preferred stock;
- paying dividends, redeeming capital stock or making other restricted payments or investments;
- selling or buying assets, properties or licenses;
- developing assets, properties or licenses which the combined company has or in the future may procure;

- creating liens on assets securing indebtedness or other obligations;
- participating in future FCC auctions of spectrum or private sales of spectrum;
- engaging in mergers, acquisitions, business combinations or other transactions;
- entering into transactions with affiliates; and
- placing restrictions on the ability of subsidiaries to pay dividends or make other payments.

These restrictions could limit the combined company's ability to obtain debt financing, make share repurchases, refinance or pay principal on its outstanding indebtedness, complete acquisitions for cash or indebtedness or react to business, economic, market and industry conditions and other changes in its operating environment or the economy. Any future indebtedness that the combined company incurs may contain similar or more restrictive covenants. Any failure to comply with the restrictions of the combined company's debt agreements may result in an event of default under these agreements, which in turn may result in defaults or acceleration of obligations under these and other agreements, giving the combined company's lenders the right to terminate any commitments they had made to provide it with further funds and to require the combined company to repay all amounts then outstanding plus any interest, fees, penalties or premiums, and which may include requiring the combined company to sell certain assets securing indebtedness.

The financing of the Transactions is not assured.

We have received commitments for $27.0 billion in debt financing to fund the Transactions, which is comprised of (i) a $4.0 billion secured revolving credit facility, (ii) a $4.0 billion term loan credit facility and (iii) a $19.0 billion secured bridge loan facility. Furthermore, the Merger financing commitments currently expire on May 1, 2020, and if the completion of the Transactions continues to be delayed, any extension of the financing commitments or new financing commitments may not be obtained on the expected terms or at all. Our reliance on the financing from the $19.0 billion secured bridge loan facility commitment is intended to be reduced through one or more secured note offerings or other long-term financings prior to the Merger closing. However, there can be no assurance that we will be able to issue any such secured notes or other long-term financings on terms we find acceptable or at all, especially in light of recent debt market volatility, in which case we may have to exercise some or all of the commitments under the secured bridge facility to fund the Transactions.

The obligation of the lenders to provide these debt financing facilities is subject to a number of conditions and the financing of the Transactions may not be obtained on the expected terms or at all. Accordingly, the costs of financing for the Transactions may be higher than expected.

Credit rating downgrades could adversely affect the businesses, cash flows, financial condition and operating results of T-Mobile and, following the Transactions, the combined company.

Credit ratings impact the cost and availability of future borrowings, and, as a result, cost of capital. Our current ratings reflect each rating agency's opinion of our financial strength, operating performance and ability to meet our debt obligations or, following the completion of the Transactions, obligations to the combined company's obligors. Each rating agency reviews these ratings periodically and there can be no assurance that such ratings will be maintained in the future. A downgrade in the rating of us and/or Sprint could adversely affect the businesses, cash flows, financial condition and operating results of T-Mobile and, following the Transactions, the combined company.

We have incurred, and will incur, direct and indirect costs as a result of the Transactions.

We have incurred, and will incur, substantial expenses in connection with and as a result of completing the Transactions, the Divestiture Transaction and compliance with the Government Commitments, and over a period of time following the completion of the Transactions, the combined company also expects to incur substantial expenses in connection with integrating and coordinating our and Sprint's businesses, operations, policies and procedures. A portion of the transaction costs related to the Transactions will be incurred regardless of whether the Transactions are completed. While we have assumed that a certain level of transaction expenses will be incurred, factors beyond our control could affect the total amount or the timing of these expenses. Many of the expenses that will be incurred, by their nature, are difficult to estimate accurately. These expenses will exceed the costs historically borne by us. These costs could adversely affect our financial condition and results of operations prior to the Transactions and the financial condition and results of operations of the combined company following the Transactions.

Item 1B. Unresolved Staff Comments

None.

Item 2. Properties

As of December 31, 2019, our significant properties that we primarily lease and use in connection with switching centers, data centers, call centers and warehouses were as follows:

	Approximate Number	Approximate Size in Square Feet
Switching centers	62	1,400,000
Data centers	7	600,000
Call center	17	1,500,000
Warehouses	17	500,000

As of December 31, 2019, we primarily leased:

- Approximately 66,000 macro towers and 25,000 distributed antenna system and small cell sites.
- Approximately 2,200 T-Mobile and Metro by T-Mobile retail locations, including stores and kiosks ranging in size from approximately 100 square feet to 17,000 square feet.
- Office space totaling approximately 1,200,000 square feet for our corporate headquarters in Bellevue, Washington. We use these offices for engineering and administrative purposes.
- Office space throughout the U.S., totaling approximately 1,700,000 square feet, for use by our regional offices primarily for administrative, engineering and sales purposes.

Item 3. Legal Proceedings

See Note 2 - Business Combinations and Note 16 – Commitments and Contingencies of the Notes to the Consolidated Financial Statements for information regarding certain legal proceedings in which we are involved.

Item 4. Mine Safety Disclosures

None.

PART II.

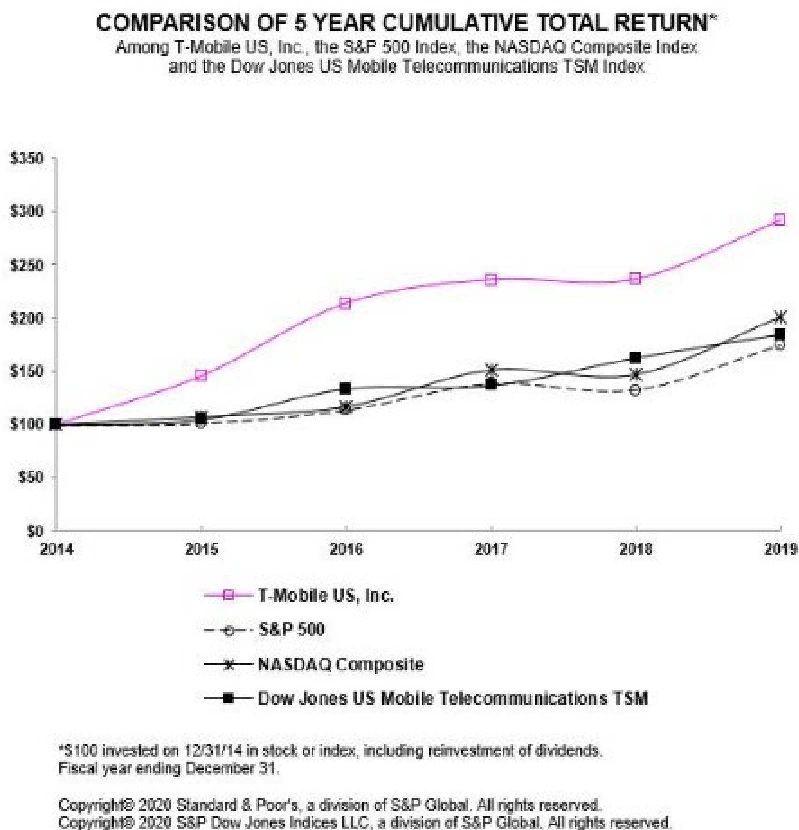
Item 5. Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Market Information

Our common stock is traded on the NASDAQ Global Select Market under the symbol “TMUS.” T-Mobile was added to the S&P 500 Index effective prior to the open of trading on July 15, 2019. We were added to the S&P 500 GICS (Global Industry Classification Standard) Wireless Telecommunication Services Sub-Industry index. As of December 31, 2019, there were 258 registered stockholders of record of our common stock, but we estimate the total number of stockholders to be much higher as a number of our shares are held by brokers or dealers for their customers in street name.

Performance Graph

The graph below compares the five-year cumulative total returns of T-Mobile, the S&P 500 index, the NASDAQ Composite index and the Dow Jones US Mobile Telecommunications TSM index. The graph tracks the performance of a $100 investment, with the reinvestment of all dividends, from December 31, 2014 to December 31, 2019.



The five-year cumulative total returns of T-Mobile, the S&P 500 index, the NASDAQ Composite index and the Dow Jones US Mobile Telecommunications TSM index, as illustrated in the graph above, are as follows:

	At December 31,					
	2014	2015	2016	2017	2018	2019
T-Mobile US, Inc.	$ 100.00	$ 145.21	$ 213.47	$ 235.75	$ 236.12	$ 291.09
S&P 500	100.00	101.38	113.51	138.29	132.23	173.86
NASDAQ Composite	100.00	106.96	116.45	150.96	146.67	200.49
Dow Jones US Mobile Telecommunications TSM	100.00	104.87	133.65	136.66	162.64	184.44

The stock price performance included in this graph is not necessarily indicative of future stock price performance.

Item 6. Selected Financial Data

The following selected financial data are derived from our consolidated financial statements. The data below should be read together with Risk Factors included in Part I, Item 1A, Management's Discussion and Analysis of Financial Condition and Results of Operations included in Part II, Item 7 and Financial Statements and Supplementary Data included in Part II, Item 8 of this Form 10-K.

Selected Financial Data

(in millions, except per share and customer amounts)	As of and for the Year Ended December 31,				
	2019 (1)	2018 (2)	2017	2016	2015
Statement of Operations Data					
Total service revenues	$ 33,994	$ 31,992	$ 30,160	$ 27,844	$ 24,821
Total revenues	44,998	43,310	40,604	37,490	32,467
Operating income	5,722	5,309	4,888	4,050	2,479
Total other expense, net	(1,119)	(1,392)	(1,727)	(1,723)	(1,501)
Income tax (expense) benefit (3)	(1,135)	(1,029)	1,375	(867)	(245)
Net income	3,468	2,888	4,536	1,460	733
Net income attributable to common stockholders	3,468	2,888	4,481	1,405	678
Earnings per share					
Basic	$ 4.06	$ 3.40	$ 5.39	$ 1.71	$ 0.83
Diluted	$ 4.02	$ 3.36	$ 5.20	$ 1.69	$ 0.82
Balance Sheet Data					
Cash and cash equivalents	$ 1,528	$ 1,203	$ 1,219	$ 5,500	$ 4,582
Property and equipment, net (1)	21,984	23,359	22,196	20,943	20,000
Spectrum licenses	36,465	35,559	35,366	27,014	23,955
Total assets (1)	86,921	72,468	70,563	65,891	62,413
Total debt and financing lease liabilities, excluding tower obligations (1)	27,272	27,547	28,319	27,786	26,243
Stockholders' equity	28,789	24,718	22,559	18,236	16,557
Statement of Cash Flows and Operational Data					
Net cash provided by operating activities (4)	$ 6,824	$ 3,899	$ 3,831	$ 2,779	$ 1,877
Purchases of property and equipment	(6,391)	(5,541)	(5,237)	(4,702)	(4,724)
Purchases of spectrum licenses and other intangible assets, including deposits	(967)	(127)	(5,828)	(3,968)	(1,935)
Proceeds related to beneficial interests in securitization transactions (4)	3,876	5,406	4,319	3,356	3,537
Net cash (used in) provided by financing activities (4)	(2,374)	(3,336)	(1,367)	463	3,413
Total customers (in thousands) (5)	86,046	79,651	72,585	71,455	63,282

(1) On January 1, 2019, we adopted Accounting Standards Update ("ASU") 2016-02, "Leases (Topic 842)" and all the related amendments (collectively, the "new lease standard"), using the modified retrospective method with the cumulative effect of initially applying the guidance recognized at the date of initial application. Comparative information has not been restated and continues to be reported under the standards in effect for those periods. See Note 1 – Summary of Significant Accounting Policies of the Notes to the Consolidated Financial Statements included in Part II, Item 8 of this Form 10-K for further information.

(2) On January 1, 2018, we adopted ASU 2014-09, "Revenue from Contracts with Customers (Topic 606)" and all the related amendments (collectively, the "new revenue standard"), using the modified retrospective method with the cumulative effect of initially applying the guidance recognized at the date of initial application. Comparative information has not been restated and continues to be reported under the standards in effect for those periods. See Note 1 – Summary of Significant Accounting Policies of the Notes to the Consolidated Financial Statements included in Part II, Item 8 of this Form 10-K for further information.

(3) In December 2017, the Tax Cuts and Jobs Act of 2017 ("TCJA") was signed into legislation. The TCJA included numerous changes to existing tax law, including a permanent reduction in the federal corporate income tax rate from 35% to 21%. The rate reduction took place on January 1, 2018. We recognized a net tax benefit of $2.2 billion associated with the enactment of the TCJA in Income tax (expense) benefit in our Consolidated Statements of Comprehensive Income in the fourth quarter of 2017, primarily due to a re-measurement of deferred tax assets and liabilities.

(4) On January 1, 2018, we adopted ASU 2016-15, "Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments" (the "new cash flow standard") which impacted the presentation of our cash flows related to our beneficial interests in securitization transactions, which is the deferred purchase price, resulting in a reclassification of cash inflows from Operating activities to Investing activities of approximately $4.3 billion, $3.4 billion and $3.5 billion for the years ended December 31, 2017, 2016 and 2015, respectively, in our Consolidated Statements of Cash Flows. The new cash flow standard also impacted the presentation of our cash payments for debt prepayment and debt extinguishment costs, resulting in a reclassification of cash outflows from Operating activities to Financing activities of $188 million for the year ended December 31, 2017, in our Consolidated Statements of Cash Flows. There were no cash payments for debt prepayment and debt extinguishment costs during the years ended December 31, 2016 and 2015. We have applied the new cash flow standard retrospectively to all periods presented.

(5) We believe current and future regulatory changes have made the Lifeline program offered by our wholesale partners uneconomical. We will continue to support our wholesale partners offering the Lifeline program, but have excluded the Lifeline customers from our reported wholesale subscriber base resulting in the removal of 4,528,000 reported wholesale customers in 2017.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The objectives of our Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") are to provide users of our Consolidated Financial Statements with the following:

- A narrative explanation from the perspective of management of our financial condition, results of operations, cash flows, liquidity and certain other factors that may affect future results;
- Context to the financial statements; and
- Information that allows assessment of the likelihood that past performance is indicative of future performance.

Our MD&A is provided as a supplement to, and should be read together with, our audited Consolidated Financial Statements for the three years ended December 31, 2019, included in Part II, Item 8 of this Form 10-K. Except as expressly stated, the financial condition and results of operations discussed throughout our MD&A are those of T-Mobile US, Inc. and its consolidated subsidiaries.

Business Overview

Un-carrier Strategy

We are the Un-carrier. Through our Un-carrier strategy, we have disrupted the wireless communications services industry, rattling the status quo, by actively engaging with and listening to our customers and eliminating their existing pain points, including providing them with an unrivaled value, an exceptional experience and implementing signature Un-carrier initiatives that have changed wireless for good.

Proposed Sprint Transactions

On April 29, 2018, we entered into the Business Combination Agreement with Sprint to merge in an all-stock transaction at a fixed exchange ratio of 0.10256 shares of T-Mobile common stock for each share of Sprint common stock, or 9.75 shares of Sprint common stock for each share of T-Mobile common stock. If the Merger closes, the combined company will be named "T-Mobile" and, as a result of the Merger, is expected to be able to build upon our recently launched foundational 5G network 600 MHz spectrum to deliver transformational broad, deep and nationwide 5G for all, accelerate innovation and increase competition in the U.S. wireless, video and broadband industries. Immediately following the Merger, it is anticipated that DT and SoftBank Group Corp. ("SoftBank") will hold, directly or indirectly, on a fully diluted basis, approximately 41.5% and 27.2%, respectively, of the outstanding T-Mobile common stock, with the remaining approximately 31.3% of the outstanding T-Mobile common stock held by other stockholders, based on closing share prices and certain other assumptions as of December 31, 2019. The consummation of the Merger remains subject to certain closing conditions. We expect the Merger will be permitted to close in early 2020.

For more information regarding our Business Combination Agreement, see Note 2 – Business Combinations of the Notes to the Consolidated Financial Statements.

5G Launch

In December 2019, T-Mobile launched America's first nationwide 5G network, including prepaid 5G with Metro by T-Mobile, covering more than 200 million people and more than 5,000 cities and towns across the United States with 5G.

Magenta Plans

In June 2019, we rebranded our T-Mobile ONE and ONE Plus plans to Magenta and Magenta Plus.

TVision Home

In April 2019, we introduced TVision™ Home, a rebranded and upgraded version of Layer3 TV. TVision™ Home delivers what customers want most from high-end home TV, including a premium TV experience and HD and 4K channels. TVision™ Home launched in eight markets.

T-Mobile MONEY

In April 2019, we launched T-Mobile MONEY nationwide, offering customers a no-fee, interest-earning, mobile-first checking account which can be opened and managed from customers' smartphones. Accounts are held at BankMobile, a Division of Customers Bank, member Federal Deposit Insurance Corporation.

Our ability to acquire and retain branded customers is important to our business in the generation of revenues and we believe our Un-carrier strategy, along with ongoing network improvements, has been successful in attracting and retaining customers as evidenced by continued branded customer growth and improved branded postpaid phone and branded prepaid customer churn.

	Year Ended December 31,			2019 Versus 2018		2018 Versus 2017	
(in thousands)	**2019**	**2018**	**2017**	**# Change**	**% Change**	**# Change**	**% Change**
Net customer additions							
Branded postpaid customers	4,515	4,459	3,620	56	1 %	839	23 %
Branded prepaid customers	339	460	855	(121)	(26) %	(395)	(46) %
Total branded customers	4,854	4,919	4,475	(65)	(1) %	444	10 %

	Year Ended December 31,			Bps Change 2019 Versus 2018	Bps Change 2018 Versus 2017
	2019	2018	2017		
Branded postpaid phone churn	0.89 %	1.01 %	1.18 %	-12 bps	-17 bps
Branded prepaid churn	3.82 %	3.96 %	4.04 %	-14 bps	-8 bps

Accounting Pronouncements Adopted During the Current Year

Leases

On January 1, 2019, we adopted the new lease standard. See Note 1 – Summary of Significant Accounting Policies of the Notes to the Consolidated Financial Statements for information regarding the impact of our adoption of the new lease standard.

Results of Operations

Highlights for the year ended December 31, 2019, compared to the same period in 2018

- Total revenues of $45.0 billion for the year ended December 31, 2019, increased $1.7 billion, or 4%, primarily driven by growth in Service revenues, partially offset by a decrease in Equipment revenues, as further discussed below.

- Service revenues of $34.0 billion for the year ended December 31, 2019, increased $2.0 billion, or 6%, primarily due to growth in our average branded customer base driven by the continued growth in existing and Greenfield markets, including the growing success of new customer segments and rate plans such as Unlimited 55+, Military, Business and Essentials and growth in other connected devices and wearables, specifically the Apple Watch, partially offset by lower postpaid phone and prepaid Average Revenue Per User (“ARPU”).

- Equipment revenues of $9.8 billion for the year ended December 31, 2019, decreased $169 million, or 2%, primarily due to a decrease in the number of devices sold, excluding purchased leased devices, and a decrease in lease revenues, partially offset by higher average revenue per device sold, excluding purchased leased devices.

- Operating income of $5.7 billion for the year ended December 31, 2019, increased $413 million, or 8%, primarily due to higher Service revenues, partially offset by higher Selling, general and administrative expenses and higher Cost of services. Operating income included the following:
  - The impact of Merger-related costs was $620 million for the year ended December 31, 2019, compared to $196 million for the year ended December 31, 2018.
  - The impact from commission costs capitalized and amortized beginning upon the adoption of ASC 606 on January 1, 2018, reduced Operating income by $337 million for the year ended December 31, 2019, compared to year ended December 31, 2018.
  - The positive impact of hurricane-related reimbursements, net of costs, was $158 million for the year ended December 31, 2018. There were no significant impacts from hurricanes for the year ended December 31, 2019.
  - The positive impact of the new lease standard of approximately $195 million for the year ended December 31, 2019.

- Net income of $3.5 billion for the year ended December 31, 2019, increased $580 million, or 20%, primarily due to higher Operating income and lower Interest expense to affiliates and Interest expense, partially offset by higher Income tax expense. Net income included the following:
  - The impact of Merger-related costs was $501 million, net of tax, for the year ended December 31, 2019, compared to $180 million, net of tax, for the year ended December 31, 2018.
  - The impact from commission costs capitalized and amortized, beginning upon the adoption of ASC 606 on January 1, 2018, reduced Net income by $249 million for the year ended December 31, 2019, compared to year ended December 31, 2018.
  - The positive impact of hurricane-related reimbursements, net of costs, was $99 million, net of tax, for the year ended December 31, 2018. There were no significant impacts from hurricanes for the year ended December 31, 2019.
  - The positive impact of the new lease standard of approximately $175 million, net of tax, for the year ended December 31, 2019.

- Adjusted EBITDA, a non-GAAP financial measure, of $13.4 billion for the year ended December 31, 2019, increased $985 million, or 8%, primarily due to higher Operating income driven by the factors described above. Merger-related costs are excluded from Adjusted EBITDA. See “Performance Measures” for additional information.

- Net cash provided by operating activities of $6.8 billion for the year ended December 31, 2019, increased $2.9 billion, or 75%. See “Liquidity and Capital Resources” for additional information.

- Free Cash Flow, a non-GAAP financial measure, of $4.3 billion for the year ended December 31, 2019, increased $767 million, or 22%. Free Cash Flow includes $442 million and $86 million in payments for Merger-related costs for the years ended December 31, 2019 and 2018, respectively. See “Liquidity and Capital Resources” for additional information.

Summary of our consolidated financial results:

(in millions)	Year Ended December 31,			2019 Versus 2018		2018 Versus 2017	
	2019	2018	2017	$ Change	% Change	$ Change	% Change
Revenues							
Branded postpaid revenues	$ 22,673	$ 20,862	$ 19,448	$ 1,811	9 %	$ 1,414	7 %
Branded prepaid revenues	9,543	9,598	9,380	(55)	(1) %	218	2 %
Wholesale revenues	1,279	1,183	1,102	96	8 %	81	7 %
Roaming and other service revenues	499	349	230	150	43 %	119	52 %
Total service revenues	33,994	31,992	30,160	2,002	6 %	1,832	6 %
Equipment revenues	9,840	10,009	9,375	(169)	(2) %	634	7 %
Other revenues	1,164	1,309	1,069	(145)	(11) %	240	22 %
Total revenues	44,998	43,310	40,604	1,688	4 %	2,706	7 %
Operating expenses							
Cost of services, exclusive of depreciation and amortization shown separately below	6,622	6,307	6,100	315	5 %	207	3 %
Cost of equipment sales, exclusive of depreciation and amortization shown separately below	11,899	12,047	11,608	(148)	(1) %	439	4 %
Selling, general and administrative	14,139	13,161	12,259	978	7 %	902	7 %
Depreciation and amortization	6,616	6,486	5,984	130	2 %	502	8 %
Gains on disposal of spectrum licenses	—	—	(235)	—	NM	235	(100) %
Total operating expenses	39,276	38,001	35,716	1,275	3 %	2,285	6 %
Operating income	5,722	5,309	4,888	413	8 %	421	9 %
Other income (expense)							
Interest expense	(727)	(835)	(1,111)	108	(13) %	276	(25) %
Interest expense to affiliates	(408)	(522)	(560)	114	(22) %	38	(7) %
Interest income	24	19	17	5	26 %	2	12 %
Other expense, net	(8)	(54)	(73)	46	(85) %	19	(26) %
Total other expense, net	(1,119)	(1,392)	(1,727)	273	(20) %	335	(19) %
Income before income taxes	4,603	3,917	3,161	686	18 %	756	24 %
Income tax (expense) benefit	(1,135)	(1,029)	1,375	(106)	10 %	(2,404)	(175) %
Net income	$ 3,468	$ 2,888	$ 4,536	$ 580	20 %	$ (1,648)	(36) %
Statement of Cash Flows Data							
Net cash provided by operating activities	$ 6,824	$ 3,899	$ 3,831	$ 2,925	75 %	$ 68	2 %
Net cash used in investing activities	(4,125)	(579)	(6,745)	(3,546)	612 %	6,166	(91) %
Net cash used in financing activities	(2,374)	(3,336)	(1,367)	962	(29) %	(1,969)	144 %
Non-GAAP Financial Measures							
Adjusted EBITDA	$ 13,383	$ 12,398	$ 11,213	$ 985	8 %	$ 1,185	11 %
Free Cash Flow	4,319	3,552	2,725	767	22 %	827	30 %

The following discussion and analysis are for the year ended December 31, 2019, compared to the same period in 2018 unless otherwise stated. For a discussion and analysis of the year ended December 31, 2018, compared to the same period in 2017 please refer to Management's Discussion and Analysis of Financial Condition and Results of Operations included in Part II, Item 7 of our Annual Report on Form 10-K for the year ended December 31, 2018, filed with the SEC on February 7, 2019.

Total revenues increased $1.7 billion, or 4%, as discussed below.

Branded postpaid revenues increased $1.8 billion, or 9%, primarily from:

- Higher average branded postpaid phone customers, primarily from growth in our customer base driven by the continued growth in existing and Greenfield markets, including the growing success of new customer segments and rate plans such as Unlimited 55+, Military, Business and Essentials; and
- Higher average branded postpaid other customers, driven by higher other connected devices and wearables, specifically the Apple Watch; partially offset by
- Lower branded postpaid phone ARPU. See "Branded Postpaid Phone ARPU" in the "Performance Measures" section of this MD&A.

Branded prepaid revenues were essentially flat.

Wholesale revenues increased $96 million, or 8%, primarily from the continued success of our MVNO partnerships.

Roaming and other service revenues increased $150 million, or 43%, primarily from increases in domestic and international roaming revenues, including growth from Sprint.

Equipment revenues decreased $169 million, or 2%, primarily from:

- A decrease of $94 million in device sales revenues, excluding purchased leased devices, primarily from:
  - A 7% decrease in the number of devices sold, excluding purchased leased devices; partially offset by
  - Higher average revenue per device sold primarily due to an increase in the high-end device mix; and
- A decrease of $93 million in lease revenues primarily due to a lower number of customer devices under lease, partially offset by higher revenue per device under lease.

Other revenues decreased $145 million, or 11%, primarily from:

- A decrease of $185 million for the year ended December 31, 2019, in co-location rental revenue from the adoption of the new lease standard; and
- Hurricane-related reimbursements of $71 million included in the year ended December 31, 2018, compared to no impact from hurricanes in the year ended December 31, 2019; partially offset by
- Higher advertising revenues; and
- Higher spectrum lease revenue from the reciprocal long-term lease agreement with Sprint executed during the three months ended December 31, 2018.

Our operating expenses consist of the following categories:

- **Cost of services** primarily includes costs directly attributable to providing wireless service through the operation of our network, including direct switch and cell site costs, such as rent, network access and transport costs, utilities, maintenance, associated labor costs, long distance costs, regulatory program costs, roaming fees paid to other carriers and data content costs. In addition, certain costs for customer appreciation programs are included in Cost of services.

- **Cost of equipment sales** primarily includes costs of devices and accessories sold to customers and dealers, device costs to fulfill insurance and warranty claims, costs related to returned and purchased leased devices, write-downs of inventory related to shrinkage and obsolescence, and shipping and handling costs.

- **Selling, general and administrative** primarily includes costs not directly attributable to providing wireless service for the operation of sales, customer care and corporate activities. These include commissions paid to dealers and retail employees for customer activations and upgrades, labor and facilities costs associated with retail sales force and administrative space, marketing and promotional costs, customer support and billing, bad debt expense, losses from sales of receivables and back office administrative support activities.

Operating expenses increased $1.3 billion, or 3%, primarily from higher Selling, general and administrative expenses and Cost of services as discussed below.

Cost of services, exclusive of depreciation and amortization, increased $315 million, or 5%, primarily from:

- Higher costs for employee-related expenses, network expansion, expenses from new leases and repair and maintenance;
- Hurricane-related reimbursements, net of costs, of $76 million included in the year ended December 31, 2018, compared to no significant impact from hurricanes in the year ended December 31, 2019; and
- Higher spectrum lease expense from the reciprocal long-term lease agreement with Sprint executed during the three months ended December 31, 2018; partially offset by
- The positive impact of the new lease standard of approximately $380 million in the year ended December 31, 2019, resulting from the decrease in the average lease term and the change in accounting conclusion for certain sale-leaseback sites; and
- Lower regulatory program costs.

Cost of equipment sales, exclusive of depreciation and amortization, decreased $148 million, or 1%, primarily from:

- A decrease of $98 million in device cost of equipment sales, excluding purchased leased devices, primarily from:
  - A 7% decrease in the number of devices sold, excluding purchased leased devices, partially offset by
  - Higher average cost per device sold due to an increase in the high-end device mix;
- A decrease of $30 million in returned handset expenses due to reduced device sales;
- A decrease in leased device cost of equipment sales, primarily due to lower leased device returns; and
- A decrease in extended warranty costs, primarily due to a lower volume of purchased handsets for warranty replacement; partially offset by
- An increase in costs related to the liquidation of inventory.

Selling, general and administrative expenses increased $978 million, or 7%, primarily from:

- An increase of $424 million in Merger-related costs;
- Higher commissions expense resulting from an increase of $337 million in amortization expense related to commission costs that were capitalized beginning upon the adoption of ASC 606 on January 1, 2018;
- Higher employee-related costs primarily due to annual pay increases and growth in headcount; and
- Higher costs related to outsourced functions; partially offset by
- Lower commissions expense from lower branded prepaid customer additions and compensation structure changes; and
- Lower advertising costs.

Depreciation and amortization increased $130 million or 2%, primarily from:

- Network expansion, including the continued deployment of low band spectrum, including 600 MHz, and the nationwide launch of our 5G network; and
- Higher costs related to the acceleration of depreciation for certain assets due to our accelerated 600 MHz build-out and 5G nationwide launch; partially offset by
- Lower depreciation expense resulting from a lower total number of customer devices under lease.

Operating income, the components of which are discussed above, increased $413 million, or 8%.

Interest expense decreased $108 million, or 13%, primarily from:

- An increase of $43 million in capitalized interest costs, primarily due to the build-out of our network to utilize our 600 MHz spectrum licenses and the nationwide launch of our 5G network;
- The redemption in April 2018 of an aggregate principal amount of $2.4 billion of Senior Notes, with various interest rates and maturity dates; and
- A $34 million reduction in interest expense from the change in accounting conclusion related to the reassessment of previously failed sale-leasebacks of certain T-Mobile-owned wireless communications tower sites associated with the adoption of the new lease standard.

Interest expense to affiliates decreased $114 million, or 22%, primarily from:

- An increase of $67 million in capitalized interest costs, primarily due to the build-out of our network to utilize our 600 MHz spectrum licenses and the nationwide launch of our 5G network;
- Lower interest on $600 million aggregate principal amount of Senior Reset Notes retired in April 2019; and
- Lower interest rates achieved through refinancing a total of $2.5 billion of Senior Reset Notes in April 2018.

Other expense, net decreased $46 million, or 85%, primarily from:

- An $86 million loss during the year ended December 31, 2018, on the early redemption of $2.5 billion of DT Senior Reset Notes due 2021 and 2022; and
- A $32 million loss during the year ended December 31, 2018, on the early redemption of $1.0 billion of 6.125% Senior Notes due 2022; partially offset by
- A $30 million gain during the year ended December 31, 2018, on the sale of auction rate securities which were originally acquired with MetroPCS;
- A $25 million bargain purchase gain as part of our purchase price allocation related to the acquisition of Iowa Wireless Services, LLC (“IWS”) and a $15 million gain on our previously held equity interest in IWS, both recognized during the year ended December 31, 2018; and
- A $28 million redemption premium on the DT Senior Reset Notes; partially offset by the write-off of embedded derivatives upon redemption of the debt which resulted in a gain of $11 million during the year ended December 31, 2019.

Income tax expense increased $106 million, or 10%, primarily from:

- Higher income before taxes; partially offset by
- A reduction of the effective income tax rate to 24.7% for the year ended December 31, 2019, compared to 26.3% for the year ended December 31, 2018, primarily from:
  - A $115 million increase in income tax expense during the year ended December 31, 2018, due to a tax regime change in certain state tax jurisdictions; and
  - The favorable rate impact of certain non-recurring legal entity restructuring in 2019.

Net income, the components of which are discussed above, increased $580 million, or 20%, primarily due to higher Operating income and lower interest expense to affiliates and interest expense. Net income included the following:

- Merger-related costs of $501 million, net of tax, for the year ended December 31, 2019, compared to Merger-related costs of $180 million, net of tax, for the year ended December 31, 2018;
- The negative impact from commission costs capitalized and amortized beginning upon the adoption of ASC 606 on January 1, 2018, net of tax, of $249 million for the year ended December 31, 2019, compared to year ended December 31, 2018;
- Hurricane-related reimbursements, net of costs, of $99 million, net of tax, for the year ended December 31, 2018. There were no significant impacts from hurricanes for the year ended December 31, 2019; and
- The positive impact of the new lease standard of approximately $175 million, net of tax, for the year ended December 31, 2019.

Guarantor Subsidiaries

Pursuant to the applicable indentures and supplemental indentures, the long-term debt to affiliates and third parties issued by T-Mobile USA ("Issuer") is fully and unconditionally guaranteed, jointly and severally, on a senior unsecured basis by T-Mobile ("Parent") and certain of the Issuer's 100% owned subsidiaries ("Guarantor Subsidiaries"). The financial condition and results of operations of the Parent, Issuer and Guarantor Subsidiaries is substantially similar to our consolidated financial condition. In 2019, certain Non-Guarantor Subsidiaries became Guarantor Subsidiaries. Certain prior period amounts have been reclassified to conform to the current period's presentations. The most significant components of the financial condition of our Non-Guarantor Subsidiaries were as follows:

(in millions)	December 31, 2019	December 31, 2018	Change $	Change %
Other current assets	$ 684	$ 644	$ 40	6 %
Property and equipment, net	194	246	(52)	(21)%
Tower obligations	2,161	2,173	(12)	(1)%
Total stockholders' deficit	(1,620)	(1,454)	(166)	11 %

The most significant components of the results of operations of our Non-Guarantor Subsidiaries were as follows:

	Year Ended December 31,		Change	
(in millions)	2019	2018	$	%
Service revenues	$ 3,003	$ 2,333	$ 670	29 %
Cost of equipment sales, exclusive of depreciation and amortization	1,207	1,010	197	20 %
Selling, general and administrative	989	892	97	11 %
Total comprehensive income	608	301	307	102 %

The change to the results of operations of our Non-Guarantor Subsidiaries was primarily from:

- Higher Service revenues, primarily due to an increase in activity of the Non-Guarantor Subsidiary that provides premium services, primarily driven by a net increase in rates as well as growth in our customer base related to a premium service that launched at the end of August 2018 and sales of a new product; partially offset by
- Higher Cost of equipment sales, exclusive of depreciation and amortization, primarily due to higher cost devices used for device insurance claims fulfillment, partially offset by an increase in device liquidations; and
- Higher Selling, general and administrative expenses, primarily due to higher costs related to outsourced functions.

All other results of operations of the Parent, Issuer and Guarantor Subsidiaries are substantially similar to the Company's consolidated results of operations. See Note 18 – Guarantor Financial Information of the Notes to the Consolidated Financial Statements.

Performance Measures

In managing our business and assessing financial performance, we supplement the information provided by our financial statements with other operating or statistical data and non-GAAP financial measures. These operating and financial measures are utilized by our management to evaluate our operating performance and, in certain cases, our ability to meet liquidity requirements. Although companies in the wireless industry may not define each of these measures in precisely the same way, we believe that these measures facilitate comparisons with other companies in the wireless industry on key operating and financial measures.

Total Customers

A customer is generally defined as a SIM number with a unique T-Mobile identifier which is associated with an account that generates revenue. Branded customers generally include customers that are qualified either for postpaid service utilizing phones, wearables, DIGITS or other connected devices which includes tablets and SyncUp DRIVE™, where they generally pay after receiving service, or prepaid service, where they generally pay in advance. Our branded prepaid customers include customers of T-Mobile and Metro by T-Mobile. Wholesale customers include M2M and MVNO customers that operate on our network but are managed by wholesale partners.

Starting with the three months ended March 31, 2020, we plan to discontinue reporting wholesale customers and instead focus on branded customers and wholesale revenues, which we consider more relevant than the number of wholesale customers given the expansion of M2M and IoT products.

On July 18, 2019, we entered into an agreement whereby certain T-Mobile branded prepaid products will now be offered and distributed by a current MVNO partner. Upon the effective date, the agreement resulted in a base adjustment to reduce branded prepaid customers by 616,000, as we no longer actively support the branded product offering. Prospectively, new customer activity associated with these products is recorded within wholesale customers and revenue for these customers is recorded within Wholesale revenues in our Consolidated Statements of Comprehensive Income.

The following table sets forth the number of ending customers:

	As of December 31,			2019 Versus 2018		2018 Versus 2017	
(in thousands)	2019	2018	2017	# Change	% Change	# Change	% Change
Customers, end of period							
Branded postpaid phone customers	40,345	37,224	34,114	3,121	8 %	3,110	9 %
Branded postpaid other customers	6,689	5,295	3,933	1,394	26 %	1,362	35 %
Total branded postpaid customers	47,034	42,519	38,047	4,515	11 %	4,472	12 %
Branded prepaid customers [1]	20,860	21,137	20,668	(277)	(1) %	469	2 %
Total branded customers	67,894	63,656	58,715	4,238	7 %	4,941	8 %
Wholesale customers [1]	18,152	15,995	13,870	2,157	13 %	2,125	15 %
Total customers, end of period	86,046	79,651	72,585	6,395	8 %	7,066	10 %
Adjustment to branded prepaid customers [1]	(616)	—	—	(616)	NM	—	— %

(1) On July 18, 2019, we entered into an agreement whereby certain T-Mobile branded prepaid products will now be offered and distributed by a current MVNO partner. As a result, we included a base adjustment in Q3 2019 to reduce branded prepaid customers by 616,000. Prospectively, new customer activity associated with these products is recorded within wholesale customers.

Branded Customers

Total branded customers increased 4,238,000, or 7%, primarily from:

- Higher branded postpaid phone customers driven by the growing success of new customer segments and rate plans such as Unlimited 55+, Military, Business and Essentials and continued growth in existing and Greenfield markets, along with promotional activities and lower churn; and
- Higher branded postpaid other customers, primarily due to strength in additions from other connected devices; partially offset by
- Lower branded prepaid customers driven primarily by a reduction of 616,000 customers resulting from a base adjustment for certain T-Mobile branded prepaid products now being offered and distributed by a current MVNO partner, partially offset by the continued success of our prepaid brands due to promotional activities and rate plan offers.

Wholesale

Wholesale customers increased 2,157,000, or 13%, primarily due to the continued success of our M2M and MVNO partnerships.

Net Customer Additions

The following table sets forth the number of net customer additions:

	Year Ended December 31,			2019 Versus 2018		2018 Versus 2017	
(in thousands)	**2019**	**2018**	**2017**	**# Change**	**% Change**	**# Change**	**% Change**
Net customer additions							
Branded postpaid phone customers	3,121	3,097	2,817	24	1 %	280	10 %
Branded postpaid other customers	1,394	1,362	803	32	2 %	559	70 %
Total branded postpaid customers	4,515	4,459	3,620	56	1 %	839	23 %
Branded prepaid customers [1]	339	460	855	(121)	(26) %	(395)	(46) %
Total branded customers	4,854	4,919	4,475	(65)	(1) %	444	10 %
Wholesale customers [1]	2,157	2,125	1,183	32	2 %	942	80 %
Total net customer additions	7,011	7,044	5,658	(33)	— %	1,386	24 %

(1) On July 18, 2019, we entered into an agreement whereby certain T-Mobile branded prepaid products will now be offered and distributed by a current MVNO partner. As a result, we included a base adjustment in Q3 2019 to reduce branded prepaid customers by 616,000. Prospectively, new customer activity associated with these products is recorded within wholesale customers.

Branded Customers

Total branded net customer additions decreased 65,000, or 1%, primarily from:

- Lower branded prepaid net customer additions primarily due to the impact of continued competitor promotional activities in the marketplace, partially offset by lower churn; partially offset by
- Higher branded postpaid other net customer additions primarily due to additions from other connected devices, partially offset by higher deactivations from a growing customer base; and
- Higher branded postpaid phone net customer additions primarily due to lower churn.

Wholesale

Wholesale net customer additions increased 32,000, or 2%, primarily due to higher additions from the continued success of our M2M and MVNO partnerships.

Customers Per Account

Customers per account is calculated by dividing the number of branded postpaid customers as of the end of the period by the number of branded postpaid accounts as of the end of the period. An account may include branded postpaid phone customers and branded postpaid other customers which includes wearables, DIGITS, and other connected devices such as tablets and SyncUp DRIVE™. We believe branded postpaid customers per account provides management, investors and analysts with useful information to evaluate our branded postpaid customer base.

The following table sets forth the branded postpaid customers per account:

	As of December 31,			2019 Versus 2018		2018 Versus 2017	
	2019	**2018**	**2017**	**# Change**	**% Change**	**# Change**	**% Change**
Branded postpaid customers per account	3.13	3.03	2.93	0.10	3 %	0.10	3 %

Branded postpaid customers per account increased 3% primarily from continued growth of new customer segments and rate plans such as Unlimited 55+, Military, Business and Essentials, promotional activities targeting families and the continued success of other connected devices and wearables, specifically tablets and the Apple Watch.

Starting with the three months ended March 31, 2020, we plan to report Average Revenue per Postpaid Account or Postpaid ARPA, in addition to our existing ARPU metrics, reflecting the increasing importance of non-phone devices to our customers. We also plan to discontinue reporting branded postpaid customers per account.

Churn

Churn represents the number of customers whose service was disconnected as a percentage of the average number of customers during the specified period. The number of customers whose service was disconnected is presented net of customers that subsequently have their service restored within a certain period of time. We believe that churn provides management, investors and analysts with useful information to evaluate customer retention and loyalty.

The following table sets forth the churn:

	Year Ended December 31,			Bps Change 2019 Versus 2018	Bps Change 2018 Versus 2017
	2019	2018	2017		
Branded postpaid phone churn	0.89 %	1.01 %	1.18 %	-12 bps	-17 bps
Branded prepaid churn	3.82 %	3.96 %	4.04 %	-14 bps	-8 bps

Branded postpaid phone churn decreased 12 basis points, primarily from increased customer satisfaction and loyalty from ongoing improvements to network quality, industry-leading customer service and the overall value of our offerings.

Branded prepaid churn decreased 14 basis points, primarily from increased customer satisfaction and loyalty from ongoing improvements to network quality and the continued success of our prepaid brands due to promotional activities and rate plan offers.

Average Revenue Per User

ARPU represents the average monthly service revenue earned from customers. We believe ARPU provides management, investors and analysts with useful information to assess and evaluate our service revenue per customer and assist in forecasting our future service revenues generated from our customer base. Branded postpaid phone ARPU excludes Branded postpaid other customers and related revenues which includes wearables, DIGITS and other connected devices such as tablets and SyncUp DRIVE™.

The following table illustrates the calculation of our operating measure ARPU and reconciles this measure to the related service revenues:

(in millions, except average number of customers and ARPU)	Year Ended December 31,			2019 Versus 2018		2018 Versus 2017	
	2019	2018	2017	$ Change	% Change	$ Change	% Change
Calculation of Branded Postpaid Phone ARPU							
Branded postpaid service revenues	$ 22,673	$ 20,862	$ 19,448	$ 1,811	9 %	$ 1,414	7 %
Less: Branded postpaid other revenues	(1,344)	(1,117)	(1,077)	(227)	20 %	(40)	4 %
Branded postpaid phone service revenues	$ 21,329	$ 19,745	$ 18,371	$ 1,584	8 %	$ 1,374	7 %
Divided by: Average number of branded postpaid phone customers (in thousands) and number of months in period	38,602	35,458	32,596	3,144	9 %	2,862	9 %
Branded postpaid phone ARPU	$ 46.04	$ 46.40	$ 46.97	$ (0.36)	(1) %	$ (0.57)	(1) %
Calculation of Branded Prepaid ARPU							
Branded prepaid service revenues	$ 9,543	$ 9,598	$ 9,380	$ (55)	(1) %	$ 218	2 %
Divided by: Average number of branded prepaid customers (in thousands) and number of months in period	20,955	20,761	20,204	194	1 %	557	3 %
Branded prepaid ARPU	$ 37.95	$ 38.53	$ 38.69	$ (0.58)	(2) %	$ (0.16)	— %

Branded Postpaid Phone ARPU

Branded postpaid phone ARPU decreased $0.36, or 1%, primarily due to:

- An increase in promotional activities, including the ongoing growth in our Netflix offering, which totaled $0.54 for the year ended December 31, 2019, and decreased branded postpaid phone ARPU by $0.19 compared to the year ended December 31, 2018;
- A reduction in regulatory program revenues from the continued adoption of tax inclusive plans; and
- A reduction in certain non-recurring charges; partially offset by
- Higher premium services revenue; and
- The growing success of new customer segments and rate plans.

We expect Branded postpaid phone ARPU in full-year 2020 to be generally stable compared to full-year 2019 within a range of plus 1% to minus 1%.

Branded Prepaid ARPU

Branded prepaid ARPU decreased $0.58, or 2%, primarily due to:

- Dilution from promotional activity; and
- Growth in our Amazon Prime offering - included as a benefit with certain Metro by T-Mobile unlimited rate plans as of the fourth quarter of 2018 - which impacted branded prepaid ARPU by $0.39 for the year ended December 31, 2019, and decreased branded prepaid ARPU by $0.36 compared to the year ended December 31, 2018; partially offset by
- The removal of certain branded prepaid customers associated with products now offered and distributed by a current MVNO partner as those customers had lower ARPU.

Adjusted EBITDA

Adjusted EBITDA represents earnings before Interest expense, net of Interest income, Income tax expense, Depreciation and amortization, non-cash Stock-based compensation and certain income and expenses not reflective of our operating performance. Net income margin represents Net income divided by Service revenues. Adjusted EBITDA margin represents Adjusted EBITDA divided by Service revenues.

Adjusted EBITDA is a non-GAAP financial measure utilized by our management to monitor the financial performance of our operations. We use Adjusted EBITDA internally as a measure to evaluate and compensate our personnel and management for their performance, and as a benchmark to evaluate our operating performance in comparison to our competitors. Management believes analysts and investors use Adjusted EBITDA as a supplemental measure to evaluate overall operating performance and facilitate comparisons with other wireless communications services companies because it is indicative of our ongoing operating performance and trends by excluding the impact of interest expense from financing, non-cash depreciation and amortization from capital investments, non-cash stock-based compensation, network decommissioning costs and costs related to the Transactions, as they are not indicative of our ongoing operating performance, as well as certain other nonrecurring income and expenses. Adjusted EBITDA has limitations as an analytical tool and should not be considered in isolation or as a substitute for income from operations, net income or any other measure of financial performance reported in accordance with U.S. Generally Accepted Accounting Principles (“GAAP”).

The following table illustrates the calculation of Adjusted EBITDA and reconciles Adjusted EBITDA to Net income, which we consider to be the most directly comparable GAAP financial measure:

	Year Ended December 31,			2019 Versus 2018		2018 Versus 2017	
(in millions)	**2019**	**2018**	**2017**	**$ Change**	**% Change**	**$ Change**	**% Change**
Net income	$ 3,468	$ 2,888	$ 4,536	$ 580	20 %	$ (1,648)	(36) %
Adjustments:							
Interest expense	727	835	1,111	(108)	(13) %	(276)	(25) %
Interest expense to affiliates	408	522	560	(114)	(22) %	(38)	(7) %
Interest income	(24)	(19)	(17)	(5)	26 %	(2)	12 %
Other expense, net	8	54	73	(46)	(85) %	(19)	(26) %
Income tax expense (benefit)	1,135	1,029	(1,375)	106	10 %	2,404	(175) %
Operating income	5,722	5,309	4,888	413	8 %	421	9 %
Depreciation and amortization	6,616	6,486	5,984	130	2 %	502	8 %
Stock-based compensation [(1)]	423	389	307	34	9 %	82	27 %
Merger-related costs	620	196	—	424	216 %	196	NM
Other, net [(2)]	2	18	34	(16)	(89) %	(16)	(47) %
Adjusted EBITDA	$ 13,383	$ 12,398	$ 11,213	$ 985	8 %	$ 1,185	11 %
Net income margin (Net income divided by service revenues)	10 %	9 %	15 %		100 bps		-600 bps
Adjusted EBITDA margin (Adjusted EBITDA divided by service revenues)	39 %	39 %	37 %		— bps		200 bps

(1) Stock-based compensation includes payroll tax impacts and may not agree to stock-based compensation expense in the Consolidated Financial Statements. Additionally, certain stock-based compensation expenses associated with the Transactions have been included in Merger-related costs.

(2) Other, net may not agree to the Consolidated Statements of Comprehensive Income primarily due to certain non-routine operating activities, such as other special items that would not be expected to reoccur or are not reflective of T-Mobile's ongoing operating performance, and are therefore excluded in Adjusted EBITDA.

Adjusted EBITDA increased $985 million, or 8%, primarily due to:

- Higher service revenues, as further discussed above; and
- The positive impact of the new lease standard of approximately $195 million; partially offset by
- Higher Selling, general and administrative expenses, excluding Merger-related costs;
- Higher Cost of services expenses; and
- The impact from hurricane-related reimbursements, net of costs, of $158 million for the year ended December 31, 2018. There were no significant impacts from hurricanes for the year ended December 31, 2019.
- The impact from commission costs capitalized and amortized beginning upon the adoption of ASC 606 on January 1, 2018, reduced Adjusted EBITDA by $337 million for the year ended December 31, 2019, compared to year ended December 31, 2018.

Liquidity and Capital Resources

Our principal sources of liquidity are our cash and cash equivalents and cash generated from operations, proceeds from issuance of long-term debt and common stock, financing leases, the sale of certain receivables, financing arrangements of vendor payables which effectively extend payment terms and secured and unsecured revolving credit facilities with DT. Upon consummation of the Transactions, we will incur substantial third-party indebtedness which will increase our future financial commitments, including aggregate interest payments on higher total indebtedness, and may adversely impact our liquidity. Further, the incurrence of additional indebtedness may inhibit our ability to incur new debt under the terms governing our existing and future indebtedness, which may make it more difficult for us to incur new debt in the future to finance our business strategy.

Cash Flows

The following is a condensed schedule of our cash flows for the years ended December 31, 2019 and 2018:

	Year Ended December 31,			2019 Versus 2018		2018 Versus 2017	
(in millions)	2019	2018	2017	$ Change	% Change	$ Change	% Change
Net cash provided by operating activities	$ 6,824	$ 3,899	$ 3,831	$ 2,925	75 %	$ 68	2 %
Net cash used in investing activities	(4,125)	(579)	(6,745)	(3,546)	612 %	6,166	(91) %
Net cash used in financing activities	(2,374)	(3,336)	(1,367)	962	(29) %	(1,969)	144 %

Operating Activities

Net cash provided by operating activities increased $2.9 billion, or 75%, from:

- A $2.0 billion decrease in net cash outflows from changes in working capital, primarily due to lower use from Accounts receivable, Accounts payable and accrued liabilities and Equipment installment plan receivables, partially offset by higher use from Inventories; and
- A $951 million increase in Net income and net non-cash adjustments to Net income.

With the adoption of the new lease standard, changes in Operating lease right-of-use assets and Short and long-term operating lease liabilities are now presented in Changes in operating assets and liabilities. The net impact of changes in these accounts decreased Net cash provided by operating activities by $235 million for the year ended December 31, 2019.

Investing Activities

Net cash used in investing activities increased $3.5 billion, or 612%. The use of cash for the year ended December 31, 2019, was primarily from:

- $6.4 billion in Purchases of property and equipment, including capitalized interest, primarily driven by growth in network build as we continued deployment of low band spectrum, including 600 MHz, and launched our nationwide 5G network;
- $967 million in Purchases of spectrum licenses and other intangible assets, including deposits; and
- $632 million in Net cash related to derivative contracts under collateral exchange arrangements, see Note 7 - Fair Value Measurements of the Notes to the Consolidated Financial Statements for further information; partially offset by
- $3.9 billion in Proceeds related to beneficial interests in securitization transactions.

Financing Activities

Net cash used in financing activities decreased $1.0 billion, or 29%. The use of cash for the year ended December 31, 2019, was primarily from:

- $798 million for Repayments of financing lease obligations;
- $775 million for Repayments of short-term debt for purchases of inventory, property and equipment;
- $600 million for Repayments of long-term debt; and
- $156 million for Tax withholdings on share-based awards.
- Activity under the revolving credit facility included borrowing and full repayment of $2.3 billion, for a net of $0 impact.

Cash and Cash Equivalents

As of December 31, 2019, our Cash and cash equivalents were $1.5 billion compared to $1.2 billion at December 31, 2018.

Free Cash Flow

Free Cash Flow represents Net cash provided by operating activities less payments for Purchases of property and equipment, including Proceeds from sales of tower sites and Proceeds related to beneficial interests in securitization transactions, less Cash

payments for debt prepayment or debt extinguishment costs. Free Cash Flow is a non-GAAP financial measure utilized by our management, investors and analysts of our financial information to evaluate cash available to pay debt and provide further investment in the business.

In 2019, we sold tower sites for proceeds of $38 million which are included in Proceeds from sales of tower sites within Net cash used in investing activities in our Consolidated Statements of Cash Flows. As these proceeds were from the sale of fixed assets and are used by management to assess cash available for capital expenditures during the year, we determined the proceeds are relevant for the calculation of Free Cash Flow and included them in the table below. Other proceeds from the sale of fixed assets for the periods presented are not significant. We have presented the impact of the sales in the table below, which illustrates the calculation of Free Cash Flow and reconciles Free Cash Flow to Net cash provided by operating activities, which we consider to be the most directly comparable GAAP financial measure.

	Year Ended December 31,			2019 Versus 2018		2018 Versus 2017	
(in millions)	2019	2018	2017	$ Change	% Change	$ Change	% Change
Net cash provided by operating activities	$ 6,824	$ 3,899	$ 3,831	$ 2,925	75 %	$ 68	2 %
Cash purchases of property and equipment	(6,391)	(5,541)	(5,237)	(850)	15 %	(304)	6 %
Proceeds from sales of tower sites	38	—	—	38	NM	—	NM
Proceeds related to beneficial interests in securitization transactions	3,876	5,406	4,319	(1,530)	(28) %	1,087	25 %
Cash payments for debt prepayment or debt extinguishment costs	(28)	(212)	(188)	184	(87) %	(24)	13 %
Free Cash Flow	$ 4,319	$ 3,552	$ 2,725	$ 767	22 %	$ 827	30 %

Free Cash Flow increased $767 million, or 22%, primarily from:

- Higher Net cash provided by operating activities, as described above; and
- Lower Cash payments for debt prepayment or debt extinguishment costs; partially offset by
- Lower Proceeds related to our deferred purchase price from securitization transactions; and
- Higher Cash purchases of property and equipment, including capitalized interest of $473 million and $362 million for the years ended December 31, 2019 and 2018, respectively.
- Free Cash Flow includes $442 million and $86 million in payments for Merger-related costs for the years ended December 31, 2019 and 2018, respectively.

Borrowing Capacity and Debt Financing

As of December 31, 2019, our total debt and financing lease liabilities were $27.3 billion, excluding our tower obligations, of which $24.9 billion was classified as long-term debt.

Effective April 28, 2019, we redeemed $600 million aggregate principal amount of our DT Senior Reset Notes. The notes were redeemed at a redemption price equal to 104.666% of the principal amount of the notes (plus accrued and unpaid interest thereon) and were paid on April 29, 2019. The redemption premium was $28 million and was included in Other expense, net in our Consolidated Statements of Comprehensive Income and in Cash payments for debt prepayment or debt extinguishment costs in our Consolidated Statements of Cash Flows.

Certain components of the reset features were required to be bifurcated from the DT Senior Reset Notes and were separately accounted for as embedded derivatives. The write-off of embedded derivatives upon redemption resulted in a gain of $11 million, which was included in Other expense, net in our Consolidated Statements of Comprehensive Income. See Note 7 - Fair Value Measurements of the Notes to the Consolidated Financial Statements for further information.

We maintain a $2.5 billion revolving credit facility with DT which is comprised of a $1.0 billion unsecured revolving credit agreement and a $1.5 billion secured revolving credit agreement. In December 2019, we amended the terms of the revolving credit facility with DT to extend the maturity date to December 29, 2022. As of December 31, 2019 and 2018, there were no outstanding borrowings under the revolving credit facility.

We maintain a financing arrangement with Deutsche Bank AG, which allows for up to $108 million in borrowings. Under the financing arrangement, we can effectively extend payment terms for invoices payable to certain vendors. As of December 31, 2019 and 2018, there were no outstanding balances.

We maintain vendor financing arrangements with our primary network equipment suppliers. Under the respective agreements, we can obtain extended financing terms. During the year ended December 31, 2019, we utilized $800 million and repaid $775 million under the vendor financing arrangements. Invoices subject to extended payment terms have various due dates through the first quarter of 2020. Payments on vendor financing agreements are included in Repayments of short-term debt for purchases of inventory, property and equipment, net, in our Consolidated Statements of Cash Flows. As of December 31, 2019, there were $25 million in outstanding borrowings under the vendor financing agreements which were included in Short-term debt in our Consolidated Balance Sheets. As of December 31, 2018, there was no outstanding balance.

Consents on Debt

On May 18, 2018, under the terms and conditions described in the Consent Solicitation Statement dated as of May 14, 2018, we obtained consents necessary to effect certain amendments to certain of our existing debt and certain existing debt of our subsidiaries. If the Merger is consummated, we will make payments for requisite consents to third-party note holders. There was no payment accrued as of December 31, 2019.

In connection with the entry into the Business Combination Agreement, DT and T-Mobile USA entered into a financing matters agreement, dated as of April 29, 2018, pursuant to which DT agreed, among other things, to consent to the incurrence by
T-Mobile USA of secured debt in connection with and after the consummation of the Merger. If the Merger is consummated, we will make payments for requisite consents to DT. There was no payment accrued as of December 31, 2019. See Note 8 - Debt of the Notes to the Consolidated Financial Statements for further information.

Commitment Letter

In connection with the entry into the Business Combination Agreement, T-Mobile USA entered into a commitment letter, dated as of April 29, 2018 (as amended and restated on May 15, 2018 and on September 6, 2019, the “Commitment Letter”). In connection with the financing provided for in the Commitment Letter, we expect to incur certain fees payable to the financial institutions, including certain financing fees on the secured term loan commitment. If the Merger closes, we will incur additional fees for the financial institutions structuring and providing the commitments and certain take-out fees associated with the issuance of permanent secured bond debt in lieu of the secured bridge loan. In total, we may incur up to approximately $340 million in fees associated with the Commitment Letter. We began incurring certain Commitment Letter fees on November 1, 2019, which were recognized in Selling, general and administrative expenses in our Consolidated Statements of Comprehensive Income. There were $12 million of fees accrued as of December 31, 2019. See Note 8 - Debt of the Notes to the Consolidated Financial Statements for further information.

Future Sources and Uses of Liquidity

We may seek additional sources of liquidity, including through the issuance of additional long-term debt in 2020, to continue to opportunistically acquire spectrum licenses or other assets in private party transactions or for the refinancing of existing long-term debt on an opportunistic basis. Excluding liquidity that could be needed for spectrum acquisitions, or for other assets, we expect our principal sources of funding to be sufficient to meet our anticipated liquidity needs for business operations for the next 12 months as well as our longer-term liquidity needs. Our intended use of any such funds is for general corporate purposes, including for capital expenditures, spectrum purchases, opportunistic investments and acquisitions, redemption of high yield callable debt and stock purchases.

In October 2018, we entered into interest rate lock derivatives with notional amounts of $9.6 billion. The fair value of interest rate lock derivatives was a liability of $1.2 billion and $447 million as of December 31, 2019 and 2018, respectively, and was included in Other current liabilities in our Consolidated Balance Sheets.

In November 2019, we extended the mandatory termination date on our interest rate lock derivatives to June 3, 2020. In December 2019, we made net collateral transfers to certain of our derivative counterparties totaling $632 million, which included variation margin transfers to (or from) such derivative counterparties based on daily market movements. These collateral transfers are included in Other current assets in our Consolidated Balance Sheets and in Net cash related to derivative contracts under collateral exchange arrangements within Net cash used in investing activities in our Consolidated Statements of Cash Flows. The interest rate lock derivatives will be settled upon the earlier of the issuance of fixed-rate debt or the current mandatory termination date. Upon settlement of the interest rate lock derivatives, we will receive, or make, a cash payment in the amount of the fair value of the cash flow hedge as of the settlement date. We expect our existing sources of liquidity to be sufficient to meet the requirements of the interest rate lock derivatives.

We determine future liquidity requirements, for both operations and capital expenditures, based in large part upon projected financial and operating performance, and opportunities to acquire additional spectrum. We regularly review and update these projections for changes in current and projected financial and operating results, general economic conditions, the competitive landscape and other factors. There are a number of risks and uncertainties that could cause our financial and operating results and capital requirements to differ materially from our projections, which could cause future liquidity to differ materially from our assessment.

The indentures and credit facilities governing our long-term debt to affiliates and third parties, excluding capital leases, contain covenants that, among other things, limit the ability of the Issuer and the Guarantor Subsidiaries to incur more debt, pay dividends and make distributions on our common stock, make certain investments, repurchase stock, create liens or other encumbrances, enter into transactions with affiliates, enter into transactions that restrict dividends or distributions from subsidiaries, and merge, consolidate or sell, or otherwise dispose of, substantially all of their assets. Certain provisions of each of the credit facilities, indentures and supplemental indentures relating to the long-term debt to affiliates and third parties restrict the ability of the Issuer to loan funds or make payments to the Parent. However, the Issuer is allowed to make certain permitted payments to the Parent under the terms of each of the credit facilities, indentures and supplemental indentures relating to the long-term debt to affiliates and third parties. We were in compliance with all restrictive debt covenants as of December 31, 2019.

Financing Lease Facilities

We have entered into uncommitted financing lease facilities with certain partners, which provide us with the ability to enter into financing leases for network equipment and services. As of December 31, 2019, we have committed to $3.9 billion of financing leases under these financing lease facilities, of which $898 million was executed during the year ended December 31, 2019.

Capital Expenditures

Our liquidity requirements have been driven primarily by capital expenditures for spectrum licenses and the construction, expansion and upgrading of our network infrastructure. Property and equipment capital expenditures primarily relate to our network transformation, including the build-out of our network to utilize our 600 MHz spectrum licenses and the deployment of 5G. We expect cash purchases of property and equipment, including capitalized interest of approximately $400 million, to be $5.9 to $6.2 billion and cash purchases of property and equipment, excluding capitalized interest, to be $5.5 to $5.8 billion in 2020. This includes expenditures for 600 MHz and 5G deployment. This does not include property and equipment obtained through financing lease agreements, vendor financing agreements, leased wireless devices transferred from inventory or any additional purchases of spectrum licenses.

Share Repurchases

On December 6, 2017, our Board of Directors authorized a stock repurchase program for up to $1.5 billion of our common stock through December 31, 2018 (the “2017 Stock Repurchase Program”). Repurchased shares are retired. The 2017 Stock Repurchase Program was completed on April 29, 2018.

On April 27, 2018, our Board of Directors authorized an increase in the total stock repurchase program to $9.0 billion, consisting of the $1.5 billion in repurchases previously completed and up to an additional $7.5 billion of repurchases of our common stock through the year ending December 31, 2020 (the "2018 Stock Repurchase Program"). The additional $7.5 billion repurchase authorization is contingent upon the termination of the Business Combination Agreement and the abandonment of the Transactions contemplated under the Business Combination Agreement. There were no repurchases of our common stock under the 2018 Stock Repurchase Program in 2019 or 2018. See Note 12 - Repurchases of Common Stock of the Notes to the Consolidated Financial Statements for further information.

Dividends

We have never paid or declared any cash dividends on our common stock, and we do not intend to declare or pay any cash dividends on our common stock in the foreseeable future. Our credit facilities and the indentures and supplemental indentures governing our long-term debt to affiliates and third parties, excluding financing leases, contain covenants that, among other things, restrict our ability to declare or pay dividends on our common stock.

Contractual Obligations

The following table summarizes our contractual obligations and borrowings as of December 31, 2019 and the timing and effect that such commitments are expected to have on our liquidity and capital requirements in future periods:

(in millions)	Less Than 1 Year	1 - 3 Years	4 - 5 Years	More Than 5 Years	Total
Long-term debt [(1)]	$ —	$ 5,500	$ 7,300	$ 12,200	$ 25,000
Interest on long-term debt	1,282	2,365	1,796	1,163	6,606
Financing lease liabilities, including imputed interest	1,013	1,147	172	115	2,447
Tower obligations [(2)]	160	321	320	467	1,268
Operating lease liabilities, including imputed interest	2,754	4,894	3,523	3,797	14,968
Purchase obligations [(3)]	3,603	3,263	1,597	1,387	9,850
Total contractual obligations	$ 8,812	$ 17,490	$ 14,708	$ 19,129	$ 60,139

(1) Represents principal amounts of long-term debt to affiliates and third parties at maturity, excluding unamortized premium from purchase price allocation fair value adjustment, financing lease obligations and vendor financing arrangements. See Note 8 – Debt of the Notes to the Consolidated Financial Statements for further information.

(2) Future minimum payments, including principal and interest payments and imputed lease rental income, related to the tower obligations. See Note 9 – Tower Obligations of the Notes to the Consolidated Financial Statements for further information.

(3) The minimum commitment for certain obligations is based on termination penalties that could be paid to exit the contracts. Termination penalties are included in the above table as payments due as of the earliest we could exit the contract, typically in less than one year. For certain contracts that include fixed volume purchase commitments and fixed prices for various products, the purchase obligations are calculated using fixed volumes and contractually fixed prices for the products that are expected to be purchased. This table does not include open purchase orders as of December 31, 2019 under normal business purposes. See Note 16 – Commitments and Contingencies of the Notes to the Consolidated Financial Statements for further information.

Certain commitments and obligations are included in the table based on the year of required payment or an estimate of the year of payment. Other long-term liabilities have been omitted from the table above due to the uncertainty of the timing of payments, combined with the absence of historical trending to be used as a predictor of such payments. See Note 17 – Additional Financial Information of the Notes to the Consolidated Financial Statements for further information.

The purchase obligations reflected in the table above are primarily commitments to purchase and lease spectrum licenses, wireless devices, network services, equipment, software, marketing sponsorship agreements and other items in the ordinary course of business. These amounts do not represent our entire anticipated purchases in the future, but represent only those items for which we are contractually committed. Where we are committed to make a minimum payment to the supplier regardless of whether we take delivery, we have included only that minimum payment as a purchase obligation. The acquisition of spectrum licenses is subject to regulatory approval and other customary closing conditions.

In October 2018, we entered into interest rate lock derivatives with notional amounts of $9.6 billion. The fair value of interest rate lock derivatives was a liability of $1.2 billion and $447 million as of December 31, 2019 and 2018, respectively, and was included in Other current liabilities in our Consolidated Balance Sheets. Balances related to the cash flow hedges have been omitted from the table above due to the uncertainty of the amount and timing of settlements. See Note 7 – Fair Value Measurements of the Notes to the Consolidated Financial Statements for further information.

Related Party Transactions

We have related party transactions associated with DT or its affiliates in the ordinary course of business, including intercompany servicing and licensing. See Note 17 - Additional Financial Information of the Notes to the Consolidated Financial Statements for further information.

Disclosure of Iranian Activities under Section 13(r) of the Securities Exchange Act of 1934

Section 219 of the Iran Threat Reduction and Syria Human Rights Act of 2012 added Section 13(r) to the Exchange Act of 1934, as amended (“Exchange Act”). Section 13(r) requires an issuer to disclose in its annual or quarterly reports, as applicable, whether it or any of its affiliates knowingly engaged in certain activities, transactions or dealings relating to Iran or with designated natural persons or entities involved in terrorism or the proliferation of weapons of mass destruction. Disclosure is required even where the activities, transactions or dealings are conducted outside the U.S. by non-U.S. affiliates in compliance with applicable law, and whether or not the activities are sanctionable under U.S. law.

As of the date of this report, we are not aware of any activity, transaction or dealing by us or any of our affiliates for the year ended December 31, 2019, that requires disclosure in this report under Section 13(r) of the Exchange Act, except as set forth below with respect to affiliates that we do not control and that are our affiliates solely due to their common control with DT. We have relied upon DT for information regarding their activities, transactions and dealings.

DT, through certain of its non-U.S. subsidiaries, is party to roaming and interconnect agreements with the following mobile and fixed line telecommunication providers in Iran, some of which are or may be government-controlled entities: MTN Irancell, Telecommunication Kish Company, Mobile Telecommunication Company of Iran, and Telecommunication Infrastructure Company of Iran. In addition, during the year ended December 31, 2019, DT, through certain of its non-U.S. subsidiaries, provided basic telecommunications services to three customers in Germany identified on the Specially Designated Nationals and Blocked Persons List maintained by the U.S. Department of Treasury's Office of Foreign Assets Control: Bank Melli, Bank Sepah, and Europäisch-Iranische Handelsbank. These services have been terminated or are in the process of being terminated. For the year ended December 31, 2019, gross revenues of all DT affiliates generated by roaming and interconnection traffic and telecommunications services with the Iranian parties identified herein were less than $0.1 million, and the estimated net profits were less than $0.1 million.

In addition, DT, through certain of its non-U.S. subsidiaries that operate a fixed-line network in their respective European home countries (in particular Germany), provides telecommunications services in the ordinary course of business to the Embassy of Iran in those European countries. Gross revenues and net profits recorded from these activities for the year ended December 31, 2019 were less than $0.1 million. We understand that DT intends to continue these activities.

Off-Balance Sheet Arrangements

We have arrangements, as amended from time to time, to sell certain EIP accounts receivable and service accounts receivable on a revolving basis as a source of liquidity. As of December 31, 2019, we derecognized net receivables of $2.6 billion upon sale through these arrangements. See Note 4 – Sales of Certain Receivables of the Notes to the Consolidated Financial Statements for further information.

Critical Accounting Policies and Estimates

Our significant accounting policies are fundamental to understanding our results of operations and financial condition as they require that we use estimates and assumptions that may affect the value of our assets or liabilities and financial results. See Note 1 - Summary of Significant Accounting Policies of the Notes to the Consolidated Financial Statements for further information.

Eight of these policies, discussed below, are critical because they require management to make difficult, subjective and complex judgments about matters that are inherently uncertain and because it is likely that materially different amounts would be reported under different conditions or using different assumptions. Actual results could differ from those estimates.

Management and the Audit Committee of the Board of Directors have reviewed and approved these critical accounting policies.

Leases

We adopted the new lease standard on January 1, 2019 and recognized right-of-use assets and lease liabilities for operating leases that have not previously been recorded.

Significant Judgments:

The most significant judgments and impacts upon adoption of the standard include the following:

- In evaluating contracts to determine if they qualify as a lease, we consider factors such as if we have obtained or transferred substantially all of the rights to the underlying asset through exclusivity, if we can or if we have transferred the ability to direct the use of the asset by making decisions about how and for what purpose the asset will be used and if the lessor has substantive substitution rights. Identification of a lease may require significant judgment.

- We recognized right-of-use assets and operating lease liabilities for operating leases that have not previously been recorded. The lease liability for operating leases is based on the net present value of future minimum lease payments. The right-of-use asset for operating leases is based on the lease liability adjusted for the reclassification of certain balance sheet amounts such as prepaid rent and deferred rent which we remeasured at adoption due to the application of hindsight to our lease term estimates. Deferred and prepaid rent will no longer be presented separately.

- Capital lease assets previously included within Property and equipment, net were reclassified to financing lease right-of-use assets, and capital lease liabilities previously included in Short-term debt and Long-term debt were reclassified to financing lease liabilities in our Consolidated Balance Sheet.

- Certain line items in the Consolidated Statements of Cash Flows and the "Supplemental disclosure of cash flow information" have been renamed to align with the new terminology presented in the new lease standard; "Repayment of capital lease obligations" is now presented as "Repayments of financing lease obligations" and "Assets acquired under capital lease obligations" is now presented as "Financing lease right-of-use assets obtained in exchange for lease obligations." In the "Operating Activities" section of the Consolidated Statements of Cash Flows we have added "Operating lease right-of-use assets" and "Short and long-term operating lease liabilities" which represent the change in the operating lease asset and liability, respectively. Additionally, in the "Supplemental disclosure of cash flow information" section of the Consolidated Statements of Cash Flows we have added "Operating lease payments," and in the "Noncash investing and financing activities" section we have added "Operating lease right-of-use assets obtained in exchange for lease obligations."

- In determining the discount rate used to measure the right-of-use asset and lease liability, we use rates implicit in the lease, or if not readily available, we use our incremental borrowing rate. Our incremental borrowing rate is based on an estimated secured rate comprised of a risk-free LIBOR rate plus a credit spread as secured by our assets. Determining a credit spread as secured by our assets may require significant judgment.

- Certain of our lease agreements include rental payments based on changes in the consumer price index ("CPI"). Lease liabilities are not remeasured as a result of changes in the CPI; instead, changes in the CPI are treated as variable lease payments and are excluded from the measurement of the right-of-use asset and lease liability. These payments are recognized in the period in which the related obligation was incurred. Our lease agreements do not contain any material residual value guarantees or material restrictive covenants.

- We elected the use of hindsight whereby we applied current lease term assumptions that are applied to new leases in determining the expected lease term period for all cell sites. Upon adoption of the new lease standard and application of hindsight our expected lease term has shortened to reflect payments due for the initial non-cancelable lease term only. This assessment corresponds to our lease term assessment for new leases and aligns with the payments that have been disclosed as lease commitments in prior years. As a result, the average remaining lease term for cell sites has decreased from approximately nine to five years based on lease contracts in effect at transition on January 1, 2019. The aggregate impact of using hindsight is an estimated decrease in Total operating expenses of $240 million in fiscal year 2019.

- We were also required to reassess the previously failed sale-leasebacks of certain T-Mobile-owned wireless communications tower sites and determine whether the transfer of the assets to the tower operator under the arrangement met the transfer of control criteria in the revenue standard and whether a sale should be recognized. Determining whether the transfer of control criteria has been met requires significant judgement.

    - We concluded that a sale has not occurred for the 6,200 tower sites transferred to Crown Castle International Corp. ("CCI") pursuant to a master prepaid lease arrangement; therefore, these sites will continue to be accounted for as failed sale-leasebacks.

    - We concluded that a sale should be recognized for the 900 tower sites transferred to CCI pursuant to the sale of a subsidiary and for the 500 tower sites transferred to Phoenix Tower International ("PTI"). Upon adoption on January 1, 2019, we derecognized our existing long-term financial obligation and the tower-related property and equipment associated with these 1,400 previously failed sale-leaseback tower sites and recognized a lease liability and right-of-use asset for the leaseback of the tower sites. The impacts from the change in accounting conclusion are primarily a decrease in Other revenues of $44 million and a decrease in Interest expense of $34 million in fiscal year 2019.

- Rental revenues and expenses associated with co-location tower sites are presented on a net basis under the new lease standard. These revenues and expenses were presented on a gross basis under the former lease standard.

Lease Expense

We have operating leases for cell sites, retail locations, corporate offices and dedicated transportation lines, some of which have escalating rentals during the initial lease term and during subsequent optional renewal periods. We recognize a right-of-use asset and lease liability for operating leases based on the net present value of future minimum lease payments. Lease expense is recognized on a straight-line basis over the non-cancelable lease term and renewal periods that are considered reasonably certain.

We consider several factors in assessing whether renewal periods are reasonably certain of being exercised, including the continued maturation of our network nationwide, technological advances within the telecommunications industry and the availability of alternative sites.

See Note 1 - Summary of Significant Accounting Policies and Note 15 - Leases of the Notes to the Consolidated Financial Statements for further information.

Revenue Recognition

We primarily generate our revenue from providing wireless services to customers and selling or leasing devices and accessories. Our contracts with customers may involve multiple performance obligations, which include wireless services, wireless devices or a combination thereof, and we allocate the transaction price between each performance obligation based on its relative standalone selling price.

Significant Judgments

The most significant judgments affecting the amount and timing of revenue from contracts with our customers include the following items:

- Revenue for service contracts that we assess are not probable of collection is not recognized until the contract is completed or terminated and cash is received. Collectibility is re-assessed when there is a significant change in facts or circumstances. Our assessment of collectibility considers whether we may limit our exposure to credit risk through our right to stop transferring additional service in the event the customer is delinquent as well as certain contract terms such as down payments that reduce our exposure to credit risk. Customer credit behavior is inherently uncertain. See “Allowances,” below, for more discussion on how we assess credit risk.

- Promotional EIP bill credits offered to a customer on an equipment sale that are paid over time and are contingent on the customer maintaining a service contract may result in an extended service contract based on whether a substantive penalty is deemed to exist. Determining whether contingent EIP bill credits result in a substantive termination penalty may require significant judgment.

- The identification of distinct performance obligations within our service plans may require significant judgment.

- Revenue is recorded net of costs paid to another party for performance obligations where we arrange for the other party to transfer goods or services to the customer (i.e., when we are acting as an agent). For example, performance obligations relating to services provided by third-party content providers where we neither control a right to the content provider’s service nor control the underlying service itself are presented net because we are acting as an agent. The determination of whether we control the underlying service or right to the service prior to our transfer to the customer requires, at times, significant judgment.

- For transactions where we recognize a significant financing component, judgment is required to determine the discount rate. For EIP sales, the discount rate used to adjust the transaction price primarily reflects current market interest rates and the estimated credit risk of the customer. Customer credit behavior is inherently uncertain. See “Allowances”, below, for more discussion on how we assess credit risk.

- Our products are generally sold with a right of return, which is accounted for as variable consideration when estimating the amount of revenue to recognize. Device return levels are estimated based on the expected value method as there are a large number of contracts with similar characteristics and the outcome of each contract is independent of the others. Historical return rate experience is a significant input to our expected value methodology.

- Sales of equipment to indirect dealers who have been identified as our customer (referred to as the sell-in model) often include credits subsequently paid to the dealer as a reimbursement for any discount promotions offered to the end consumer. These credits (payments to a customer) are accounted for as variable consideration when estimating the amount of revenue to recognize from the sales of equipment to indirect dealers and are estimated based on historical experience and other factors, such as expected promotional activity.

- The determination of the standalone selling price for contracts that involve more than one performance obligation may require significant judgment, such as when the selling price of a good or service is not readily observable.

- For capitalized contract costs, determining the amortization period over which such costs are recognized as well as assessing the indicators of impairment may require significant judgment.

See Note 1 - Summary of Significant Accounting Policies and Note 10 - Revenue From Contracts with Customers of the Notes to the Consolidated Financial Statements for further information.

Allowances

We maintain an allowance for credit losses, which is management's estimate of such losses inherent in our receivables portfolio, comprised of accounts receivable and EIP receivable segments. Changes in the allowance for credit losses and, therefore, in related provision for credit losses ("bad debt expense") can materially affect earnings. Credit risk characteristics are assessed for each receivable segment. In applying the judgment and review required to determine the allowance for credit losses, management considers a number of factors, including receivable volumes, receivable delinquency status, historical loss experience and other conditions influencing loss expectations, such as macro-economic conditions. While our methodology attributes portions of the allowance to specific portfolio segments, the entire allowance for credit losses is available to absorb credit losses inherent in the total receivables portfolio.

Management also considers an amount that represents management's judgment of risks inherent in the process and assumptions used in establishing the allowance for credit losses, including process risk and other subjective factors, including industry trends and emerging risk assessments.

To the extent that actual loss experience differs significantly from historical trends or assumptions, the appropriate allowance levels for realized credit losses could differ from the estimate. We write off account balances if collection efforts are unsuccessful and the receivable balance is deemed uncollectible, based on factors such as customer credit ratings and the length of time from the original billing date.

We offer certain retail customers the option to pay for their devices and other purchases in installments over a period of up to 36 months using an EIP. EIP receivables not held for sale are reported in our Consolidated Balance Sheets at outstanding principal adjusted for any charge-offs, allowance for credit losses and unamortized discounts. Receivables held for sale are reported at the lower of amortized cost or fair value. At the time of an installment sale, we impute a discount for interest if the EIP term exceeds 12 months as there is no stated rate of interest on the EIP receivables. The EIP receivables are recorded at their present value, which is determined by discounting future cash payments at the imputed interest rate. The difference between the recorded amount of the EIP receivables and their unpaid principal balance (i.e., the contractual amount due from the customer) results in a discount which is allocated to the performance obligations of the arrangement and recorded as a reduction in transaction price. We determine the imputed discount rate based primarily on current market interest rates and the estimated credit risk on the EIP receivables. As a result, we do not recognize a separate credit loss allowance at the time of issuance as the effects of uncertainty about future cash flows resulting from credit risk are included in the initial present value measurement of the receivable. The imputed discount on EIP receivables is amortized over the financed installment term using the effective interest method and recognized as Other revenues in our Consolidated Statements of Comprehensive Income.

Subsequent to the initial determination of the imputed discount, we assess the need for and, if necessary, recognize an allowance for credit losses to the extent the amount of estimated probable losses on the gross EIP receivable balances exceed the remaining unamortized imputed discount balances.

Deferred Purchase Price Assets

In connection with the sales of certain service and EIP accounts receivable pursuant to the sale arrangements, we have deferred purchase price assets measured at fair value that are based on a discounted cash flow model using unobservable Level 3 inputs, including customer default rates and credit worthiness, dilutions and recoveries. See Note 4 – Sales of Certain Receivables of the Notes to the Consolidated Financial Statements for further information.

Depreciation

Depreciation commences once assets have been placed in service. We generally depreciate property and equipment over the period the property and equipment provide economic benefit. Leased wireless devices are depreciated to their estimated residual value over the period expected to provide utility to us, which is generally shorter than the lease term and considers expected losses. Depreciable life studies are performed periodically to confirm the appropriateness of depreciable lives for certain categories of property, plant and equipment. These studies consider actual usage, physical wear and tear, replacement history and assumptions about technology evolution. When these factors indicate that the useful life of an asset is different from the previous assessment, the remaining book values are depreciated prospectively over the adjusted remaining estimated useful life. See Note 1 – Summary of Significant Accounting Policies and Note 5 – Property and Equipment of the Notes to the Consolidated Financial Statements for information regarding depreciation of assets, including management's underlying estimates of useful lives.

Evaluation of Goodwill and Indefinite-Lived Intangible Assets for Impairment

We assess the carrying value of our goodwill and other indefinite-lived intangible assets, such as our spectrum licenses, for potential impairment annually as of December 31, or more frequently if events or changes in circumstances indicate such assets might be impaired.

We have identified two reporting units for which discrete financial information is available and results are regularly reviewed by management: wireless and Layer3. The Layer3 reporting unit consists of the assets and liabilities of Layer3 TV, Inc., which was acquired in January 2018. The wireless reporting unit consists of the remaining assets and liabilities of T-Mobile US, Inc., excluding Layer3 TV, Inc. We separately evaluate these reporting units for impairment.

When assessing goodwill for impairment we may elect to first perform a qualitative assessment for a reporting unit to determine if the quantitative impairment test is necessary. If we do not perform a qualitative assessment, or if the qualitative assessment indicates it is more likely than not that the fair value of a reporting unit is less than its carrying amount, we perform a quantitative test. We recognize an impairment charge for the amount by which the carrying amount exceeds the reporting unit's fair value; however, the loss recognized would not exceed the total amount of goodwill allocated to that reporting unit.

We employed a qualitative approach to assess the wireless reporting unit. The fair value of the wireless reporting unit is determined using a market approach, which is based on market capitalization. We recognize market capitalization is subject to volatility and will monitor changes in market capitalization to determine whether declines, if any, necessitate an interim impairment review. In the event market capitalization does decline below its book value, we will consider the length, severity and reasons for the decline when assessing whether potential impairment exists, including considering whether a control premium should be added to the market capitalization. We believe short-term fluctuations in share price may not necessarily reflect the underlying aggregate fair value.

We employed a quantitative approach to assess the Layer3 reporting unit. The fair value of the Layer3 reporting unit is determined using an income approach, which is based on estimated discounted future cash flows.

We made estimates and assumptions regarding future cash flows, discount rates and long-term growth rates to determine the reporting unit's estimated fair value. The key assumptions used were as follows:

- Expected cash flows underlying the Layer3 business plan for the periods 2020 through 2024, which took into account estimates of subscribers for TVision services, average revenue and content cost per subscriber, operating costs and capital expenditures.
- Cash flows beyond 2024 were projected to grow at a long-term growth rate estimated at 3%. Estimating a long-term growth rate requires significant judgment about future business strategies as well as micro- and macro-economic environments that are inherently uncertain.
- We used a discount rate of 32% to risk adjust the cash flow projections in determining the estimated fair value.

The estimated fair value of the Layer3 reporting unit exceeded its carrying value by approximately 3% as of December 31, 2019. Delays in the national launch of TVision services or cash flows that do not meet our projections could result in a goodwill impairment of Layer3 in the future. The carrying value of the goodwill associated with the Layer3 reporting unit was $218 million as of December 31, 2019.

We test our spectrum licenses for impairment on an aggregate basis, consistent with our management of the overall business at a national level. We may elect to first perform a qualitative assessment to determine whether it is more likely than not that the fair value of an intangible asset is less than its carrying value. If we do not perform the qualitative assessment, or if the qualitative assessment indicates it is more likely than not that the fair value of the intangible asset is less than its carrying amount, we calculate the estimated fair value of the intangible asset. If the estimated fair value of the spectrum licenses is lower than their carrying amount, an impairment loss is recognized for the difference. We estimate fair value using the Greenfield methodology, which is an income approach, to estimate the price at which an orderly transaction to sell the asset would take place between market participants at the measurement date under current market conditions. The Greenfield methodology values the spectrum licenses by calculating the cash flow generating potential of a hypothetical start-up company that goes into business with no assets except the asset to be valued (in this case, spectrum licenses). The value of the spectrum licenses can be considered as equal to the present value of the cash flows of this hypothetical start-up company. We base the assumptions underlying the Greenfield methodology on a combination of market participant data and our historical results, trends and business plans. Future cash flows in the Greenfield methodology are based on estimates and assumptions of market participant revenues, EBITDA margin, network build-out period and a long-term growth rate for a market participant. The cash flows are discounted using a weighted average cost of capital.

The valuation approaches utilized to estimate fair value for the purposes of the impairment tests of goodwill and spectrum licenses require the use of assumptions and estimates, which involve a degree of uncertainty. If actual results or future expectations are not consistent with the assumptions, this may result in the recording of significant impairment charges on goodwill or spectrum licenses. The most significant assumptions within the valuation models are the discount rate, revenues, EBITDA margins, capital expenditures and the long-term growth rate. See Note 1 – Summary of Significant Accounting Policies and Note 6 – Goodwill, Spectrum License Transactions and Other Intangible Assets of the Notes to the Consolidated Financial Statements for information regarding our annual impairment test and impairment charges.

Income Taxes

Deferred tax assets and liabilities are recognized based on temporary differences between the financial statement and tax bases of assets and liabilities using enacted tax rates expected to be in effect when these differences are realized. A valuation allowance is recorded when it is more likely than not that some portion or all of a deferred tax asset will not be realized. The ultimate realization of a deferred tax asset depends on the ability to generate sufficient taxable income of the appropriate character and in the appropriate taxing jurisdictions within the carryforward periods available.

We account for uncertainty in income taxes recognized in the financial statements in accordance with the accounting guidance for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. We assess whether it is more likely than not that a tax position will be sustained upon examination based on the technical merits of the position and adjust the unrecognized tax benefits in light of changes in facts and circumstances, such as changes in tax law, interactions with taxing authorities and developments in case law.

Accounting Pronouncements Not Yet Adopted

See Note 1 – Summary of Significant Accounting Policies of the Notes to the Consolidated Financial Statements for information regarding recently issued accounting standards.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

We are exposed to economic risks in the normal course of business, primarily from changes in interest rates, including changes in investment yields and changes in spreads due to credit risk and other factors. These risks, along with other business risks, impact our cost of capital. Our policy is to manage exposure related to fluctuations in interest rates in order to manage capital costs, control financial risks and maintain financial flexibility over the long term. We have established interest rate risk limits that are closely monitored by measuring interest rate sensitivities of our debt portfolio. We do not foresee significant changes in the strategies used to manage market risk in the near future.

We are exposed to changes in interest rates on our Incremental Term Loan Facility with DT, our majority stockholder. See Note 8 – Debt of the Notes to the Consolidated Financial Statements for further information.

To perform the sensitivity analysis, we selected hypothetical changes in market rates that are expected to reflect reasonably possible near-term changes in those rates. We assessed the risk of a change in the fair value from the effect of a hypothetical interest rate change for 30-day LIBOR rates of positive 150 and negative 50 basis points. In cases where the debt is redeemable and the fair value calculation results in a liability greater than the cost to replace the debt, the maximum liability is assumed to

be no greater than the current cost to redeem the debt. As of December 31, 2019, the change in the fair value of our Incremental Term Loan Facility, based on this hypothetical change, is shown in the table below:

(in millions)	Carrying Amount	Fair Value	Fair Value Assuming	
			+150 Basis Point Shift	-50 Basis Point Shift
LIBOR plus 1.50% Senior Secured Term Loan due 2022	$ 2,000	$ 2,000	$ 1,966	$ 2,000
LIBOR plus 1.75% Senior Secured Term Loan due 2024	2,000	2,000	1,956	2,000

We are exposed to changes in the benchmark interest rate associated with our interest rate lock derivatives. See Note 7 – Fair Value Measurements of the Notes to the Consolidated Financial Statements for further information.

To perform the sensitivity analysis, we selected hypothetical changes in market rates that are expected to reflect reasonably possible near-term changes in those rates. We assessed the risk of a change in fair value from the effect of a hypothetical interest rate change for eight and 10-year LIBOR swap rates of positive 200 and negative 100 basis points. As of December 31, 2019, the change in the fair value of our interest rate lock derivatives, based on this hypothetical change, is shown in the table below:

(in millions)	Fair Value	Fair Value Assuming	
		+200 Basis Point Shift	-100 Basis Point Shift
Interest rate lock derivatives	$ (1,170)	$ 410	$ (2,077)

Item 8. Financial Statements and Supplementary Data

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of T-Mobile US, Inc.

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheets of T-Mobile US, Inc. and its subsidiaries (the “Company”) as of December 31, 2019 and 2018, and the related consolidated statements of comprehensive income, of stockholders’ equity and of cash flows for each of the three years in the period ended December 31, 2019, including the related notes (collectively referred to as the “consolidated financial statements”). We also have audited the Company's internal control over financial reporting as of December 31, 2019, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2019 and 2018, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2019 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2019, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the COSO.

Changes in Accounting Principles

As discussed in Note 1 to the consolidated financial statements, the Company changed the manner in which it accounts for leases in 2019 and the manner in which it accounts for revenues in 2018.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in Management’s Annual Report on Internal Control over Financial Reporting appearing under Item 9A. Our responsibility is to express opinions on the Company’s consolidated financial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control over Financial Reporting

A company’s internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the

company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matters

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that (i) relates to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Adoption of Leases Standard

As described in Notes 1 and 15 to the consolidated financial statements, the Company has adopted the new accounting standard on Leases, on January 1, 2019, by recognizing and measuring leases at the adoption date with a cumulative effect of initially applying the guidance recognized at the date of initial application. As a result, among other adjustments, the Company recognized operating lease right-of-use assets of $9,251 million and operating lease liabilities of $11,364 million on the balance sheet on the date of adoption. As of December 31, 2019, the carrying amounts of operating and finance lease right-of-use assets were $10,933 million and $2,715 million respectively and operating and finance lease liabilities were $12,826 million and $2,303 million respectively. The Company recorded $3,406 million of lease expense during the year. Management also reassessed the previously failed sale-leasebacks of certain T-Mobile-owned wireless communication tower sites to determine whether the transfer of the assets to the tower operator under the arrangement met the transfer of control criteria in the revenue standard and whether a sale should be recognized. This reassessment resulted in (i) assets relating to 6,200 tower sites transferred pursuant to a master prepaid lease arrangement continuing to be accounted for as failed sale-leasebacks; (ii) a sale being recognized for 1,400 tower sites sold that were not associated with the master prepaid lease. Upon adoption, the Company derecognized its existing long-term financial obligation and the tower-related property and equipment associated with these 1,400 previously failed sale-leaseback tower sites and recognized a lease liability and right-of-use asset for the leaseback of the tower sites.

The principal considerations for our determination that performing procedures relating to the adoption of the lease standard is a critical audit matter are (i) there was significant judgment by management in applying the lease standard to a large volume of leases in the company's lease portfolio; (ii) implementation of new lease accounting systems resulted in material changes to the Company's internal control over financial reporting; and (iii) significant judgment in the application of the standard relating to sale-leaseback accounting. This in turn led to a high degree of auditor judgment, subjectivity, and effort in performing procedures and evaluating audit evidence related to the implementation of new lease accounting systems and management's significant judgments, including the assessment of the previously failed sale-leaseback tower sites. The audit effort involved the use of professionals with specialized skill and knowledge to assist in evaluating the audit evidence obtained from the procedures.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to the adoption of the new standard on the Company's various lease portfolios, including those associated with previously failed sale-leaseback transactions and testing of controls over the implementation and functionality of the new lease accounting systems. The procedures also included, among others, testing the completeness and accuracy of management's identification of the leases in the Company's lease portfolios and evaluating the reasonableness of significant judgments made by management to identify contractual terms in lease arrangements that impact the determination of the right-of-use asset and lease liability amount recognized. Professionals with specialized skill and knowledge were used to assist with the evaluation of previous failed sales-leaseback tower sites.

/s/ PricewaterhouseCoopers LLP
Seattle, Washington
February 6, 2020

We have served as the Company's auditor since 2001.

T-Mobile US, Inc.
Consolidated Balance Sheets

(in millions, except share and per share amounts)	December 31, 2019	December 31, 2018
Assets		
Current assets		
Cash and cash equivalents	$ 1,528	$ 1,203
Accounts receivable, net of allowances of $61 and $67	1,888	1,769
Equipment installment plan receivables, net	2,600	2,538
Accounts receivable from affiliates	20	11
Inventory	964	1,084
Other current assets	2,305	1,676
Total current assets	9,305	8,281
Property and equipment, net	21,984	23,359
Operating lease right-of-use assets	10,933	—
Financing lease right-of-use assets	2,715	—
Goodwill	1,930	1,901
Spectrum licenses	36,465	35,559
Other intangible assets, net	115	198
Equipment installment plan receivables due after one year, net	1,583	1,547
Other assets	1,891	1,623
Total assets	$ 86,921	$ 72,468
Liabilities and Stockholders' Equity		
Current liabilities		
Accounts payable and accrued liabilities	$ 6,746	$ 7,741
Payables to affiliates	187	200
Short-term debt	25	841
Deferred revenue	631	698
Short-term operating lease liabilities	2,287	—
Short-term financing lease liabilities	957	—
Other current liabilities	1,673	787
Total current liabilities	12,506	10,267
Long-term debt	10,958	12,124
Long-term debt to affiliates	13,986	14,582
Tower obligations	2,236	2,557
Deferred tax liabilities	5,607	4,472
Operating lease liabilities	10,539	—
Financing lease liabilities	1,346	—
Deferred rent expense	—	2,781
Other long-term liabilities	954	967
Total long-term liabilities	45,626	37,483
Commitments and contingencies (Note 16)		
Stockholders' equity		
Common Stock, par value $0.00001 per share, 1,000,000,000 shares authorized; 858,418,615 and 851,675,119 shares issued, 856,905,400 and 850,180,317 shares outstanding	—	—
Additional paid-in capital	38,498	38,010
Treasury stock, at cost,1,513,215 and 1,494,802 shares issued	(8)	(6)
Accumulated other comprehensive loss	(868)	(332)
Accumulated deficit	(8,833)	(12,954)
Total stockholders' equity	28,789	24,718
Total liabilities and stockholders' equity	$ 86,921	$ 72,468

The accompanying notes are an integral part of these Consolidated Financial Statements.

T-Mobile US, Inc.
Consolidated Statements of Comprehensive Income

	Year Ended December 31,		
(in millions, except share and per share amounts)	**2019**	**2018**	**2017**
Revenues			
Branded postpaid revenues	$ 22,673	$ 20,862	$ 19,448
Branded prepaid revenues	9,543	9,598	9,380
Wholesale revenues	1,279	1,183	1,102
Roaming and other service revenues	499	349	230
Total service revenues	33,994	31,992	30,160
Equipment revenues	9,840	10,009	9,375
Other revenues	1,164	1,309	1,069
Total revenues	44,998	43,310	40,604
Operating expenses			
Cost of services, exclusive of depreciation and amortization shown separately below	6,622	6,307	6,100
Cost of equipment sales, exclusive of depreciation and amortization shown separately below	11,899	12,047	11,608
Selling, general and administrative	14,139	13,161	12,259
Depreciation and amortization	6,616	6,486	5,984
Gains on disposal of spectrum licenses	—	—	(235)
Total operating expenses	39,276	38,001	35,716
Operating income	5,722	5,309	4,888
Other income (expense)			
Interest expense	(727)	(835)	(1,111)
Interest expense to affiliates	(408)	(522)	(560)
Interest income	24	19	17
Other expense, net	(8)	(54)	(73)
Total other expense, net	(1,119)	(1,392)	(1,727)
Income before income taxes	4,603	3,917	3,161
Income tax (expense) benefit	(1,135)	(1,029)	1,375
Net income	$ 3,468	$ 2,888	$ 4,536
Dividends on preferred stock	—	—	(55)
Net income attributable to common stockholders	$ 3,468	$ 2,888	$ 4,481
Net income	$ 3,468	$ 2,888	$ 4,536
Other comprehensive (loss) income, net of tax			
Unrealized gain on available-for-sale securities, net of tax effect of $0, $0, and $2	—	—	7
Unrealized loss on cash flow hedges, net of tax effect of $(187), $(115), and $0	(536)	(332)	—
Other comprehensive (loss) income	(536)	(332)	7
Total comprehensive income	$ 2,932	$ 2,556	$ 4,543
Earnings per share			
Basic	$ 4.06	$ 3.40	$ 5.39
Diluted	$ 4.02	$ 3.36	$ 5.20
Weighted average shares outstanding			
Basic	854,143,751	849,744,152	831,850,073
Diluted	863,433,511	858,290,174	871,787,450

The accompanying notes are an integral part of these Consolidated Financial Statements.

T-Mobile US, Inc.
Consolidated Statements of Cash Flows

	Year Ended December 31,		
(in millions)	**2019**	**2018**	**2017**
Operating activities			
Net income	$ 3,468	$ 2,888	$ 4,536
Adjustments to reconcile net income to net cash provided by operating activities			
Depreciation and amortization	6,616	6,486	5,984
Stock-based compensation expense	495	424	306
Deferred income tax expense (benefit)	1,091	980	(1,404)
Bad debt expense	307	297	388
Losses from sales of receivables	130	157	299
Deferred rent expense	—	26	76
Losses on redemption of debt	19	122	86
Gains on disposal of spectrum licenses	—	—	(235)
Changes in operating assets and liabilities			
Accounts receivable	(3,709)	(4,617)	(3,931)
Equipment installment plan receivables	(1,015)	(1,598)	(1,812)
Inventories	(617)	(201)	(844)
Operating lease right-of-use assets	1,896	—	—
Other current and long-term assets	(144)	(181)	(575)
Accounts payable and accrued liabilities	17	(867)	1,079
Short and long-term operating lease liabilities	(2,131)	—	—
Other current and long-term liabilities	144	(69)	(233)
Other, net	257	52	111
Net cash provided by operating activities	6,824	3,899	3,831
Investing activities			
Purchases of property and equipment, including capitalized interest of $473, $362 and $136	(6,391)	(5,541)	(5,237)
Purchases of spectrum licenses and other intangible assets, including deposits	(967)	(127)	(5,828)
Proceeds from sales of tower sites	38	—	—
Proceeds related to beneficial interests in securitization transactions	3,876	5,406	4,319
Net cash related to derivative contracts under collateral exchange arrangements	(632)	—	—
Acquisition of companies, net of cash acquired	(31)	(338)	—
Other, net	(18)	21	1
Net cash used in investing activities	(4,125)	(579)	(6,745)
Financing activities			
Proceeds from issuance of long-term debt	—	2,494	10,480
Proceeds from borrowing on revolving credit facility	2,340	6,265	2,910
Repayments of revolving credit facility	(2,340)	(6,265)	(2,910)
Repayments of financing lease obligations	(798)	(700)	(486)
Repayments of short-term debt for purchases of inventory, property and equipment, net	(775)	(300)	(300)
Repayments of long-term debt	(600)	(3,349)	(10,230)
Repurchases of common stock	—	(1,071)	(427)
Tax withholdings on share-based awards	(156)	(146)	(166)
Dividends on preferred stock	—	—	(55)
Cash payments for debt prepayment or debt extinguishment costs	(28)	(212)	(188)
Other, net	(17)	(52)	5
Net cash used in financing activities	(2,374)	(3,336)	(1,367)
Change in cash and cash equivalents	325	(16)	(4,281)
Cash and cash equivalents			
Beginning of period	1,203	1,219	5,500
End of period	$ 1,528	$ 1,203	$ 1,219
Supplemental disclosure of cash flow information			
Interest payments, net of amounts capitalized	$ 1,128	$ 1,525	$ 2,028
Operating lease payments [1]	2,783	—	—
Income tax payments	88	51	31
Non-cash investing and financing activities			
Non-cash beneficial interest obtained in exchange for securitized receivables	$ 6,509	$ 4,972	$ 4,063
(Decrease) increase in accounts payable for purchases of property and equipment	(935)	65	313
Leased devices transferred from inventory to property and equipment	1,006	1,011	1,131
Returned leased devices transferred from property and equipment to inventory	(267)	(326)	(742)
Short-term debt assumed for financing of property and equipment	800	291	292
Operating lease right-of-use assets obtained in exchange for lease obligations	3,621	—	—
Financing lease right-of-use assets obtained in exchange for lease obligations	1,041	885	887

(1) On January 1, 2019, we adopted Accounting Standards Update ("ASU") 2016-02, "Leases (Topic 842)," which requires certain supplemental cash flow disclosures. Where these disclosures or a comparable figure were not required under the former lease standard, we have not retrospectively presented historical amounts. See Note 1 – Summary of Significant Accounting Policies for additional details.

The accompanying notes are an integral part of these Consolidated Financial Statements.

T-Mobile US, Inc.
Consolidated Statement of Stockholders' Equity

(in millions, except shares)	Preferred Stock Outstanding	Common Stock Outstanding	Treasury Shares at Cost	Par Value and Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total Stockholders' Equity
Balance as of December 31, 2016	20,000,000	826,357,331	$ (1)	$ 38,846	$ 1	$ (20,610)	$ 18,236
Net income	—	—	—	—	—	4,536	4,536
Other comprehensive income	—	—	—	—	7	—	7
Stock-based compensation	—	—	—	344	—	—	344
Exercise of stock options	—	450,493	—	19	—	—	19
Stock issued for employee stock purchase plan	—	1,832,043	—	82	—	—	82
Issuance of vested restricted stock units	—	8,338,271	—	—	—	—	—
Shares withheld related to net share settlement of stock awards and stock options	—	(2,754,721)	—	(166)	—	—	(166)
Mandatory conversion of preferred shares to common shares	(20,000,000)	32,237,983	—	—	—	—	—
Repurchases of common stock	—	(7,010,889)	—	(444)	—	—	(444)
Transfer RSU to NQDC plan	—	(43,860)	(3)	3	—	—	—
Dividends on preferred stock	—	—	—	(55)	—	—	(55)
Balance as of December 31, 2017	—	859,406,651	(4)	38,629	8	(16,074)	22,559
Net income	—	—	—	—	—	2,888	2,888
Other comprehensive loss	—	—	—	—	(332)	—	(332)
Stock-based compensation	—	—	—	473	—	—	473
Exercise of stock options	—	187,965	—	3	—	—	3
Stock issued for employee stock purchase plan	—	2,011,794	—	103	—	—	103
Issuance of vested restricted stock units	—	7,448,148	—	—	—	—	—
Issuance of restricted stock awards	—	225,799	—	—	—	—	—
Shares withheld related to net share settlement of stock awards and stock options	—	(2,321,827)	—	(146)	—	—	(146)
Repurchases of common stock	—	(16,738,758)	—	(1,054)	—	—	(1,054)
Transfer RSU from NQDC plan	—	(39,455)	(2)	2	—	—	—
Prior year Retained Earnings[(1)]	—	—	—	—	(8)	232	224
Balance as of December 31, 2018	—	850,180,317	(6)	38,010	(332)	(12,954)	24,718
Net income	—	—	—	—	—	3,468	3,468
Other comprehensive loss	—	—	—	—	(536)	—	(536)
Stock-based compensation	—	—	—	517	—	—	517
Exercise of stock options	—	85,083	—	1	—	—	1
Stock issued for employee stock purchase plan	—	2,091,650	—	124	—	—	124
Issuance of vested restricted stock units	—	6,685,950	—	—	—	—	—
Forfeiture of restricted stock awards	—	(24,682)	—	—	—	—	—
Shares withheld related to net share settlement of stock awards and stock options	—	(2,094,555)	—	(156)	—	—	(156)
Transfer RSU from NQDC plan	—	(18,363)	(2)	2	—	—	—
Prior year Retained Earnings[(1)]	—	—	—	—	—	653	653
Balance as of December 31, 2019	—	856,905,400	$ (8)	$ 38,498	$ (868)	$ (8,833)	$ 28,789

(1) Prior year Retained Earnings represents the impact of the adoption of new accounting standards on beginning Accumulated Deficit and Accumulated Other Comprehensive Loss. See Note 1 – Summary of Significant Accounting Policies for further information.

The accompanying notes are an integral part of these Consolidated Financial Statements

T-Mobile US, Inc.
Index for Notes to the Consolidated Financial Statements

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T-Mobile US, Inc.
Notes to the Consolidated Financial Statements

Note 1 – Summary of Significant Accounting Policies

Description of Business

T-Mobile US, Inc. (“T-Mobile,” “we,” “our,” “us” or the “Company”), together with its consolidated subsidiaries, is a leading provider of mobile communications services, including voice, messaging and data, under its flagship brands, T-Mobile and Metro™ by T-Mobile ("Metro by T-Mobile"), in the United States (“U.S.”), Puerto Rico and the U.S. Virgin Islands. All of our revenues were earned in, and all of our long-lived assets are located in, the U.S., Puerto Rico and the U.S. Virgin Islands. We provide mobile communications services primarily using our 4G Long-Term Evolution (“LTE”) network and our newly deployed 5G technology network. We also offer a wide selection of wireless devices, including handsets, tablets and other mobile communication devices, and accessories for sale, as well as financing through Equipment Installment Plans (“EIP”) and leasing through JUMP! On Demand™. Additionally, we provide reinsurance for handset insurance policies and extended warranty contracts offered to our mobile communications customers.

Basis of Presentation

The consolidated financial statements include the balances and results of operations of T-Mobile and our consolidated subsidiaries. We consolidate majority-owned subsidiaries over which we exercise control, as well as variable interest entities (“VIE”) where we are deemed to be the primary beneficiary and VIEs, which cannot be deconsolidated, such as those related to Tower obligations. Intercompany transactions and balances have been eliminated in consolidation. We operate as a single operating segment.

The preparation of financial statements in conformity with U.S. generally accepted accounting principles (“GAAP”) requires our management to make estimates and assumptions which affect the financial statements and accompanying notes. Estimates are based on historical experience, where applicable, and other assumptions which our management believes are reasonable under the circumstances. These estimates are inherently subject to judgment and actual results could differ from these estimates.

Certain prior year amounts have been reclassified to conform to the current year's presentation. See “Accounting Pronouncements Adopted During the Current Year” below.

Cash and Cash Equivalents

Cash equivalents consist of highly liquid money market funds and U.S. Treasury securities with remaining maturities of three months or less at the date of purchase.

Receivables and Allowance for Credit Losses

Accounts receivable consist primarily of amounts currently due from customers, other carriers and third-party retail channels. Accounts receivable not held for sale are reported in the balance sheet at outstanding principal adjusted for any charge-offs and the allowance for credit losses. Accounts receivable held for sale are reported at the lower of amortized cost or fair value. We have an arrangement to sell the majority of service accounts receivable on a revolving basis, which are treated as sales of financial assets.

We offer certain retail customers the option to pay for their devices and certain other purchases in installments typically over a period of 24, but up to 36, months using an EIP. EIP receivables not held for sale are reported in our Consolidated Balance Sheets at outstanding principal adjusted for any charge-offs, allowance for credit losses and unamortized discounts. At the time of an installment sale, we impute a discount for interest if the EIP term exceeds 12 months as there is no stated rate of interest on the EIP receivables. The EIP receivables are recorded at their present value, which is determined by discounting future cash payments at the imputed interest rate. The difference between the recorded amount of the EIP receivables and their unpaid principal balance (i.e., the contractual amount due from the customer) results in a discount which is allocated to the performance obligations in the arrangement and recorded as a reduction in transaction price in Total service revenues and Equipment revenues in our Consolidated Statements of Comprehensive Income. We determine the imputed discount rate based primarily on current market interest rates and the estimated credit risk on the EIP receivables. As a result, we do not recognize a separate credit loss allowance at the time of issuance as the effects of uncertainty about future cash flows resulting from credit risk are included in the initial present value measurement of the receivable. The imputed discount on EIP receivables is

amortized over the financed installment term using the effective interest method and recognized as Other revenues in our Consolidated Statements of Comprehensive Income.

Subsequent to the initial determination of the imputed discount, we assess the need for and, if necessary, recognize an allowance for credit losses to the extent the amount of estimated probable losses on the gross EIP receivable balances exceed the remaining unamortized imputed discount balances.

Total imputed discount and allowances were approximately 7.0% and 8.1% of the total amount of gross accounts receivable, including EIP receivables, at December 31, 2019 and 2018, respectively.

The current portion of the EIP receivables is included in Equipment installment plan receivables, net and the long-term portion of the EIP receivables is included in Equipment installment plan receivables due after one year, net in our Consolidated Balance Sheets. We have an arrangement to sell certain EIP receivables on a revolving basis, which are treated as sales of financial assets.

We maintain an allowance for credit losses and determine its appropriateness through an established process that assesses the losses inherent in our receivables portfolio. We develop and document our allowance methodology at the portfolio segment level - accounts receivable portfolio and EIP receivable portfolio segments. While we attribute portions of the allowance to our respective accounts receivable and EIP portfolio segments, the entire allowance is available to absorb credit losses inherent in the total receivables portfolio.

Our process involves procedures to appropriately consider the unique risk characteristics of our accounts receivable and EIP receivable portfolio segments. For each portfolio segment, losses are estimated collectively for groups of receivables with similar characteristics. Our allowance levels are influenced by receivable volumes, receivable delinquency status, historical loss experience and other conditions influencing loss expectations, such as macro-economic conditions.

Inventories

Inventories consist primarily of wireless devices and accessories, which are valued at the lower of cost or net realizable value. Cost is determined using standard cost which approximates average cost. Shipping and handling costs paid to wireless device and accessories vendors, and costs to refurbish used devices recovered through our device upgrade programs are included in the standard cost of inventory. Net realizable value is the estimated selling price in the ordinary course of business, less reasonably predictable costs of completion, disposal, and transportation. We record inventory write-downs to net realizable value for obsolete and slow-moving items based on inventory turnover trends and historical experience.

Long-Lived Assets

Long-lived assets include assets that do not have indefinite lives, such as property and equipment and other intangible assets. All of our long-lived assets are located in the U.S., including Puerto Rico and the U.S. Virgin Islands. We assess potential impairments to our long-lived assets when events or changes in circumstances indicate the carrying amount of the asset may not be recoverable. If any indicators of impairment are present, we test recoverability. The carrying value of a long-lived asset or asset group is not recoverable if it exceeds the sum of the undiscounted cash flows expected to be generated from the use and eventual disposition of the asset or asset group. If the undiscounted cash flows do not exceed the asset or asset group’s carrying amount, then an impairment loss is recorded, measured as the amount by which the carrying amount of a long-lived asset or asset group exceeds its fair value.

Property and Equipment

Property and equipment consists of buildings and equipment, wireless communications systems, leasehold improvements, capitalized software, leased wireless devices and construction in progress. Buildings and equipment include certain network server equipment. Wireless communications systems include assets to operate our wireless network and IT data centers, including tower assets and leasehold improvements and assets related to the liability for the retirement of long-lived assets. Leasehold improvements include asset improvements other than those related to the wireless network.

Property and equipment are recorded at cost less accumulated depreciation and impairments, if any, in Property and equipment, net on our Consolidated Balance Sheets. We generally depreciate property and equipment over the period the property and equipment provide economic benefit. Depreciable life studies are performed periodically to confirm the appropriateness of depreciable lives for certain categories of property and equipment. These studies take into account actual usage, physical wear

and tear, replacement history and assumptions about technology evolution. When these factors indicate the useful life of an asset is different from the previous assessment, the remaining book value is depreciated prospectively over the adjusted remaining estimated useful life. Leasehold improvements are depreciated over the shorter of their estimated useful lives or the related lease term.

JUMP! On Demand allows customers to lease a device over a period of up to 18 months and upgrade it for a new device up to one time per month. To date, all of our leased devices were classified as operating leases. At operating lease inception, leased wireless devices are transferred from inventory to property and equipment. Leased wireless devices are depreciated to their estimated residual value over the period expected to provide utility to us, which is generally shorter than the lease term and considers expected losses. Revenues associated with the leased wireless devices, net of incentives, are generally recognized over the lease term. Upon device upgrade or at lease end, customers must return or purchase their device. Returned devices transferred from Property and equipment, net are recorded as inventory and are valued at the lower of cost or net realizable value with any write-down recognized as Cost of equipment sales in our Consolidated Statements of Comprehensive Income.

Costs of major replacements and improvements are capitalized. Repair and maintenance expenditures which do not enhance or extend the asset’s useful life are charged to operating expenses as incurred. Construction costs, labor and overhead incurred in the expansion or enhancement of our wireless network are capitalized. Capitalization commences with pre-construction period administrative and technical activities, which includes obtaining leases, zoning approvals and building permits, and ceases at the point at which the asset is ready for its intended use. We capitalize interest associated with the acquisition or construction of certain property and equipment. Capitalized interest is reported as a reduction in interest expense and depreciated over the useful life of the related assets.

We record an asset retirement obligation for the fair value of legal obligations associated with the retirement of tangible long-lived assets and a corresponding increase in the carrying amount of the related asset in the period in which the obligation is incurred. In periods subsequent to initial measurement, we recognize changes in the liability resulting from the passage of time and revisions to either the timing or the amount of the original estimate. Over time, the liability is accreted to its present value and the capitalized cost is depreciated over the estimated useful life of the asset. Our obligations relate primarily to certain legal obligations to remediate leased property on which our network infrastructure and administrative assets are located.

We capitalize certain costs incurred in connection with developing or acquiring internal use software. Capitalization of software costs commences once the final selection of the specific software solution has been made and management authorizes and commits to funding the software project. Capitalized software costs are included in Property and equipment, net in our Consolidated Balance Sheets and are amortized on a straight-line basis over the estimated useful life of the asset. Costs incurred during the preliminary project stage, as well as maintenance and training costs, are expensed as incurred.

Other Intangible Assets

Intangible assets that do not have indefinite useful lives are amortized over their estimated useful lives. Customer lists are amortized using the sum-of-the-years'-digits method over the expected period in which the relationship is expected to contribute to future cash flows. The remaining finite-lived intangible assets are amortized using the straight-line method.

Goodwill and Indefinite-Lived Intangible Assets

Goodwill

Goodwill consists of the excess of the purchase price over the fair value of identifiable net assets acquired in a business combination. Goodwill is allocated to our two reporting units, wireless and Layer3.

Spectrum Licenses

Spectrum licenses are carried at costs incurred to acquire the spectrum licenses and the costs to prepare the spectrum licenses for their intended use, such as costs to clear acquired spectrum licenses. The Federal Communications Commission (“FCC”) issues spectrum licenses which provide us with the exclusive right to utilize designated radio frequency spectrum within specific geographic service areas to provide wireless communications services. While spectrum licenses are issued for a fixed period of time, typically for up to fifteen years, the FCC has granted license renewals routinely and at a nominal cost. The spectrum licenses held by us expire at various dates. We believe we will be able to meet all requirements necessary to secure renewal of our spectrum licenses at nominal costs. Moreover, we determined there are currently no legal, regulatory, contractual, competitive, economic or other factors that limit the useful lives of our spectrum licenses. Therefore, we determined the spectrum licenses should be treated as indefinite-lived intangible assets.

At times, we enter into agreements to sell or exchange spectrum licenses. Upon entering into the arrangement, if the transaction has been deemed to have commercial substance, spectrum licenses are reviewed for impairment and transferred at their carrying value, net of any impairment, to assets held for sale included in Other current assets in our Consolidated Balance Sheets until approval and completion of the exchange or sale. Upon closing of the transaction, spectrum licenses acquired as part of an exchange of nonmonetary assets are valued at fair value and the difference between the fair value of the spectrum licenses obtained, book value of the spectrum licenses transferred and cash paid, if any, is recognized as a gain and included in Gains on disposal of spectrum licenses in our Consolidated Statements of Comprehensive Income. Our fair value estimates of spectrum licenses are based on information for which there is little or no observable market data. If the transaction lacks commercial substance or the fair value is not measurable, the acquired spectrum licenses are recorded at the book value of the assets transferred or exchanged.

Impairment

We assess the carrying value of our goodwill and other indefinite-lived intangible assets, such as our spectrum licenses, for potential impairment annually as of December 31, or more frequently if events or changes in circumstances indicate such assets might be impaired.

When assessing goodwill for impairment we may elect to first perform a qualitative assessment for a reporting unit to determine if the quantitative impairment test is necessary. If we do not perform a qualitative assessment, or if the qualitative assessment indicates it is more likely than not that the fair value of the two reporting units, wireless and Layer3, is less than its carrying amount, we perform a quantitative test. We recognize an impairment charge for the amount by which the carrying amount exceeds the reporting unit's fair value; however, the loss recognized would not exceed the total amount of goodwill allocated to that reporting unit.

We test our spectrum licenses for impairment on an aggregate basis, consistent with our management of the overall business at a national level. We may elect to first perform a qualitative assessment to determine whether it is more likely than not that the fair value of an intangible asset is less than its carrying value. If we do not perform the qualitative assessment, or if the qualitative assessment indicates it is more likely than not that the fair value of the intangible asset is less than its carrying amount, we calculate the estimated fair value of the intangible asset. If the estimated fair value of the spectrum licenses is lower than their carrying amount, an impairment loss is recognized for the difference. We estimate fair value using the Greenfield methodology, which is an income approach based on discounted cash flows associated with the intangible asset, to estimate the price at which an orderly transaction to sell the asset would take place between market participants at the measurement date under current market conditions.

Guarantee Liabilities

We offer a device trade-in program, Just Upgrade My Phone ("JUMP!"), which provides eligible customers a specified-price trade-in right to upgrade their device. Upon enrollment, participating customers must finance the purchase of a device on an EIP and have a qualifying T-Mobile monthly wireless service plan, which is treated as an arrangement with multiple performance obligations when entered into at or near the same time. Upon a qualifying JUMP! program upgrade, the customer's remaining EIP balance is settled provided they trade-in their eligible used device in good working condition and purchase a new device from us on a new EIP.

For customers who enroll in JUMP!, we recognize a liability and reduce revenue for the portion of revenue which represents the estimated fair value of the specified-price trade-in right guarantee. The guarantee liability is valued based on various economic and customer behavioral assumptions, which requires judgment, including estimating the customer's remaining EIP balance at trade-in, the expected fair value of the used device at trade-in, and the probability and timing of trade-in. When customers upgrade their device, the difference between the EIP balance credit to the customer and the fair value of the returned device is recorded against the guarantee liabilities. All assumptions are reviewed periodically.

Fair Value Measurements

We carry certain assets and liabilities at fair value. Fair value is defined as an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The three-tier hierarchy for inputs used in measuring fair value, which prioritizes the inputs based on the observability as of the measurement date, is as follows:

Level 1 Quoted prices in active markets for identical assets or liabilities;
Level 2 Observable inputs other than the quoted prices in active markets for identical assets and liabilities; and
Level 3 Unobservable inputs for which there is little or no market data, which require us to develop assumptions of what market participants would use in pricing the asset or liability.

Assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. Our assessment of the significance of a particular input to the fair value measurement requires judgment, and may affect the placement of assets and liabilities being measured within the fair value hierarchy.

The carrying values of cash and cash equivalents, short-term investments, accounts receivable, accounts receivable from affiliates and accounts payable approximate fair value due to the short-term maturities of these instruments. The carrying values of EIP receivables approximate fair value as the receivables are recorded at their present value, net of unamortized discount and allowance for credit losses. There were no financial instruments with a carrying value materially different from their fair value, based on quoted market prices or rates for the same or similar instruments, or internal valuation models.

Derivative Financial Instruments

Derivative financial instruments are recognized as either assets or liabilities and are measured at fair value. We do not use derivatives for trading or speculative purposes.

For derivative instruments designated as cash flow hedges associated with forecasted debt issuances, changes in fair value are reported as a component of Accumulated other comprehensive loss until reclassified into Interest expense in the same period the hedged transaction affects earnings, generally over the life of the related debt. Unrealized gains on derivatives designated as cash flow hedges are recorded at fair value as assets, and unrealized losses on derivatives designated as cash flow hedges are recorded at fair value as liabilities.

Revenue Recognition (effective January 1, 2018)

We primarily generate our revenue from providing wireless services to customers and selling or leasing devices and accessories. Our contracts with customers may involve multiple performance obligations, which include wireless services, wireless devices or a combination thereof, and we allocate the transaction price between each performance obligation based on its relative standalone selling price.

Significant Judgments

The most significant judgments affecting the amount and timing of revenue from contracts with our customers include the following items:

- Revenue for service contracts that we assess are not probable of collection is not recognized until the contract is completed or terminated and cash is received. Collectibility is re-assessed when there is a significant change in facts or circumstances. Our assessment of collectibility considers whether we may limit our exposure to credit risk through our right to stop transferring additional service in the event the customer is delinquent as well as certain contract terms such as down payments that reduce our exposure to credit risk. Customer credit behavior is inherently uncertain. See “Receivables and Allowance for Credit Losses”, above, for more discussion on how we assess credit risk.

- Promotional EIP bill credits offered to a customer on an equipment sale that are paid over time and are contingent on the customer maintaining a service contract may result in an extended service contract based on whether a substantive penalty is deemed to exist. Determining whether contingent EIP bill credits result in a substantive termination penalty may require significant judgment.

- The identification of distinct performance obligations within our service plans may require significant judgment.

- Revenue is recorded net of costs paid to another party for performance obligations where we arrange for the other party to transfer goods or services to the customer (i.e., when we are acting as an agent). For example, performance obligations relating to services provided by third-party content providers where we neither control a right to the content provider’s service nor control the underlying service itself are presented net because we are acting as an agent. The determination of whether we control the underlying service or right to the service prior to our transfer to the customer requires, at times, significant judgment.

- For transactions where we recognize a significant financing component, judgment is required to determine the discount rate. For EIP sales, the discount rate used to adjust the transaction price primarily reflects current market interest rates and the estimated credit risk of the customer. Customer credit behavior is inherently uncertain. See “Receivables and Allowance for Credit Losses”, above, for more discussion on how we assess credit risk.

- Our products are generally sold with a right of return, which is accounted for as variable consideration when estimating the amount of revenue to recognize. Device return levels are estimated based on the expected value method as there are a large number of contracts with similar characteristics and the outcome of each contract is independent of the others. Historical return rate experience is a significant input to our expected value methodology.

- Sales of equipment to indirect dealers who have been identified as our customer (referred to as the sell-in model) often include credits subsequently paid to the dealer as a reimbursement for any discount promotions offered to the end consumer. These credits (payments to a customer) are accounted for as variable consideration when estimating the amount of revenue to recognize from the sales of equipment to indirect dealers and are estimated based on historical experience and other factors, such as expected promotional activity.

- The determination of the standalone selling price for contracts that involve more than one performance obligation may require significant judgment, such as when the selling price of a good or service is not readily observable.

- For capitalized contract costs, determining the amortization period over which such costs are recognized as well as assessing the indicators of impairment may require significant judgment.

Wireless Services Revenue

We generate our wireless services revenues from providing access to, and usage of, our wireless communications network. Service revenues also include revenues earned for providing value added services to customers, such as handset insurance services. Service contracts are billed monthly either in advance or arrears, or are prepaid. Generally, service revenue is recognized as we satisfy our performance obligation to transfer service to our customers. We typically satisfy our stand-ready performance obligations, including unlimited wireless services, evenly over the contract term. For usage-based and prepaid wireless services, we satisfy our performance obligations when services are rendered.

Consideration payable to a customer is treated as a reduction of the total transaction price, unless the payment is in exchange for a distinct good or service, such as certain commissions paid to dealers.

Federal Universal Service Fund (“USF”) and other fees are assessed by various governmental authorities in connection with the services we provide to our customers and are included in Cost of services. When we separately bill and collect these regulatory fees from customers, they are recorded gross in Total service revenues in our Consolidated Statements of Comprehensive Income. For the years ended December 31, 2019, 2018 and 2017, we recorded approximately $93 million, $161 million and $258 million, respectively, of USF fees on a gross basis.

We have made an accounting policy election to exclude from the measurement of the transaction price all taxes assessed by a governmental authority that are both imposed on and concurrent with a specific revenue-producing transaction and collected by us from a customer (e.g., sales, use, value added, and some excise taxes).

Equipment Revenues

We generate equipment revenues from the sale or lease of mobile communication devices and accessories. For performance obligations related to equipment contracts, we typically transfer control at a point in time when the device or accessory is delivered to, and accepted by, the customer or dealer. We have elected to account for shipping and handling activities that occur after control of the related good transfers as fulfillment activities instead of assessing such activities as performance obligations. We estimate variable consideration (e.g., device returns or certain payments to indirect dealers) primarily based on historical experience. Equipment sales not probable of collection are generally recorded as payments are received. Our assessment of collectibility considers contract terms such as down payments that reduce our exposure to credit risk.

We offer certain customers the option to pay for devices and accessories in installments using an EIP. Generally, we recognize as a reduction of the total transaction price the effects of a financing component in contracts where customers purchase their devices and accessories on an EIP with a term of more than one year, including those financing components that are not considered to be significant to the contract. However, we have elected the practical expedient to not recognize the effects of a

significant financing component for contracts where we expect, at contract inception, that the period between the transfer of a performance obligation to a customer and the customer's payment for that performance obligation will be one year or less.

In addition, for customers who enroll in our JUMP! program, we recognize a liability based on the estimated fair value of the specified-price trade-in right guarantee. The fair value of the guarantee is deducted from the transaction price and the remaining transaction price is allocated to other elements of the contract, including service and equipment performance obligations. See "Guarantee Liabilities" above for further information.

JUMP! On Demand allows customers to lease a device over a period of up to 18 months and upgrade it for a new device up to one time per month. To date, all of our leased wireless devices are accounted for as operating leases and estimated contract consideration is allocated between lease elements and non-lease elements (such as service and equipment performance obligations) based on the relative standalone selling price of each performance obligation in the contract. Lease revenues are recorded as equipment revenues and recognized as earned on a straight-line basis over the lease term. Lease revenues on contracts not probable of collection are limited to the amount of payments received. See "Property and Equipment" above for further information.

Contract Balances

Generally, our devices and service plans are available at standard prices, which are maintained on price lists and published on our website and/or within our retail stores.

For contracts that involve more than one product or service that are identified as separate performance obligations, the transaction price is allocated to the performance obligations based on their relative standalone selling prices. The standalone selling price is the price at which we would sell the good or service separately to a customer and is most commonly evidenced by the price at which we sell that good or service separately in similar circumstances and to similar customers.

A contract asset is recorded when revenue is recognized in advance of our right to receive consideration (i.e., we must perform additional services in order to receive consideration). Amounts are recorded as receivables when our right to consideration is unconditional. When consideration is received, or we have an unconditional right to consideration in advance of delivery of goods or services, a contract liability is recorded. The transaction price can include non-refundable upfront fees, which are allocated to the identifiable performance obligations.

Contract assets are included in Other current assets and Other assets and contract liabilities are included in Deferred revenue in our Consolidated Balance Sheets.

Contract Modifications

Our service contracts allow customers to frequently modify their contracts without incurring penalties in many cases. Each time a contract is modified, we evaluate the change in scope or price of the contract to determine if the modification should be treated as a separate contract, as if there is a termination of the existing contract and creation of a new contract, or if the modification should be considered a change associated with the existing contract. We typically do not have significant impacts from contract modifications.

Contract Costs

We incur certain incremental costs to obtain a contract that we expect to recover, such as sales commissions. We record an asset when these incremental costs to obtain a contract are incurred and amortize them on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates.

We amortize deferred costs incurred to obtain service contracts on a straight-line basis over the term of the initial contract and anticipated renewal contracts to which the costs relate, currently 24 months for postpaid service contracts. However, we have elected the practical expedient permitting expensing of costs to obtain a contract when the expected amortization period is one year or less for prepaid service contracts.

Incremental costs to obtain equipment contracts (e.g., commissions paid on device and accessory sales) are recognized when the equipment is transferred to the customer.

See Note 1 - Summary of Significant Accounting Policies included in our Annual Report on Form 10-K for the year ended December 31, 2017 for more discussion regarding the accounting policies that governed revenue recognition prior to January 1, 2018.

Advertising Expense

We expense the cost of advertising and other promotional expenditures to market our services and products as incurred. For the years ended December 31, 2019, 2018 and 2017, advertising expenses included in Selling, general and administrative expenses in our Consolidated Statements of Comprehensive Income were $1.6 billion, $1.7 billion and $1.8 billion, respectively.

Income Taxes

Deferred tax assets and liabilities are recognized based on temporary differences between the financial statement and tax bases of assets and liabilities using enacted tax rates expected to be in effect when these differences are realized. A valuation allowance is recorded when it is more likely than not that some portion or all of a deferred tax asset will not be realized. The ultimate realization of a deferred tax asset depends on the ability to generate sufficient taxable income of the appropriate character and in the appropriate taxing jurisdictions within the carryforward periods available.

We account for uncertainty in income taxes recognized in the financial statements in accordance with the accounting guidance for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. We assess whether it is more likely than not that a tax position will be sustained upon examination based on the technical merits of the position and adjust the unrecognized tax benefits in light of changes in facts and circumstances, such as changes in tax law, interactions with taxing authorities and developments in case law.

Other Comprehensive Income (Loss)

Other comprehensive income (loss) consists of adjustments, net of tax, related to unrealized gains (losses) on cash flow hedges and available-for-sale securities. This is reported in Accumulated other comprehensive loss as a separate component of stockholders' equity until realized in earnings.

Stock-Based Compensation

Stock-based compensation cost for stock awards, which include restricted stock units ("RSUs") and performance-based restricted stock units ("PRSUs"), is measured at fair value on the grant date and recognized as expense, net of expected forfeitures, over the related service period. The fair value of stock awards is based on the closing price of our common stock on the date of grant. RSUs are recognized as expense using the straight-line method. PRSUs are recognized as expense following a graded vesting schedule with their performance re-assessed and updated on a quarterly basis, or more frequently as changes in facts and circumstances warrant.

Earnings Per Share

Basic earnings per share is computed by dividing Net income attributable to common stockholders by the weighted-average number of common shares outstanding for the period. Diluted earnings per share is computed by giving effect to all potentially dilutive common shares outstanding during the period. Potentially dilutive common shares consist of outstanding stock options, RSUs and PRSUs, calculated using the treasury stock method, and prior to the conversion of our preferred stock in December 2017, potentially dilutive common shares included mandatory convertible preferred stock calculated using the if-converted method. See Note 14 - Earnings Per Share for further information.

Variable Interest Entities

VIEs are entities that lack sufficient equity to permit the entity to finance its activities without additional subordinated financial support from other parties, have equity investors that do not have the ability to make significant decisions relating to the entity's operations through voting rights, do not have the obligation to absorb the expected losses or do not have the right to receive the residual returns of the entity. The most common type of VIE is a special purpose entity ("SPE"). SPEs are commonly used in securitization transactions in order to isolate certain assets and distribute the cash flows from those assets to investors. SPEs are generally structured to insulate investors from claims on the SPE's assets by creditors of other entities, including the creditors of the seller of the assets.

The primary beneficiary is required to consolidate the assets and liabilities of the VIE. The primary beneficiary is the party which has both the power to direct the activities of an entity that most significantly impact the VIE's economic performance, and through its interests in the VIE, the obligation to absorb losses or the right to receive benefits from the VIE which could potentially be significant to the VIE. We consolidate VIEs when we are deemed to be the primary beneficiary or when the VIE cannot be deconsolidated.

In assessing which party is the primary beneficiary, all the facts and circumstances are considered, including each party's role in establishing the VIE and its ongoing rights and responsibilities. This assessment includes, first, identifying the activities that most significantly impact the VIE's economic performance; and second, identifying which party, if any, has power over those activities. In general, the parties that make the most significant decisions affecting the VIE (such as asset managers and servicers) or have the right to unilaterally remove those decision-makers are deemed to have the power to direct the activities of a VIE.

Accounting Pronouncements Adopted During the Current Year

Leases

In February 2016, the Financial Accounting Standards Board ("FASB") issued ASU 2016-02, "Leases (Topic 842)," and has since modified the standard with several ASUs (collectively, the "new lease standard"). The new lease standard was effective for us, and we adopted the standard, on January 1, 2019.

We adopted the standard by recognizing and measuring leases at the adoption date with a cumulative effect of initially applying the guidance recognized at the date of initial application and as a result did not restate the prior periods presented in the Consolidated Financial Statements.

The new lease standard provides for a number of optional practical expedients in transition. We did not elect the "package of practical expedients" and as a result reassessed under the new lease standard our prior accounting conclusions about lease identification, lease classification and initial direct costs. We elected to use hindsight for determining the reasonably certain lease term. We did not elect the practical expedient pertaining to land easements as it is not applicable to us.

The new lease standard provides practical expedients and policy elections for an entity's ongoing accounting. Generally, we elected the practical expedient to not separate lease and non-lease components in arrangements whereby we are the lessee. For arrangements in which we are the lessor of wireless devices, we did not elect this practical expedient. We did not elect the short-term lease recognition exemption, which includes the recognition of right-of-use assets and lease liabilities for existing short-term leases at transition. We have also applied this election to all active leases at transition.

The most significant judgments and impacts upon adoption of the standard include the following:

- In evaluating contracts to determine if they qualify as a lease, we consider factors such as if we have obtained or transferred substantially all of the rights to the underlying asset through exclusivity, if we can or if we have transferred the ability to direct the use of the asset by making decisions about how and for what purpose the asset will be used and if the lessor has substantive substitution rights.

- We recognized right-of-use assets and operating lease liabilities for operating leases that have not previously been recorded. The lease liability for operating leases is based on the net present value of future minimum lease payments. The right-of-use asset for operating leases is based on the lease liability adjusted for the reclassification of certain balance sheet amounts such as prepaid rent and deferred rent, which we remeasured at adoption due to the application of hindsight to our lease term estimates. Deferred and prepaid rent are no longer presented separately.

- Capital lease assets previously included within Property and equipment, net were reclassified to financing lease right-of-use assets, and capital lease liabilities previously included in Short-term debt and Long-term debt were reclassified to financing lease liabilities in our Consolidated Balance Sheet.

- Certain line items in the Consolidated Statements of Cash Flows and the "Supplemental disclosure of cash flow information" have been renamed to align with the new terminology presented in the new lease standard; "Repayment of capital lease obligations" is now presented as "Repayments of financing lease obligations" and "Assets acquired under capital lease obligations" is now presented as "Financing lease right-of-use assets obtained in exchange for lease obligations." In the "Operating Activities" section of the Consolidated Statements of Cash Flows we have added "Operating lease right-of-use assets" and "Short and long-term operating lease liabilities" which represent the change

in the operating lease asset and liability, respectively. Additionally, in the "Supplemental disclosure of cash flow information" section of the Consolidated Statements of Cash Flows we have added "Operating lease payments," and in the "Noncash investing and financing activities" section we have added "Operating lease right-of-use assets obtained in exchange for lease obligations."

- In determining the discount rate used to measure the right-of-use asset and lease liability, we use rates implicit in the lease, or if not readily available, we use our incremental borrowing rate. Our incremental borrowing rate is based on an estimated secured rate comprised of a risk-free LIBOR rate plus a credit spread as secured by our assets. Determining a credit spread as secured by our assets may require significant judgment.

- Certain of our lease agreements include rental payments based on changes in the consumer price index ("CPI"). Lease liabilities are not remeasured as a result of changes in the CPI; instead, changes in the CPI are treated as variable lease payments and are excluded from the measurement of the right-of-use asset and lease liability. These payments are recognized in the period in which the related obligation was incurred. Our lease agreements do not contain any material residual value guarantees or material restrictive covenants.

- We elected the use of hindsight whereby we applied current lease term assumptions that are applied to new leases in determining the expected lease term period for all cell sites. Upon adoption of the new lease standard and application of hindsight, our expected lease term has shortened to reflect payments due for the initial non-cancelable lease term only. This assessment corresponds to our lease term assessment for new leases and aligns with the payments that have been disclosed as lease commitments in prior years. As a result, the average remaining lease term for cell sites has decreased from approximately nine to five years based on lease contracts in effect at transition on January 1, 2019. The aggregate impact of using hindsight is an estimated decrease in Total operating expenses of $240 million in fiscal year 2019.

- We were also required to reassess the previously failed sale-leasebacks of certain T-Mobile-owned wireless communications tower sites and determine whether the transfer of the assets to the tower operator under the arrangement met the transfer of control criteria in the revenue standard and whether a sale should be recognized. Determining whether the transfer of control criteria has been met requires significant judgement.

    - We concluded that a sale has not occurred for the 6,200 tower sites transferred to Crown Castle International Corp. ("CCI") pursuant to a master prepaid lease arrangement; therefore, these sites will continue to be accounted for as failed sale-leasebacks.

    - We concluded that a sale should be recognized for the 900 tower sites transferred to CCI pursuant to the sale of a subsidiary and for the 500 tower sites transferred to Phoenix Tower International ("PTI"). Upon adoption on January 1, 2019, we derecognized our existing long-term financial obligation and the tower-related property and equipment associated with these 1,400 previously failed sale-leaseback tower sites and recognized a lease liability and right-of-use asset for the leaseback of the tower sites. The impacts from the change in accounting conclusion are primarily a decrease in Other revenues of $44 million and a decrease in Interest expense of $34 million in fiscal year 2019.

- Rental revenues and expenses associated with co-location tower sites are presented on a net basis under the new lease standard. These revenues and expenses were presented on a gross basis under the former lease standard.

Including the impacts from a change in the accounting conclusion on the 1,400 previously failed sale-leaseback tower sites, the cumulative effect of initially applying the new lease standard on January 1, 2019 is as follows:

	January 1, 2019		
(in millions)	**Beginning Balance**	**Cumulative Effect Adjustment**	**Beginning Balance, As Adjusted**
Assets			
Other current assets	$ 1,676	$ (78)	$ 1,598
Property and equipment, net	23,359	(2,339)	21,020
Operating lease right-of-use assets	—	9,251	9,251
Financing lease right-of-use assets	—	2,271	2,271
Other intangible assets, net	198	(12)	186
Other assets	1,623	(71)	1,552
Liabilities and Stockholders' Equity			
Accounts payable and accrued liabilities	7,741	(65)	7,676
Other current liabilities	787	28	815
Short-term and long-term debt	12,965	(2,015)	10,950
Tower obligations	2,557	(345)	2,212
Deferred tax liabilities	4,472	231	4,703
Deferred rent expense	2,781	(2,781)	—
Short-term and long-term operating lease liabilities	—	11,364	11,364
Short-term and long-term financing lease liabilities	—	2,016	2,016
Other long-term liabilities	967	(64)	903
Accumulated deficit	(12,954)	653	(12,301)

Including the impacts from the change in the accounting conclusion on the 1,400 previously failed sale-leaseback tower sites and the change in presentation on the income statement of the 6,200 tower sites for which a sale did not occur, the cumulative effects of initially applying the new lease standard for the year ended December 31, 2019 are estimated as follows:

- The aggregate impact is a decrease in Other revenues of $185 million, a decrease in Total operating expenses of $380 million, a decrease in Interest expense of $34 million and an increase to Net income of $175 million.
- The impact on our Consolidated Statements of Cash Flows is a decrease in Net cash provided by operating activities of $10 million and a decrease in Net cash used in financing activities of $10 million.

For arrangements where we are the lessor, including arrangements to lease devices to our service customers, the adoption of the new lease standard did not have a material impact on our financial statements as these leases are classified as operating leases.

Device lease payments are presented as Equipment revenues and recognized as earned on a straight-line basis over the lease term. Recognition of equipment revenue on lease contracts that are determined to not be probable of collection is limited to the amount of payments received. We have made an accounting policy election to exclude from the consideration in the contract all taxes assessed by a governmental authority that are both imposed on and concurrent with a specific revenue-producing transaction and collected by us from a customer (e.g., sales, use, value added, and some excise taxes).

At operating lease inception, leased wireless devices are transferred from Inventory to Property and equipment, net. Leased wireless devices are depreciated to their estimated residual value over the period expected to provide utility to us, which is generally shorter than the lease term and considers expected losses. Returned devices transferred from Property and equipment, net, are recorded as Inventory and are valued at the lower of cost or market with any write-down to market recognized as Cost of equipment sales in our Consolidated Statements of Comprehensive Income.

We do not have any leasing transactions with related parties. See Note 15 - Leases for further information.

We have implemented significant new lease accounting systems, processes and internal controls over lease accounting to assist us in the application of the new lease standard.

Lease Expense

We have operating leases for cell sites, retail locations, corporate offices and dedicated transportation lines, some of which have escalating rentals during the initial lease term and during subsequent optional renewal periods. We recognize a right-of-use asset and lease liability for operating leases based on the net present value of future minimum lease payments. Lease expense is recognized on a straight-line basis over the non-cancelable lease term and renewal periods that are considered reasonably certain.

We consider several factors in assessing whether renewal periods are reasonably certain of being exercised, including the continued maturation of our network nationwide, technological advances within the telecommunications industry and the availability of alternative sites.

We have financing leases for certain network equipment. The financing leases do not have renewal options and contain a bargain purchase option at the end of the lease. We recognize a right-of-use asset and lease liability for financing leases based on the net present value of future minimum lease payments. Lease expense for our financing leases is comprised of the amortization of the right-of-use asset and interest expense recognized based on the effective interest method.

Accounting Pronouncements Not Yet Adopted

Financial Instruments

In June 2016, the FASB issued ASU 2016-13, "Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments," and has since modified the standard with several ASUs (collectively, the "new credit loss standard"). The new credit loss standard requires a financial asset (or a group of financial assets) measured at amortized cost basis to be presented at the net amount expected to be collected. The measurement of expected credit losses is based on relevant information about past events, including historical experience, current conditions and reasonable and supportable forecasts that affect the collectibility of the reported amount. The new credit loss standard will become effective for us beginning on January 1, 2020, and requires a cumulative-effect adjustment to Accumulated deficit as of the beginning of the first reporting period in which the guidance is effective (that is, a modified-retrospective approach).

We will adopt the new credit loss standard on January 1, 2020, and plan to recognize lifetime expected credit losses at the inception of our credit risk exposures whereas we currently recognize credit losses only when it is probable that they have been incurred. We will also recognize expected credit losses on our EIP receivables, excluding consideration of any unamortized discount on those receivables resulting from the imputation of interest. We currently offset our estimate of incurred losses on our EIP receivables by the amount of the related unamortized discounts on those receivables. We have developed an expected credit loss model and are refining the inputs including the forward-looking loss indicators. The estimated impact of the new credit loss standard on our receivables portfolio as of December 31, 2019, would be an increase to our allowance for credit losses of $85 million to $95 million, a decrease to our net deferred tax liabilities of $22 million to $25 million and an increase to our Accumulated deficit of $63 million to $70 million.

Cloud Computing Arrangements

In August 2018, the FASB issued ASU 2018-15, "Intangibles - Goodwill and Other - Internal-Use Software (Topic 350): Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement that is a Service Contract." The standard aligns the requirements for capitalizing implementation costs incurred in a hosting arrangement that is a service contract with the requirements for capitalizing implementation costs incurred to develop or obtain internal-use software. We will adopt the standard on a prospective basis beginning on the effective date of January 1, 2020. Upon adoption of the standard, implementation costs are capitalized in the period incurred, which will result in an increase to Other assets in our Consolidated Balance Sheets. These capitalized amounts will be amortized over the term of the hosting arrangement to Cost of services or Selling, general and administrative expenses in our Consolidated Statements of Comprehensive Income based on the nature of the hosting arrangement. The impact of this standard on our Consolidated Financial Statements is dependent on the nature and composition of the hosting arrangements entered into subsequent to adoption.

Income Taxes

In December 2019, the FASB issued ASU 2019-12, "Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes." The standard simplifies the accounting for income taxes by removing certain exceptions to the general principles in Topic 740. The standard will become effective for us beginning January 1, 2021. Early adoption is permitted for us at any time. We are currently evaluating the impact this guidance will have on our Consolidated Financial Statements and the timing of adoption.
Other recent accounting pronouncements issued by the FASB (including its Emerging Issues Task Force), the American Institute of Certified Public Accountants, and the Securities and Exchange Commission (the "SEC") did not have, or are not expected to have, a significant impact on our present or future Consolidated Financial Statements.

Note 2 – Business Combinations

Proposed Sprint Transactions

On April 29, 2018, we entered into a Business Combination Agreement to merge with Sprint in an all-stock transaction at a fixed exchange ratio of 0.10256 shares of T-Mobile common stock for each share of Sprint common stock, or 9.75 shares of Sprint common stock for each share of T-Mobile common stock (the "Merger"). The combined company will be named "T-Mobile" and, as a result of the Merger, is expected to be able to rapidly launch a broad and deep nationwide 5G network, accelerate innovation and increase competition in the U.S. wireless, video and broadband industries. Neither T-Mobile nor Sprint on its own could generate comparable benefits to consumers.

The Merger and the other transactions contemplated by the Business Combination Agreement (collectively, the "Transactions") have been approved by the boards of directors of T-Mobile and Sprint and the required approvals of the stockholders of each of T-Mobile and Sprint have been obtained. Immediately following the Merger, it is anticipated that Deutsche Telekom AG ("DT") and SoftBank Group Corp. ("SoftBank") will hold, directly or indirectly, on a fully diluted basis, approximately 41.5% and 27.2%, respectively, of the outstanding T-Mobile common stock, with the remaining approximately 31.3% of the outstanding T-Mobile common stock held by other stockholders, based on closing share prices and certain other assumptions as of December 31, 2019.

In connection with the entry into the Business Combination Agreement, T-Mobile USA, Inc. ("T-Mobile USA") entered into commitment letter, dated as of April 29, 2018 (as amended and restated on May 15, 2018 and on September 6, 2019, the "Commitment Letter"). The funding of the debt facilities provided for in the Commitment Letter is subject to the satisfaction of the conditions set forth therein, including consummation of the Merger. The proceeds of the debt financing provided for in the Commitment Letter will be used to refinance certain existing debt of us, Sprint and our and Sprint's respective subsidiaries and for post-closing working capital needs of the combined company. See Note 8 – Debt for further information.

In connection with the entry into the Business Combination Agreement, DT and T-Mobile USA entered into a Financing Matters Agreement, dated as of April 29, 2018 (the "Financing Matters Agreement"), pursuant to which DT agreed, among other things, to consent to, subject to certain conditions, certain amendments to certain existing debt owed to DT, in connection with the Merger. If the Merger is consummated, we will make payments for requisite consents to DT of $13 million. There was no payment accrued as of December 31, 2019. See Note 8 – Debt for further information.

On May 18, 2018, under the terms and conditions described in the Consent Solicitation Statement dated as of May 14, 2018 (the "Consent Solicitation Statement"), we obtained consents necessary to effect certain amendments to certain existing debt of us and our subsidiaries. If the Merger is consummated, we will make payments for requisite consents to third-party note holders of $95 million. There were no consent payments accrued as of December 31, 2019.

Under the terms of the Business Combination Agreement, if the Business Combination Agreement is terminated, Sprint may be required to reimburse us for 33% of the consent, bank, and other fees we paid or accrued, which totaled $18 million as of December 31, 2019. There were no reimbursements accrued as of December 31, 2019. Sprint also obtained consents necessary to effect certain amendments to certain existing debt of Sprint and its subsidiaries. In connection with receiving the requisite consents, Sprint made upfront payments to third-party note holders and related bank fees of $242 million. Under the terms of the Business Combination Agreement, if the Business Combination Agreement is terminated, we may also be required to reimburse Sprint for 67% of the upfront consent and related bank fees it paid, which totaled $162 million as of December 31, 2019. There were no fees accrued as of December 31, 2019.

We recognized Merger-related costs of $620 million and $196 million for the years ended December 31, 2019 and 2018, respectively. These costs generally included consulting and legal fees and were recognized as Selling, general and administrative expenses in our Consolidated Statements of Comprehensive Income. Payments for Merger-related costs were $442 million and $86 million for the years ended December 31, 2019 and 2018, respectively, and were recognized within Net cash provided by operating activities in our Consolidated Statements of Cash Flows.

The Business Combination Agreement contains certain termination rights for both Sprint and us. If we terminate the Business Combination Agreement in connection with a failure to satisfy the closing condition related to specified minimum credit ratings for the combined company on the closing date of the Merger (after giving effect to the Merger) from at least two of the three credit rating agencies, then in certain circumstances, we may be required to pay Sprint an amount equal to $600 million.

On June 18, 2018, we filed a Public Interest Statement and applications for approval of the Merger with the FCC. On July 18, 2018, the FCC issued a Public Notice formally accepting our applications and establishing a period for public comment. On May 20, 2019, to facilitate the FCC's review and approval of the FCC license transfers associated with the proposed Merger, we and Sprint filed with the FCC a written *ex parte* presentation (the "Presentation") relating to the proposed Merger. The Presentation included proposed commitments from us and Sprint. The FCC approved the Merger on November 5, 2019.

On June 11, 2019, a number of state attorneys general filed a lawsuit against us, DT, Sprint, and SoftBank in the U.S. District Court for the Southern District of New York, alleging that the Merger, if consummated, would violate Section 7 of the Clayton Act and so should be enjoined. After it was filed, several additional states joined the lawsuit. Of the states that joined the lawsuit, two have subsequently withdrawn from the suit having resolved their concerns with the Merger. We believe the plaintiffs' claims are without merit, and have defended the case vigorously. Trial concluded after two weeks of witness testimony and presentation of document evidence. We are now waiting for the trial court's ruling. On November 25, 2019, individual consumers filed a similar lawsuit in the Northern District of California. That case has been stayed pending the outcome of the New York litigation.

On July 26, 2019, we entered into an Asset Purchase Agreement (the "Asset Purchase Agreement") with Sprint and DISH Network Corporation ("DISH"). We and Sprint are collectively referred to as the "Sellers." Pursuant to the Asset Purchase Agreement, upon the terms and subject to the conditions thereof, following the consummation of the Merger, DISH will acquire Sprint's prepaid wireless business, currently operated under the Boost Mobile and Sprint prepaid brands (excluding the Assurance brand Lifeline customers and the prepaid wireless customers of Shenandoah Telecommunications Company and Swiftel Communications, Inc.), including customer accounts, inventory, contracts, intellectual property and certain other specified assets (the "Prepaid Business"), and will assume certain related liabilities (the "Prepaid Transaction"). DISH will pay the Sellers $1.4 billion for the Prepaid Business, subject to a working capital adjustment. The consummation of the Prepaid Transaction is subject to the consummation of the Merger and other customary closing conditions.

At the closing of the Prepaid Transaction, the Sellers and DISH will enter into (i) a License Purchase Agreement pursuant to which (a) the Sellers will sell certain 800 MHz spectrum licenses held by Sprint to DISH for a total of approximately $3.6 billion in a transaction to be completed, subject to certain additional closing conditions, following an application for FCC approval to be filed three years following the closing of the Merger and (b) the Sellers will have the option to lease back from DISH, as needed, a portion of the spectrum sold for an additional two years following the closing of the spectrum sale transaction, (ii) a Transition Services Agreement providing for the Sellers' provision of transition services to DISH in connection with the Prepaid Business for a period of up to three years following the closing of the Prepaid Transaction, (iii) a Master Network Services Agreement providing for the Sellers' provision of network services to customers of the Prepaid Business for a period of up to seven years following the closing of the Prepaid Transaction, and (iv) an Option to Acquire Tower and Retail Assets offering DISH the option to acquire certain decommissioned towers and retail locations from the Sellers, subject to obtaining all necessary third-party consents, for a period of up to five years following the closing of the Prepaid Transaction.

On July 26, 2019, in connection with the entry into the Asset Purchase Agreement, we and the other parties to the Business Combination Agreement entered into Amendment No. 1 (the "Amendment") to the Business Combination Agreement. The Amendment extended the Outside Date (as defined in the Business Combination Agreement) to November 1, 2019, or, if the Marketing Period (as defined in the Business Combination Agreement) had started and was in effect at such date, then January 2, 2020. Because the Transactions were not completed by the Outside Date, each of T-Mobile and Sprint currently has the right to terminate the Business Combination Agreement or the terms may be amended.

On July 26, 2019, the U.S. Department of Justice (the "DOJ") filed a complaint and a proposed final judgment (the "Proposed Consent Decree") agreed to by us, DT, Sprint, SoftBank and DISH with the U.S. District Court for the District of Columbia.

The Proposed Consent Decree would fully resolve DOJ's investigation into the Merger and would require the parties to, among other things, carry out the divestitures to be made pursuant to the Asset Purchase Agreement described above upon closing of the Merger. The Proposed Consent Decree is subject to judicial approval.

The consummation of the Merger remains subject to certain closing conditions. We expect the Merger will be permitted to close in early 2020.

Note 3 – Receivables and Allowance for Credit Losses

Our portfolio of receivables is comprised of two portfolio segments: accounts receivable and EIP receivables. Our accounts receivable segment primarily consists of amounts currently due from customers, including service and leased device receivables, other carriers and third-party retail channels.

Based upon customer credit profiles, we classify the EIP receivables segment into two customer classes of "Prime" and "Subprime." Prime customer receivables are those with lower delinquency risk and Subprime customer receivables are those with higher delinquency risk. Customers may be required to make a down payment on their equipment purchases. In addition, certain customers within the Subprime category are required to pay an advance deposit.

To determine a customer's credit profile, we use a proprietary credit scoring model that measures the credit quality of a customer using several factors, such as credit bureau information, consumer credit risk scores and service and device plan characteristics.

The following table summarizes the EIP receivables, including imputed discounts and related allowance for credit losses:

(in millions)	December 31, 2019	December 31, 2018
EIP receivables, gross	$ 4,582	$ 4,534
Unamortized imputed discount	(299)	(330)
EIP receivables, net of unamortized imputed discount	4,283	4,204
Allowance for credit losses	(100)	(119)
EIP receivables, net	$ 4,183	$ 4,085
Classified on the balance sheet as:		
Equipment installment plan receivables, net	$ 2,600	$ 2,538
Equipment installment plan receivables due after one year, net	1,583	1,547
EIP receivables, net	$ 4,183	$ 4,085

To determine the appropriate level of the allowance for credit losses, we consider a number of credit quality factors, including historical credit losses and timely payment experience as well as current collection trends such as write-off frequency and severity, aging of the receivable portfolio, credit quality of the customer base and other qualitative factors such as macro-economic conditions.

We write off account balances if collection efforts are unsuccessful and the receivable balance is deemed uncollectible, based on factors such as customer credit ratings and the length of time from the original billing date.

For EIP receivables, subsequent to the initial determination of the imputed discount, we assess the need for and, if necessary, recognize an allowance for credit losses to the extent the amount of estimated incurred losses on the gross EIP receivable balances exceed the remaining unamortized imputed discount balances.

The EIP receivables had weighted average effective imputed interest rates of 8.8% and 10.0% as of December 31, 2019, and 2018, respectively.

Activity for the years ended December 31, 2019, 2018 and 2017, in the allowance for credit losses and unamortized imputed discount balances for the accounts receivable and EIP receivables segments were as follows:

	December 31, 2019			December 31, 2018			December 31, 2017		
(in millions)	Accounts Receivable Allowance	EIP Receivables Allowance	Total	Accounts Receivable Allowance	EIP Receivables Allowance	Total	Accounts Receivable Allowance	EIP Receivables Allowance	Total
Allowance for credit losses and imputed discount, beginning of period	$ 67	$ 449	$ 516	$ 86	$ 396	$ 482	$ 102	$ 316	$ 418
Bad debt expense	77	230	307	69	228	297	104	284	388
Write-offs, net of recoveries	(83)	(249)	(332)	(88)	(240)	(328)	(120)	(273)	(393)
Change in imputed discount on short-term and long-term EIP receivables	N/A	136	136	N/A	250	250	N/A	252	252
Impact on the imputed discount from sales of EIP receivables	N/A	(167)	(167)	N/A	(185)	(185)	N/A	(183)	(183)
Allowance for credit losses and imputed discount, end of period	$ 61	$ 399	$ 460	$ 67	$ 449	$ 516	$ 86	$ 396	$ 482

Management considers the aging of receivables to be an important credit indicator. The following table provides delinquency status for the unpaid principal balance for receivables within the EIP portfolio segment, which we actively monitor as part of our current credit risk management practices and policies:

	December 31, 2019			December 31, 2018		
(in millions)	Prime	Subprime	Total EIP Receivables, gross	Prime	Subprime	Total EIP Receivables, gross
Current - 30 days past due	$ 2,384	$ 2,108	$ 4,492	$ 1,987	$ 2,446	$ 4,433
31 - 60 days past due	13	28	41	15	32	47
61 - 90 days past due	7	17	24	6	19	25
More than 90 days past due	7	18	25	7	22	29
Total receivables, gross	$ 2,411	$ 2,171	$ 4,582	$ 2,015	$ 2,519	$ 4,534

Note 4 – Sales of Certain Receivables

We have entered into transactions to sell certain service and EIP receivables. The transactions, including our continuing involvement with the sold receivables and the respective impacts to our Consolidated Financial Statements, are described below.

Sales of Service Accounts Receivable

Overview of the Transaction

In 2014, we entered into an arrangement to sell certain service accounts receivable on a revolving basis (the “service receivable sale arrangement”). The maximum funding commitment of the service receivable sale arrangement is $950 million. In February 2019, the service receivable sale arrangement was amended to extend the scheduled expiration date, as well as certain third-party credit support under the arrangement, to March 2021. As of December 31, 2019 and 2018, the service receivable sale arrangement provided funding of $924 million and $774 million, respectively. Sales of receivables occur daily and are settled on a monthly basis. The receivables consist of service charges currently due from customers and are short-term in nature.

In connection with the service receivable sale arrangement, we formed a wholly-owned subsidiary, which qualifies as a bankruptcy remote entity, to sell service accounts receivable (the “Service BRE”). The Service BRE does not qualify as a VIE, and due to the significant level of control we exercise over the entity, it is consolidated. Pursuant to the service receivable sale arrangement, certain of our wholly-owned subsidiaries transfer selected receivables to the Service BRE. The Service BRE then sells the receivables to an unaffiliated entity (the “Service VIE”), which was established to facilitate the sale of beneficial ownership interests in the receivables to certain third parties.

Variable Interest Entity

We determined that the Service VIE qualifies as a VIE as it lacks sufficient equity to finance its activities. We have a variable interest in the Service VIE but are not the primary beneficiary as we lack the power to direct the activities that most significantly impact the Service VIE's economic performance. Those activities include committing the Service VIE to legal agreements to purchase or sell assets, selecting which receivables are purchased in the service receivable sale arrangement, determining whether the Service VIE will sell interests in the purchased service receivables to other parties, funding of the entity and servicing of receivables. We do not hold the power to direct the key decisions underlying these activities. For example, while we act as the servicer of the sold receivables, which is considered a significant activity of the Service VIE, we are acting as an agent in our capacity as the servicer and the counterparty to the service receivable sale arrangement has the ability to remove us as the servicing agent of the receivables at will with no recourse available to us. As we have determined we are not the primary beneficiary, the balances and results of the Service VIE are not included in our Consolidated Financial Statements.

The following table summarizes the carrying amounts and classification of assets, which consists primarily of the deferred purchase price and liabilities included in our Consolidated Balance Sheets that relate to our variable interest in the Service VIE:

(in millions)	December 31, 2019	December 31, 2018
Other current assets	$ 350	$ 339
Accounts payable and accrued liabilities	25	59
Other current liabilities	342	149

Sales of EIP Receivables

Overview of the Transaction

In 2015, we entered into an arrangement to sell certain EIP accounts receivable on a revolving basis (the "EIP sale arrangement"). The maximum funding commitment of the EIP sale arrangement is $1.3 billion, and the scheduled expiration date is November 2020.

As of both December 31, 2019 and 2018, the EIP sale arrangement provided funding of $1.3 billion. Sales of EIP receivables occur daily and are settled on a monthly basis.

In connection with this EIP sale arrangement, we formed a wholly-owned subsidiary, which qualifies as a bankruptcy remote entity (the "EIP BRE"). Pursuant to the EIP sale arrangement, our wholly-owned subsidiary transfers selected receivables to the EIP BRE. The EIP BRE then sells the receivables to a non-consolidated and unaffiliated third-party entity for which we do not exercise any level of control, nor does the third-party entity qualify as a VIE.

Variable Interest Entity

We determined that the EIP BRE is a VIE as its equity investment at risk lacks the obligation to absorb a certain portion of its expected losses. We have a variable interest in the EIP BRE and determined that we are the primary beneficiary based on our ability to direct the activities which most significantly impact the EIP BRE's economic performance. Those activities include selecting which receivables are transferred into the EIP BRE and sold in the EIP sale arrangement and funding of the EIP BRE. Additionally, our equity interest in the EIP BRE obligates us to absorb losses and gives us the right to receive benefits from the EIP BRE that could potentially be significant to the EIP BRE. Accordingly, we include the balances and results of operations of the EIP BRE in our Consolidated Financial Statements.

The following table summarizes the carrying amounts and classification of assets, which consists primarily of the deferred purchase price, and liabilities included in our Consolidated Balance Sheets that relate to the EIP BRE:

(in millions)	December 31, 2019	December 31, 2018
Other current assets	$ 344	$ 321
Other assets	89	88
Other long-term liabilities	18	22

In addition, the EIP BRE is a separate legal entity with its own separate creditors who will be entitled, prior to any liquidation of the EIP BRE, to be satisfied prior to any value in the EIP BRE becoming available to us. Accordingly, the assets of the EIP BRE may not be used to settle our general obligations and creditors of the EIP BRE have limited recourse to our general credit.

Sales of Receivables

The transfers of service receivables and EIP receivables to the non-consolidated entities are accounted for as sales of financial assets. Once identified for sale, the receivable is recorded at the lower of cost or fair value. Upon sale, we derecognize the net carrying amount of the receivables.

We recognize the cash proceeds received upon sale in Net cash provided by operating activities in our Consolidated Statements of Cash Flows. We recognize proceeds net of the deferred purchase price, consisting of a receivable from the purchasers that entitles us to certain collections on the receivables. We recognize the collection of the deferred purchase price in Net cash used in investing activities in our Consolidated Statements of Cash Flows as Proceeds related to beneficial interests in securitization transactions.

The deferred purchase price represents a financial asset that is primarily tied to the creditworthiness of the customers and which can be settled in such a way that we may not recover substantially all of our recorded investment, due to default by the customers on the underlying receivables. We elected, at inception, to measure the deferred purchase price at fair value with changes in fair value included in Selling, general and administrative expense in our Consolidated Statements of Comprehensive Income. The fair value of the deferred purchase price is determined based on a discounted cash flow model which uses primarily unobservable inputs (Level 3 inputs), including customer default rates. As of December 31, 2019, and 2018, our deferred purchase price related to the sales of service receivables and EIP receivables was $781 million and $746 million, respectively.

The following table summarizes the impact of the sale of certain service receivables and EIP receivables in our Consolidated Balance Sheets:

(in millions)	December 31, 2019	December 31, 2018
Derecognized net service receivables and EIP receivables	$ 2,584	$ 2,577
Other current assets	694	660
of which, deferred purchase price	*692*	*658*
Other long-term assets	89	88
of which, deferred purchase price	*89*	*88*
Accounts payable and accrued liabilities	25	59
Other current liabilities	342	149
Other long-term liabilities	18	22
Net cash proceeds since inception	1,944	1,879
Of which:		
Change in net cash proceeds during the year-to-date period	65	(179)
Net cash proceeds funded by reinvested collections	1,879	2,058

We recognized losses from sales of receivables, including adjustments to the receivables' fair values and changes in fair value of the deferred purchase price, of $130 million, $157 million and $299 million for the years ended December 31, 2019, 2018 and 2017, respectively, in Selling, general and administrative expense in our Consolidated Statements of Comprehensive Income.

Continuing Involvement

Pursuant to the sale arrangements described above, we have continuing involvement with the service receivables and EIP receivables we sell as we service the receivables and are required to repurchase certain receivables, including ineligible receivables, aged receivables and receivables where write-off is imminent. We continue to service the customers and their related receivables, including facilitating customer payment collection, in exchange for a monthly servicing fee. As the receivables are sold on a revolving basis, the customer payment collections on sold receivables may be reinvested in new receivable sales. While servicing the receivables, we apply the same policies and procedures to the sold receivables as we apply to our owned receivables, and we continue to maintain normal relationships with our customers. Pursuant to the EIP sale

arrangement, under certain circumstances, we are required to deposit cash or replacement EIP receivables primarily for contracts terminated by customers under our JUMP! Program.

In addition, we have continuing involvement with the sold receivables as we may be responsible for absorbing additional credit losses pursuant to the sale arrangements. Our maximum exposure to loss related to the involvement with the service receivables and EIP receivables sold under the sale arrangements was $1.1 billion as of December 31, 2019. The maximum exposure to loss, which is a required disclosure under U.S. GAAP, represents an estimated loss that would be incurred under severe, hypothetical circumstances whereby we would not receive the deferred purchase price portion of the contractual proceeds withheld by the purchasers and would also be required to repurchase the maximum amount of receivables pursuant to the sale arrangements without consideration for any recovery. We believe the probability of these circumstances occurring is remote and the maximum exposure to loss is not an indication of our expected loss.

Note 5 – Property and Equipment

The components of property and equipment were as follows:

(in millions)	Useful Lives	December 31, 2019	December 31, 2018
Buildings and equipment	Up to 40 years	$ 2,587	$ 2,428
Wireless communications systems	Up to 20 years	34,353	35,282
Leasehold improvements	Up to 12 years	1,345	1,299
Capitalized software	Up to 10 years	12,705	11,712
Leased wireless devices	Up to 18 months	1,139	1,159
Construction in progress		2,973	2,776
Accumulated depreciation and amortization		(33,118)	(31,297)
Property and equipment, net		$ 21,984	$ 23,359

We capitalize interest associated with the acquisition or construction of certain property and equipment and spectrum intangible assets. We recognized capitalized interest of $473 million, $362 million and $136 million for the years ended December 31, 2019, 2018 and 2017, respectively.

In December 2019, we sold 168 T-Mobile-owned wireless communications tower sites to an unrelated third party in exchange for net proceeds of $38 million which are included in Proceeds from sales of tower sites within Net cash used in investing activities in our Consolidated Statements of Cash Flows. A gain of $13 million was recognized as a reduction in Cost of services, exclusive of depreciation and amortization, in our Consolidated Statements of Comprehensive Income. We lease back space at certain of the sold tower sites for an initial term of ten years, followed by optional renewals.

Total depreciation expense relating to property and equipment was $6.0 billion, $6.4 billion and $5.8 billion for the years ended December 31, 2019, 2018 and 2017, respectively. Included in the total depreciation expense for the years ended December 31, 2019, 2018 and 2017 was $543 million, $940 million and $1.0 billion, respectively, related to leased wireless devices.

Asset retirement obligations are primarily for certain legal obligations to remediate leased property on which our network infrastructure and administrative assets are located.
Activity in our asset retirement obligations was as follows:

(in millions)	December 31, 2019	December 31, 2018
Asset retirement obligations, beginning of year	$ 609	$ 562
Liabilities incurred	35	26
Liabilities settled	(2)	(9)
Accretion expense	32	30
Changes in estimated cash flows	(15)	—
Asset retirement obligations, end of year	$ 659	$ 609
Classified on the balance sheet as:		
Other long-term liabilities	$ 659	$ 609

The corresponding assets, net of accumulated depreciation, related to asset retirement obligations were $159 million and $194 million as of December 31, 2019 and 2018, respectively.

Note 6 – Goodwill, Spectrum License Transactions and Other Intangible Assets

Goodwill

The changes in the carrying amount of goodwill for the years ended December 31, 2019 and 2018, are as follows:

(in millions)	Goodwill
Historical goodwill	$ 12,449
Goodwill from acquisition of Layer3 TV	218
Accumulated impairment losses at December 31, 2018	(10,766)
Balance as of December 31, 2018	1,901
Goodwill from acquisition in 2019	29
Balance as of December 31, 2019	$ 1,930
Accumulated impairment losses at December 31, 2019	$ (10,766)

In July 2019, we completed our acquisition of a mobile marketing company, for cash consideration of $32 million. Upon closing of the transaction, the acquired company became a wholly-owned consolidated subsidiary to T-Mobile. We recorded Goodwill of approximately $29 million, calculated as the excess of the purchase price paid over the fair value of net assets acquired. The acquired goodwill was allocated to our wireless reporting unit and will be tested for impairment at this level.

The assets acquired and liabilities assumed were not material to our Consolidated Balance Sheets. The financial results from the acquisition closing date through December 31, 2019 were not material to our Consolidated Statements of Comprehensive Income. The acquisition was not material to our prior period consolidated results on a pro forma basis.

Spectrum Licenses

The following table summarizes our spectrum license activity for the years ended December 31, 2019 and 2018:

(in millions)	2019	2018
Spectrum licenses, beginning of year	$ 35,559	$ 35,366
Spectrum license acquisitions	857	138
Spectrum licenses transferred to held for sale	—	(1)
Costs to clear spectrum	49	56
Spectrum licenses, end of year	$ 36,465	$ 35,559

The following is a summary of significant spectrum transactions for the year ended December 31, 2019:

- In June 2019, the FCC announced that we were the winning bidder of 2,211 licenses in the 24 GHz and 28 GHz spectrum auctions for an aggregate price of $842 million.
    - At the inception of the 28 GHz spectrum auction in October 2018, we deposited $20 million with the FCC. Upon conclusion of the 28 GHz spectrum auction in February 2019, we made an additional payment of $19 million for the purchase price of licenses won in the auction.
    - At the inception of the 24 GHz spectrum auction in February 2019, we deposited $147 million with the FCC. Upon conclusion of the 24 GHz spectrum auction in June 2019, we made an additional payment of $656 million for the purchase price of licenses won in the auction.

The licenses are included in Spectrum licenses as of December 31, 2019, in our Consolidated Balance Sheets. Cash payments to acquire spectrum licenses and payments for costs to clear spectrum are included in Purchases of spectrum licenses and other intangible assets, including deposits in our Consolidated Statements of Cash Flows for the year ended December 31, 2019.

The following is a summary of significant spectrum transactions for the year ended December 31, 2018:

- We recorded spectrum licenses received as part of our acquisition of the remaining equity interest in Iowa Wireless Services, LLC, at their estimated fair value of approximately $87 million.

- We closed on multiple spectrum purchase agreements in which we acquired total spectrum licenses of approximately $50 million for cash consideration.
- In 2018, we signed a reciprocal long-term lease arrangement with Sprint in which both parties have the right to use a portion of spectrum owned by the other party. This executory agreement does not qualify as an acquisition of spectrum licenses, and we have not capitalized amounts related to the lease. The reciprocal long-term lease is a distinct transaction from the Merger.

Goodwill and Other Intangible Assets Impairment Assessments

Our impairment assessment of goodwill and other indefinite-lived intangible assets (spectrum licenses) resulted in no impairment as of December 31, 2019 and 2018.

Other Intangible Assets

The components of Other intangible assets were as follows:

		December 31, 2019			December 31, 2018		
(in millions)	**Useful Lives**	**Gross Amount**	**Accumulated Amortization**	**Net Amount**	**Gross Amount**	**Accumulated Amortization**	**Net Amount**
Customer lists	Up to 6 years	$ 1,104	$ (1,104)	$ —	$ 1,104	$ (1,086)	$ 18
Trademarks and patents	Up to 19 years	323	(258)	65	312	(225)	87
Other	Up to 28 years	100	(50)	50	149	(56)	93
Other intangible assets		$ 1,527	$ (1,412)	$ 115	$ 1,565	$ (1,367)	$ 198

Amortization expense for intangible assets subject to amortization was $82 million, $124 million and $163 million for the years ended December 31, 2019, 2018 and 2017, respectively.

The estimated aggregate future amortization expense for intangible assets subject to amortization are summarized below:

(in millions)	**Estimated Future Amortization**
Year Ending December 31,	
2020	$ 83
2021	14
2022	3
2023	3
2024	3
Thereafter	9
Total	$ 115

Note 7 – Fair Value Measurements

The carrying values of Cash and cash equivalents, Accounts receivable, Accounts receivable from affiliates, Accounts payable and accrued liabilities, borrowings under vendor financing arrangements with our primary network equipment suppliers, and borrowings under our revolving credit facility with DT, our majority stockholder, approximate fair value due to the short-term maturities of these instruments.

Derivative Financial Instruments

Interest rate lock derivatives

Periodically, we use derivatives to manage exposure to market risk, such as interest rate risk. We designated certain derivatives as hedging instruments in a qualifying hedge accounting relationship (cash flow hedge) to help minimize significant, unplanned fluctuations in cash flows caused by interest rate volatility. We do not use derivatives for trading or speculative purposes.

We record interest rate lock derivatives on our Consolidated Balance Sheets at fair value that is derived primarily from observable market data, including yield curves. Interest rate lock derivatives were classified as Level 2 in the fair value

hierarchy. Cash flows associated with qualifying hedge derivative instruments are presented in the same category on the Consolidated Statements of Cash Flows as the item being hedged.

In October 2018, we entered into interest rate lock derivatives with notional amounts of $9.6 billion. The fair value of interest rate lock derivatives was a liability of $1.2 billion and $447 million as of December 31, 2019 and 2018, respectively, and was included in Other current liabilities in our Consolidated Balance Sheets. As of the years ended December 31, 2019 and 2018, no amounts were accrued or amortized into Interest expense in the Consolidated Statements of Comprehensive Income. Aggregate changes in fair value, net of tax, of $868 million and $332 million are presented in Accumulated other comprehensive loss as of December 31, 2019, and 2018, respectively.

In November 2019, we extended the mandatory termination date on our interest rate lock derivatives to June 3, 2020. In December 2019, we made net collateral transfers to certain of our derivative counterparties totaling $632 million, which included variation margin transfers to (or from) such derivative counterparties based on daily market movements. These collateral transfers are included in Other current assets in our Consolidated Balance Sheets and in Net cash related to derivative contracts under collateral exchange arrangements within Net cash used in investing activities in our Consolidated Statements of Cash Flows. The interest rate lock derivatives will be settled upon the earlier of the issuance of fixed-rate debt or the mandatory termination date. Upon settlement of the interest rate lock derivatives, we will receive, or make, a cash payment in the amount of the fair value of the cash flow hedge as of the settlement date.

Embedded derivatives

In connection with our business combination with MetroPCS, we issued senior reset notes to DT. We determined certain components of the reset feature are required to be bifurcated from the senior reset notes and separately accounted for as embedded derivative instruments.

The interest rates on our senior reset notes to DT were adjusted at the reset dates to rates defined in the applicable supplemental indentures to manage interest rate risk related to the senior reset notes. Our embedded derivatives are recorded at fair value primarily based on unobservable inputs and were classified as Level 3 in the fair value hierarchy for 2019 and 2018.

Effective April 28, 2019, we redeemed $600 million aggregate principal amount of our 9.332% Senior Reset Notes due 2023 held by DT. The notes were redeemed at a redemption price equal to 104.666% of the principal amount of the notes (plus accrued and unpaid interest thereon) and were paid on April 29, 2019. The write-off of embedded derivatives upon redemption of the DT Senior Reset Notes resulted in a gain of $11 million and is included in Other expense, net in our Consolidated Statements of Comprehensive Income. The fair value of embedded derivative instruments was $19 million as of December 31, 2018, and is included in Other long-term liabilities in our Consolidated Balance Sheets. For the years ended December 31, 2019, 2018, and 2017, we recognized $8 million, $29 million and $52 million from the gain activity related to embedded derivatives instruments in Interest expense to affiliates in our Consolidated Statements of Comprehensive Income.

Deferred Purchase Price Assets

In connection with the sales of certain service and EIP accounts receivable pursuant to the sale arrangements, we have deferred purchase price assets measured at fair value that are based on a discounted cash flow model using unobservable Level 3 inputs, including customer default rates. See Note 4 – Sales of Certain Receivables for further information.

The carrying amounts and fair values of our assets measured at fair value on a recurring basis included in our Consolidated Balance Sheets were as follows:

(in millions)	Level within the Fair Value Hierarchy	December 31, 2019		December 31, 2018	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
Assets:					
Deferred purchase price assets	3	$ 781	$ 781	$ 746	$ 746

Long-term Debt

The fair value of our Senior Notes to third parties was determined based on quoted market prices in active markets, and therefore was classified as Level 1 within the fair value hierarchy. The fair values of our Senior Notes to affiliates, Incremental Term Loan Facility to affiliates and Senior Reset Notes to affiliates were determined based on a discounted cash flow approach using market interest rates of instruments with similar terms and maturities and an estimate for our standalone credit risk.

Accordingly, our Senior Notes to affiliates, Incremental Term Loan Facility to affiliates and Senior Reset Notes to affiliates were classified as Level 2 within the fair value hierarchy.

Although we have determined the estimated fair values using available market information and commonly accepted valuation methodologies, considerable judgment was required in interpreting market data to develop fair value estimates for the Senior Notes to affiliates, Incremental Term Loan Facility to affiliates and Senior Reset Notes to affiliates. The fair value estimates were based on information available as of December 31, 2019, and 2018. As such, our estimates are not necessarily indicative of the amount we could realize in a current market exchange.

The carrying amounts and fair values of our short-term and long-term debt included in our Consolidated Balance Sheets were as follows:

(in millions)	Level within the Fair Value Hierarchy	December 31, 2019		December 31, 2018	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
Liabilities:					
Senior Notes to third parties	1	$ 10,958	$ 11,479	$ 10,950	$ 10,945
Senior Notes to affiliates	2	9,986	10,366	9,984	9,802
Incremental Term Loan Facility to affiliates	2	4,000	4,000	4,000	3,976
Senior Reset Notes to affiliates	2	—	—	598	640

Guarantee Liabilities

We offer a device trade-in program, JUMP!, which provides eligible customers a specified-price trade-in right to upgrade their device. For customers who enroll in JUMP!, we recognize a liability and reduce revenue for the portion of revenue which represents the estimated fair value of the specified-price trade-in right guarantee, incorporating the expected probability and timing of handset upgrade and the estimated fair value of the handset which is returned. Accordingly, our guarantee liabilities were classified as Level 3 within the fair value hierarchy. When customers upgrade their device, the difference between the EIP balance credit to the customer and the fair value of the returned device is recorded against the guarantee liabilities. Guarantee liabilities are included in Other current liabilities in our Consolidated Balance Sheets.

The carrying amounts of our guarantee liabilities measured at fair value on a non-recurring basis included in our Consolidated Balance Sheets were $62 million and $73 million as of December 31, 2019, and 2018, respectively.

The total estimated remaining gross EIP receivable balances of all enrolled handset upgrade program customers, which are the remaining EIP amounts underlying the JUMP! guarantee, including EIP receivables that have been sold, was $3.0 billion as of December 31, 2019. This is not an indication of our expected loss exposure as it does not consider the expected fair value of the used handset or the probability and timing of the trade-in.

Note 8 – Debt

Debt was as follows:

(in millions)	December 31, 2019	December 31, 2018
5.300% Senior Notes to affiliates due 2021	$ 2,000	$ 2,000
4.000% Senior Notes to affiliates due 2022	1,000	1,000
4.000% Senior Notes due 2022	500	500
Incremental term loan facility to affiliates due 2022	2,000	2,000
6.000% Senior Notes due 2023	1,300	1,300
9.332% Senior Reset Notes to affiliates due 2023	—	600
6.000% Senior Notes due 2024	1,000	1,000
6.500% Senior Notes due 2024	1,000	1,000
6.000% Senior Notes to affiliates due 2024	1,350	1,350
6.000% Senior Notes to affiliates due 2024	650	650
Incremental term loan facility to affiliates due 2024	2,000	2,000
5.125% Senior Notes to affiliates due 2025	1,250	1,250
5.125% Senior Notes due 2025	500	500
6.375% Senior Notes due 2025	1,700	1,700
6.500% Senior Notes due 2026	2,000	2,000
4.500% Senior Notes due 2026	1,000	1,000
4.500% Senior Notes to affiliates due 2026	1,000	1,000
5.375% Senior Notes due 2027	500	500
5.375% Senior Notes to affiliates due 2027	1,250	1,250
4.750% Senior Notes due 2028	1,500	1,500
4.750% Senior Notes to affiliates due 2028	1,500	1,500
Capital leases [(1)]	—	2,015
Unamortized premium on debt to affiliates	43	52
Unamortized discount on Senior Notes to affiliates	(53)	(64)
Financing arrangements for property and equipment	25	—
Debt issuance costs and consent fees	(46)	(56)
Total debt	24,969	27,547
Less: Current portion of capital leases	—	841
Less: Financing arrangements for property and equipment	25	—
Total long-term debt	$ 24,944	$ 26,706
Classified on the balance sheet as:		
Long-term debt	$ 10,958	$ 12,124
Long-term debt to affiliates	13,986	14,582
Total long-term debt	$ 24,944	$ 26,706

(1) Capital lease liabilities previously included in Short-term debt and Long-term debt were reclassified to Financing lease liabilities in our Consolidated Balance Sheet. See Note 1 – Summary of Significant Accounting Policies for additional details.

Debt to Affiliates

During the year ended December 31, 2019, we made the following note redemption:

(in millions)	Principal Amount	Write -off of Embedded Derivatives (1)	Other (2)	Redemption Date	Redemption Price
9.332% Senior Notes due 2023	$ 600	$ 11	$ 28	April 28, 2019	104.6660 %

(1) Certain components of the reset features were required to be bifurcated from the DT Senior Reset Notes and separately accounted for as embedded derivative instruments. The write-off of embedded derivatives upon redemption resulted in a gain and is included in Other expense, net in our Consolidated Statements of Comprehensive Income and in Losses on redemption of debt within Net cash provided by operating activities in our Consolidated Statements of Cash Flows.

(2) Cash for the premium portion of the redemption price set forth in the indenture governing the DT Senior Reset Notes, plus accrued but unpaid interest on the DT Senior Reset Notes. The redemption premium was included in Other expense, net in our Consolidated Statements of Comprehensive Income and in Cash payments for debt prepayment or debt extinguishment costs in our Consolidated Statements of Cash Flows.

Incremental Term Loan Facility

In March 2018, we amended the terms of our secured term loan facility (“Incremental Term Loan Facility”) with DT, our majority stockholder. Following this amendment, the applicable margin payable on LIBOR indexed loans is 1.50% under the $2.0 billion Incremental Term Loan Facility maturing on November 9, 2022 and 1.75% under the $2.0 billion Incremental Term Loan Facility maturing on January 31, 2024. The amendment also modified the Incremental Term Loan Facility to update certain covenants and other provisions to make them substantially consistent, subject to certain additional carve outs, with our most recently issued public notes. No issuance fees were incurred related to this debt facility for the years ended December 31, 2019 and 2018.

Commitment Letter

In connection with the entry into the Business Combination Agreement, T-Mobile USA entered into a commitment letter, dated as of April 29, 2018 (as amended and restated on May 15, 2018 and on September 6, 2019, the “Commitment Letter”), with certain financial institutions named therein that have committed to provide up to $30.0 billion in secured and unsecured debt financing, including a $4.0 billion secured revolving credit facility, a $7.0 billion secured term loan facility, and a $19.0 billion secured bridge loan facility. On September 6, 2019, T-Mobile USA amended and restated the Commitment Letter which (i) reduced the commitments under the secured term loan facility from $7.0 billion to $4.0 billion and (ii) extended the commitments thereunder through May 1, 2020. The funding of the debt facilities provided for in the Commitment Letter is subject to the satisfaction of the conditions set forth therein, including consummation of the Merger. The proceeds of the debt financing provided for in the Commitment Letter will be used to refinance certain existing debt of us, Sprint and our and Sprint’s respective subsidiaries and for post-closing working capital needs of the combined company.

In connection with the financing provided for in the Commitment Letter, we expect to incur certain fees payable to the financial institutions, including certain financing fees on the secured term loan commitment. If the Merger closes, we will incur additional fees for the financial institutions structuring and providing the commitments and certain take-out fees associated with the issuance of permanent secured bond debt in lieu of the secured bridge loan. In total, we may incur up to approximately $340 million in fees associated with the Commitment Letter. We began incurring certain Commitment Letter fees on November 1, 2019, which were recognized in Selling, general and administrative expenses in our Consolidated Statements of Comprehensive Income. There were $12 million of fees accrued as of December 31, 2019.

Financing Matters Agreement

Pursuant to the Financing Matters Agreement, DT agreed, among other things, to consent to the incurrence by T-Mobile USA of secured debt in connection with and after the consummation of the Merger, and to provide a lock up on sales thereby as to certain senior notes of T-Mobile USA held thereby. In addition, T-Mobile USA agreed, among other things, to repay and terminate, upon closing of the Merger, the Incremental Term Loan Facility and the revolving credit facility of T-Mobile USA which are provided by DT, as well as $2.0 billion of T-Mobile USA’s 5.300% Senior Notes due 2021 and $2.0 billion of T-Mobile USA’s 6.000% Senior Notes due 2024. In addition, T-Mobile USA and DT agreed, upon closing of the Merger, to amend the $1.25 billion of T-Mobile USA’s 5.125% Senior Notes due 2025 and $1.25 billion of T-Mobile USA’s 5.375% Senior Notes due 2027 to change the maturity dates thereof to April 15, 2021 and April 15, 2022, respectively (the “2025 and 2027 Amendments”). In connection with receiving the requisite consents, we made upfront payments to DT of $7 million during the second quarter of 2018. These payments were recognized as a reduction to Long-term debt to affiliates in our Consolidated Balance Sheets. In accordance with the consents received from DT, on December 20, 2018, T-Mobile USA, the guarantors and Deutsche Bank Trust Company Americas, as trustee, executed and delivered the 38th supplemental indenture to

the Indenture, pursuant to which, with respect to certain T-Mobile USA Senior Notes held by DT, the Proposed Amendments (as defined below under "Consents on Debt to Third Parties") and the 2025 and 2027 Amendments will become effective immediately prior to the consummation of the Merger. If the Merger is consummated, we will make additional payments for requisite consents to DT of $13 million. There were no additional payments accrued as of December 31, 2019 and 2018.

Consents on Debt to Third Parties

On May 18, 2018, under the terms and conditions described in the Consent Solicitation Statement, we obtained consents necessary to effect certain amendments to our Senior Notes to third parties in connection with the Business Combination Agreement. Pursuant to the Consent Solicitation Statement, third-party note holders agreed, among other things, to consent to increasing the amount of Secured Indebtedness under Credit Facilities that can be incurred from the greater of $9.0 billion and 150% of Consolidated Cash Flow to the greater of $9.0 billion and an amount that would not cause the Secured Debt to Cash Flow Ratio (calculated net of cash and cash equivalents) to exceed 2.00x (the "Ratio Secured Debt Proposed Amendments") and in each case as such capitalized term is defined in the Indenture. In connection with receiving the requisite consents for the Ratio Secured Debt Proposed Amendments, we made upfront payments to third-party note holders of $17 million during the second quarter of 2018. These payments were recognized as a reduction to Long-term debt in our Consolidated Balance Sheets. These upfront payments increased the effective interest rate of the related debt.

In addition, note holders agreed, among other things, to allow certain entities related to Sprint's existing spectrum securitization notes program ("Existing Sprint Spectrum Program") to be non-guarantor Restricted Subsidiaries, provided that the principal amount of the spectrum notes issued and outstanding under the Existing Sprint Spectrum Program does not exceed $7.0 billion and that the principal amount of such spectrum notes reduces the amount available under the Credit Facilities ratio basket, and to revise the definition of GAAP to mean generally accepted accounting principles in effect from time to time, unless the Company elects to "freeze" GAAP as of any date, and to exclude the effect of the changes in the accounting treatment of lease obligations (the "Existing Sprint Spectrum and GAAP Proposed Amendments," and together with the Ratio Secured Debt Proposed Amendments, the "Proposed Amendments"). In connection with receiving the requisite consents for the Existing Sprint Spectrum and GAAP Proposed Amendments, we made upfront payments to third-party note holders of $14 million during the second quarter of 2018. These payments were recognized as a reduction to Long-term debt in our Consolidated Balance Sheets. These upfront payments increased the effective interest rate of the related debt.

In connection with obtaining the requisite consents, on May 20, 2018, T-Mobile USA, the guarantors and Deutsche Bank Trust Company Americas, as trustee, executed and delivered the 37th supplemental indenture to the Indenture, pursuant to which, with respect to each of the Notes, the Proposed Amendments will become effective immediately prior to the consummation of the Merger.

We paid third-party bank fees associated with obtaining the requisite consents related to the Proposed Amendments of $6 million during the second quarter of 2018, which we recognized as Selling, general and administrative expenses in our Consolidated Statements of Comprehensive Income. If the Merger is consummated, we will make additional payments to third-party note holders for requisite consents related to the Ratio Secured Debt Proposed Amendments of up to $54 million and additional payments to third-party note holders for requisite consents related to the Existing Sprint Spectrum and GAAP Proposed Amendments of up to $41 million. There were no payments accrued as of December 31, 2019.

Financing Arrangements

We maintain a financing arrangement with Deutsche Bank AG, which allows for up to $108 million in borrowings. Under the financing arrangement, we can effectively extend payment terms for invoices payable to certain vendors. The interest rate on the financing arrangement is determined based on LIBOR plus a specified margin per the arrangement. Obligations under the financing arrangement are included in Short-term debt in our Consolidated Balance Sheets. As of December 31, 2019 and 2018, there were no outstanding balances.

We maintain vendor financing arrangements with our primary network equipment suppliers. Under the respective agreements, we can obtain extended financing terms. During the year ended December 31, 2019, we utilized $800 million and repaid $775 million under the vendor financing arrangements. Invoices subject to extended payment terms have various due dates through the first quarter of 2020. Payments on vendor financing agreements are included in Repayments of short-term debt for purchases of inventory, property and equipment, net, in our Consolidated Statements of Cash Flows. As of December 31, 2019, there was $25 million in outstanding borrowings under the vendor financing agreements which were included in Short-term debt in our Consolidated Balance Sheets. As of December 31, 2018, there was no outstanding balance.

Revolving Credit Facility

We maintain a $2.5 billion revolving credit facility with DT which is comprised of a $1.0 billion unsecured revolving credit agreement and a $1.5 billion secured revolving credit agreement. In December 2019, we amended the terms of the revolving credit facility with DT to extend the maturity date to December 29, 2022.

The proceeds and borrowings from the revolving credit facility are presented in Proceeds from borrowing on revolving credit facility and Repayments of revolving credit facility within Net cash used in financing activities in our Consolidated Statements of Cash Flows. As of December 31, 2019 and 2018, there were no outstanding borrowings under the revolving credit facility.

Standby Letters of Credit

For the purposes of securing our obligations to provide handset insurance services, we maintain an agreement for standby letters of credit with JP Morgan Chase Bank, N.A. (“JP Morgan Chase”). For purposes of securing our general purpose obligations, we maintain a letter of credit reimbursement agreement with Deutsche Bank.

The following table summarizes the outstanding standby letters of credit under each agreement:

(in millions)	December 31, 2019	December 31, 2018
JP Morgan Chase	$ 20	$ 20
Deutsche Bank	93	66
Total outstanding balance	$ 113	$ 86

Note 9 – Tower Obligations

In 2012, we conveyed to CCI the exclusive right to manage and operate approximately 7,100 T-Mobile-owned wireless communications tower sites in exchange for net proceeds of $2.5 billion (the “2012 Tower Transaction”). Rights to approximately 6,200 of the tower sites were transferred to CCI via a master prepaid lease with site lease terms ranging from 23 to 37 years (“CCI Lease Sites”), while the remaining tower sites were sold to CCI (“CCI Sales Sites”). CCI has fixed-price purchase options for the CCI Lease Sites totaling approximately $2.0 billion, exercisable at the end of the lease term. We lease back space at certain tower sites for an initial term of ten years, followed by optional renewals at customary terms.

In 2015, we conveyed to PTI the exclusive right to manage and operate certain T-Mobile-owned wireless communications tower sites (“PTI Sales Sites”) in exchange for net proceeds of approximately $140 million (the “2015 Tower Transaction”). Rights to approximately 150 of the tower sites remain operated by PTI under a management agreement. We lease back space at certain tower sites for an initial term of ten years, followed by optional renewals at customary terms.

Assets and liabilities associated with the operation of the tower sites were transferred to special purpose entities (“SPEs”). Assets included ground lease agreements or deeds for the land on which the towers are situated, the towers themselves and existing subleasing agreements with other mobile network operator tenants, who lease space at the tower sites. Liabilities included the obligation to pay ground lease rentals, property taxes and other executory costs. Upon closing of the 2012 Tower Transaction, CCI acquired all of the equity interests in the SPE containing CCI Sales Sites and an option to acquire the CCI Lease Sites at the end of their respective lease terms and entered into a master lease agreement under which we agreed to lease back space at certain of the tower sites. Upon closing of the 2015 Tower Transaction, PTI acquired all of the equity interests in the SPEs containing PTI Sales Sites and entered into a master lease agreement under which we agreed to lease back space at certain of the tower sites.

We determined the SPEs containing the CCI Lease Sites (“Lease Site SPEs”) are VIEs as our equity investment lacks the power to direct the activities that most significantly impact the economic performance of the VIEs. These activities include managing tenants and underlying ground leases, performing repair and maintenance on the towers, the obligation to absorb expected losses and the right to receive the expected future residual returns from the purchase option to acquire the CCI Lease Sites. As we determined that we are not the primary beneficiary and do not have a controlling financial interest in the Lease Site SPEs, the balances and operating results of the Lease Site SPEs are not included in our Consolidated Financial Statements.

Due to our continuing involvement with the tower sites, we previously determined that we were precluded from applying sale-leaseback accounting. We recorded long-term financial obligations in the amount of the net proceeds received and recognized interest on the tower obligations at a rate of approximately 8% for the 2012 Tower Transaction and 5% for the 2015 Tower Transaction using the effective interest method. The tower obligations are increased by interest expense and amortized through

contractual leaseback payments made by us to CCI or PTI and through net cash flows generated and retained by CCI or PTI from operation of the tower sites. The principal payments on the tower obligations are included in Other, net within Net cash used in financing activities in our Consolidated Statements of Cash Flows**.** Our historical tower site asset costs are reported in Property and equipment, net in our Consolidated Balance Sheets and are depreciated.

Upon adoption of the new leasing standard we were required to reassess the previously failed sale-leasebacks and determine whether the transfer of the assets to the tower operator under the arrangement met the transfer of control criteria in the revenue standard and whether a sale should be recognized. We concluded that a sale has not occurred for the CCI Lease Sites and these sites continue to be accounted for as a failed sale-leaseback. We concluded that a sale had occurred for the CCI Sales Sites and the PTI Sales Sites and therefore we derecognized our existing long-term financial obligation and the tower-related property and equipment associated with these sites as part of the cumulative effect adjustment on January 1, 2019. See Note 1 - Summary of Significant Accounting Policies for further information.

The following table summarizes the balances of the failed sale-leasebacks in the Consolidated Balance Sheets:

(in millions)	December 31, 2019	December 31, 2018
Property and equipment, net	$ 198	$ 329
Tower obligations	2,236	2,557

Future minimum payments related to the tower obligations are approximately $160 million for the year ending December 31, 2020, $321 million in total for the years ending December 31, 2021 and 2022, $320 million in total for years ending December 31, 2023 and 2024, and $467 million in total for years thereafter.

We are contingently liable for future ground lease payments through the remaining term of the CCI Lease Sites. These contingent obligations are not included in Operating lease liabilities as any amount due is contractually owed by CCI based on the subleasing arrangement.

Note 10 – Revenue from Contracts with Customers

Disaggregation of Revenue

We provide wireless communications services to three primary categories of customers:

- Branded postpaid customers generally include customers who are qualified to pay after receiving wireless communications services utilizing phones, wearables, DIGITS, or other connected devices which includes tablets and SyncUP DRIVE™;
- Branded prepaid customers generally include customers who pay for wireless communications services in advance. Our branded prepaid customers include customers of T-Mobile and Metro by T-Mobile; and
- Wholesale customers include Machine-to-Machine (“M2M”) and Mobile Virtual Network Operator (“MVNO”) customers that operate on our network but are managed by wholesale partners.

Branded postpaid service revenues, including branded postpaid phone revenues and branded postpaid other revenues, were as follows:

	Year Ended December 31,		
(in millions)	2019	2018	2017
Branded postpaid service revenues			
Branded postpaid phone revenues	$ 21,329	$ 19,745	$ 18,371
Branded postpaid other revenues	1,344	1,117	1,077
Total branded postpaid service revenues	$ 22,673	$ 20,862	$ 19,448

We operate as a single operating segment. The balances presented within each revenue line item in our Consolidated Statements of Comprehensive Income represent categories of revenue from contracts with customers disaggregated by type of product and service. Service revenues also include revenues earned for providing value added services to customers, such as handset insurance services. Revenue generated from the lease of mobile communication devices is included within Equipment revenues in our Consolidated Statements of Comprehensive Income.

Equipment revenues from the lease of mobile communication devices were as follows:

(in millions)	Year Ended December 31,		
	2019	2018	2017
Equipment revenues from the lease of mobile communication devices	$ 599	$ 692	$ 877

Contract Balances

The opening and closing balances of our contract asset and contract liability balances from contracts with customers as of December 31, 2018 and December 31, 2019, were as follows:

(in millions)	Contract Assets	Contract Liabilities
Balance as of December 31, 2018	$ 51	$ 645
Balance as of December 31, 2019	63	560
Change	$ 12	$ (85)

Contract assets primarily represent revenue recognized for equipment sales with promotional bill credits offered to customers that are paid over time and are contingent on the customer maintaining a service contract. The change in the contract asset balance includes customer activity related to new promotions, offset by billings on existing contracts and impairment which is recognized as bad debt expense. The current portion of our Contract Assets of approximately $50 million and $51 million as of December 31, 2019 and 2018, respectively, was included in Other current assets in our Consolidated Balance Sheets.

Contract liabilities are recorded when fees are collected, or we have an unconditional right to consideration (a receivable) in advance of delivery of goods or services. The change in contract liabilities is primarily related to the migration of customers to unlimited rate plans. Contract liabilities are included in Deferred revenue in our Consolidated Balance Sheets.

Revenues for the years ended December 31, 2019 and 2018, include the following:

(in millions)	Year Ended December 31,	
	2019	2018
Amounts included in the beginning of year contract liability balance	$ 643	$ 710

Remaining Performance Obligations

As of December 31, 2019, the aggregate amount of transaction price allocated to remaining service performance obligations for branded postpaid contracts with promotional bill credits that result in an extended service contract is $237 million. We expect to recognize this revenue as service is provided over the extended contract term in the next 24 months.

Certain of our wholesale, roaming and other service contracts include variable consideration based on usage. This variable consideration has been excluded from the disclosure of remaining performance obligations. As of December 31, 2019, the aggregate amount of the contractual minimum consideration for wholesale, roaming and other service contracts is $1.3 billion, $894 million and $791 million for 2020, 2021 and 2022 and beyond, respectively. These contracts have a remaining duration ranging from less than one year to ten years.

Information about remaining performance obligations that are part of a contract that has an original expected duration of one year or less have been excluded from the above, which primarily consists of monthly service contracts.

Contract Costs

The total balance of deferred incremental costs to obtain contracts was $906 million and $644 million as of December 31, 2019 and 2018, respectively. Deferred contract costs incurred to obtain postpaid service contracts are amortized over a period of 24 months. The amortization period is monitored to reflect any significant change in assumptions. Amortization of deferred contract costs is included in Selling, general and administrative expenses in our Consolidated Statements of Comprehensive Income and was $604 million and $267 million for the years ended December 31, 2019 and 2018, respectively.

The deferred contract cost asset is assessed for impairment on a periodic basis. There were no impairment losses recognized on deferred contract cost assets for the years ended December 31, 2019 and 2018.

Note 11 – Employee Compensation and Benefit Plans

Under our 2013 Omnibus Incentive Plan (the "Incentive Plan"), we are authorized to issue up to 82 million shares of our common stock. Under the Incentive Plan, we can grant stock options, stock appreciation rights, restricted stock, restricted stock units ("RSUs"), and performance awards to eligible employees, consultants, advisors and non-employee directors. As of December 31, 2019, there were approximately 19 million shares of common stock available for future grants under the Incentive Plan.

We grant RSUs to eligible employees, key executives and certain non-employee directors and performance-based restricted stock units ("PRSUs") to eligible key executives. RSUs entitle the grantee to receive shares of our common stock upon vesting (with vesting generally occurring annually over a three year period), subject to continued service through the applicable vesting date. PRSUs entitle the holder to receive shares of our common stock at the end of a performance period of generally up to three years if the applicable performance goals are achieved and generally subject to continued service through the applicable performance period. The number of shares ultimately received by the holder of PRSUs is dependent on our business performance against the specified performance goal(s) over a pre-established performance period. We also maintain an employee stock purchase plan ("ESPP"), under which eligible employees can purchase our common stock at a discounted price.

Stock-based compensation expense and related income tax benefits were as follows:

(in millions, except shares, per share and contractual life amounts)	December 31, 2019	December 31, 2018	December 31, 2017
Stock-based compensation expense	$ 495	$ 424	$ 306
Income tax benefit related to stock-based compensation	$ 92	$ 81	$ 73
Weighted average fair value per stock award granted	$ 73.25	$ 61.52	$ 60.21
Unrecognized compensation expense	$ 515	$ 547	$ 445
Weighted average period to be recognized (years)	1.6	1.8	1.9
Fair value of stock awards vested	$ 512	$ 471	$ 503

Stock Awards

Time-Based Restricted Stock Units and Restricted Stock Awards

(in millions, except shares, per share and contractual life amounts)	Number of Units or Awards	Weighted Average Grant Date Fair Value	Weighted Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value
Nonvested, December 31, 2018	11,010,635	$ 57.66	1.0	$ 700
Granted	6,099,719	73.13		
Vested	(5,862,128)	55.52		
Forfeited	(745,015)	65.87		
Nonvested, December 31, 2019	10,503,211	67.31	0.9	824

Performance-Based Restricted Stock Units and Restricted Stock Awards

(in millions, except shares, per share and contractual life amounts)	Number of Units or Awards	Weighted Average Grant Date Fair Value	Weighted Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value
Nonvested, December 31, 2018	3,851,554	$ 64.03	1.6	$ 245
Granted	1,046,792	73.98		
Vested	(1,006,404)	52.47		
Forfeited	(88,403)	62.02		
Nonvested, December 31, 2019	3,803,539	69.78	1.0	300

PRSUs included in the table above are shown at target. Share payout can range from 0% to 200% based on different performance outcomes.

Payment of the underlying shares in connection with the vesting of stock awards generally triggers a tax obligation for the employee, which is required to be remitted to the relevant tax authorities. We have agreed to withhold shares of common stock otherwise issuable under the award to cover certain of these tax obligations, with the net shares issued to the employee accounted for as outstanding common stock. We withheld 2,094,555 and 2,321,827 shares of common stock to cover tax

obligations associated with the payment of shares upon vesting of stock awards and remitted cash of $156 million and $146 million to the appropriate tax authorities for the years ended December 31, 2019 and 2018, respectively.

Employee Stock Purchase Plan

Our ESPP allows eligible employees to contribute up to 15% of their eligible earnings toward the semi-annual purchase of our shares of common stock at a discounted price, subject to an annual maximum dollar amount. Employees can purchase stock at a 15% discount applied to the closing stock price on the first or last day of the six-month offering period, whichever price is lower. The number of shares issued under our ESPP was 2,091,650 and 2,011,794 for the years ended December 31, 2019 and 2018, respectively. As of December 31, 2019, the number of securities remaining available for future sale and issuance under the ESPP was 1,397,894.

Our ESPP provides for an annual increase in the aggregate number of shares of our common stock reserved for sale and authorized for issuance thereunder as of the first day of each fiscal year (beginning with fiscal year 2016) equal to the lesser of (i) 5,000,000 shares of our common stock, and (ii) the number of shares of Common Stock determined by the Compensation Committee of the Board of Directors of the Company (the “Compensation Committee”). For fiscal years 2016 through 2019, the Compensation Committee determined that no such increase in shares of our common stock was necessary. However, an additional 5,000,000 shares of our common stock were automatically added to the ESPP share reserve as of January 1, 2020.

Stock Options

Stock options outstanding relate to the Metro Communications, Inc. 2010 Equity Incentive Compensation Plan, the Amended and Restated Metro Communications, Inc. 2004 Equity Incentive Compensation Plan, and the Layer3 TV, Inc. 2013 Stock Plan (collectively, the “Stock Option Plans”). No new awards have been or may be granted under the Stock Option Plans.

The following activity occurred under the Stock Option Plans:

	Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (Years)
Outstanding at December 31, 2018	284,811	$ 14.58	3.8
Exercised	(85,083)	15.94	
Expired/canceled	(4,786)	22.75	
Outstanding at December 31, 2019	194,942	13.80	2.9
Exercisable at December 31, 2019	180,966	13.48	2.6

Stock options exercised under the Stock Option Plans generated proceeds of approximately $1 million and $3 million for the years ended December 31, 2019 and 2018, respectively.

Employee Retirement Savings Plan

We sponsor a retirement savings plan for the majority of our employees under Section 401(k) of the Internal Revenue Code and similar plans. The plans allow employees to contribute a portion of their pretax and post-tax income in accordance with specified guidelines. The plans provide that we match a percentage of employee contributions up to certain limits. Employer matching contributions were $119 million, $102 million and $87 million for the years ended December 31, 2019, 2018 and 2017, respectively.

Note 12 – Repurchases of Common Stock

2017 Stock Repurchase Program

On December 6, 2017, our Board of Directors authorized a stock repurchase program for up to $1.5 billion of our common stock through December 31, 2018 (the “2017 Stock Repurchase Program”). Repurchased shares are retired. The 2017 Stock Repurchase Program completed on April 29, 2018.

The following table summarizes information regarding repurchases of our common stock under the 2017 Stock Repurchase Program:

(In millions, except shares and per share price)

Year ended December 31,	Number of Shares Repurchased	Average Price Paid Per Share	Total Purchase Price
2018	16,738,758	$ 62.96	$ 1,054
2017	7,010,889	63.34	444
	23,749,647	63.07	$ 1,498

2018 Stock Repurchase Program

On April 27, 2018, our Board of Directors authorized an increase in the total stock repurchase program to $9.0 billion, consisting of the $1.5 billion in repurchases previously completed and for up to an additional $7.5 billion of repurchases of our common stock through the year ending December 31, 2020 (the "2018 Stock Repurchase Program"). The additional $7.5 billion repurchase authorization is contingent upon the termination of the Business Combination Agreement and the abandonment of the transactions contemplated under the Business Combination Agreement. There were no repurchases of our common stock under the 2018 Stock Repurchase Program in 2019 or 2018.

Under the 2018 Stock Repurchase Program, repurchases can be made from time to time using a variety of methods, which may include open market purchases, privately negotiated transactions or otherwise, all in accordance with the rules of the SEC and other applicable legal requirements. The specific timing, price and size of purchases will depend on prevailing stock prices, general economic and market conditions, and other considerations. The 2018 Stock Repurchase Program does not obligate us to acquire any particular amount of common stock, and the repurchase program may be suspended or discontinued at any time at our discretion. Repurchased shares are retired.

Stock Purchases by Affiliate

In the first quarter of 2018, DT, our majority stockholder and an affiliated purchaser, purchased 3.3 million additional shares of our common stock at an aggregate market value of $200 million in the public market or from other parties, in accordance with the rules of the SEC and other applicable legal requirements. There were no purchases in the remainder of 2018 and in 2019. We did not receive proceeds from these purchases.

Note 13 – Income Taxes

Our sources of Income before income taxes were as follows:

	Year Ended December 31,		
(in millions)	2019	2018	2017
U.S.	$ 4,557	$ 3,686	$ 3,274
Puerto Rico	46	231	(113)
Income before income taxes	$ 4,603	$ 3,917	$ 3,161

Income tax (expense) benefit is summarized as follows:

	Year Ended December 31,		
(in millions)	2019	2018	2017
Current tax benefit (expense)			
Federal	$ 24	$ 39	$ —
State	(70)	(63)	(28)
Puerto Rico	2	(25)	(1)
Total current tax expense	(44)	(49)	(29)
Deferred tax benefit (expense)			
Federal	(954)	(750)	1,182
State	(125)	(160)	173
Puerto Rico	(12)	(70)	49
Total deferred tax (expense) benefit	(1,091)	(980)	1,404
Total income tax (expense) benefit	$ (1,135)	$ (1,029)	$ 1,375

The reconciliation between the U.S. federal statutory income tax rate and our effective income tax rate is as follows:

	Year Ended December 31,		
	2019	2018	2017
Federal statutory income tax rate	21.0 %	21.0 %	35.0 %
Effect of law and rate changes	0.4	1.9	(68.9)
Change in valuation allowance	(1.8)	(1.6)	(11.4)
State taxes, net of federal benefit	5.1	4.8	4.8
Equity-based compensation	(0.6)	(0.6)	(2.4)
Puerto Rico taxes, net of federal benefit	0.3	2.4	(1.5)
Permanent differences	1.2	1.3	0.5
Federal tax credits, net of reserves	(0.8)	(2.9)	0.3
Other, net	(0.1)	—	0.1
Effective income tax rate	24.7 %	26.3 %	(43.5)%

Significant components of deferred income tax assets and liabilities, tax effected, are as follows:

(in millions)	December 31, 2019	December 31, 2018
Deferred tax assets		
Loss carryforwards	$ 823	$ 1,526
Deferred rents	—	784
Lease liability	3,403	—
Reserves and accruals	659	668
Federal and state tax credits	331	340
Other	903	620
Deferred tax assets, gross	6,119	3,938
Valuation allowance	(129)	(210)
Deferred tax assets, net	5,990	3,728
Deferred tax liabilities		
Spectrum licenses	5,902	5,494
Property and equipment	2,506	2,434
Lease right-of-use assets	2,881	—
Other intangible assets	19	40
Other	289	232
Total deferred tax liabilities	11,597	8,200
Net deferred tax liabilities	$ 5,607	$ 4,472
Classified on the balance sheet as:		
Deferred tax liabilities	$ 5,607	$ 4,472

As of December 31, 2019, we have tax effected net operating loss (“NOL”) carryforwards of $470 million for federal income tax purposes and $710 million for state income tax purposes, expiring through 2039. Federal NOLs and certain state NOLs generated in and after 2018 do not expire. As of December 31, 2019, our tax effected federal and state NOL carryforwards for financial reporting purposes were approximately $138 million and $282 million, respectively, less than our NOL carryforwards for federal and state income tax purposes, due to unrecognized tax benefits of the same amount. The unrecognized tax benefit amounts exclude indirect tax effects of $63 million in other jurisdictions.

As of December 31, 2019, we have available Alternative Minimum Tax (“AMT”) credit carryforwards of $23 million. The AMT credits will be fully recovered by 2021. We also have research and development and foreign tax credit carryforwards with a combined value of $347 million for federal income tax purposes, which begin to expire in 2020.

As of December 31, 2019, 2018 and 2017, our valuation allowance was $129 million, $210 million and $273 million, respectively. The change from December 31, 2018 to December 31, 2019 primarily related to a reduction in the valuation allowance against deferred tax assets in certain state jurisdictions resulting from legal entity reorganizations. The change from December 31, 2017 to December 31, 2018 primarily related to a reduction in the valuation allowance against deferred tax assets in certain state jurisdictions from a change in tax status of certain subsidiaries. We will continue to monitor positive and negative evidence related to the utilization of the remaining deferred tax assets for which a valuation allowance continues to be provided. It is possible that our valuation allowance may change within the next twelve months.

We file income tax returns in the U.S. federal jurisdiction, various state jurisdictions and in Puerto Rico. We are currently under examination by various states. Management does not believe the resolution of any of the audits will result in a material change to our financial condition, results of operations or cash flows. The IRS has concluded its audits of our federal tax returns through the 2013 tax year; however, NOL and other carryforwards for certain audited periods remain open for examination. We are generally closed to U.S. federal, state and Puerto Rico examination for years prior to 2000.

A reconciliation of the beginning and ending amount of unrecognized tax benefits were as follows:

	Year Ended December 31,		
(in millions)	**2019**	**2018**	**2017**
Unrecognized tax benefits, beginning of year	$ 462	$ 412	$ 410
Gross (decreases) increases to tax positions in prior periods	(7)	6	(10)
Gross increases due to current period business acquisitions	—	10	—
Gross increases to current period tax positions	59	34	12
Unrecognized tax benefits, end of year	$ 514	$ 462	$ 412

As of December 31, 2019 and 2018, we had $367 million and $315 million, respectively, in unrecognized tax benefits that, if recognized, would affect our annual effective tax rate. Penalties and interest on income tax assessments are included in Selling, general and administrative expenses and Interest expense, respectively, in our Consolidated Statements of Comprehensive Income. The accrued interest and penalties associated with unrecognized tax benefits are insignificant.

Note 14 – Earnings Per Share

The computation of basic and diluted earnings per share was as follows:

	Year Ended December 31,		
(in millions, except shares and per share amounts)	**2019**	**2018**	**2017**
Net income	$ 3,468	$ 2,888	$ 4,536
Less: Dividends on mandatory convertible preferred stock	—	—	(55)
Net income attributable to common stockholders - basic	3,468	2,888	4,481
Add: Dividends related to mandatory convertible preferred stock	—	—	55
Net income attributable to common stockholders	$ 3,468	$ 2,888	$ 4,536
Weighted average shares outstanding - basic	854,143,751	849,744,152	831,850,073
Effect of dilutive securities:			
Outstanding stock options and unvested stock awards	9,289,760	8,546,022	9,200,873
Mandatory convertible preferred stock	—	—	30,736,504
Weighted average shares outstanding - diluted	863,433,511	858,290,174	871,787,450
Earnings per share - basic	$ 4.06	$ 3.40	$ 5.39
Earnings per share - diluted	$ 4.02	$ 3.36	$ 5.20
Potentially dilutive securities:			
Outstanding stock options and unvested stock awards	16,359	148,422	33,980

As of December 31, 2019, we had authorized 100 million shares of preferred stock, with a par value of $0.00001 per share. There was no preferred stock outstanding as of December 31, 2019 and 2018.

Potentially dilutive securities were not included in the computation of diluted earnings per share if to do so would have been anti-dilutive.

Note 15 - Leases

Leases (Topic 842) Disclosures

Lessee

We are lessee for non-cancelable operating and financing leases for cell sites, switch sites, retail stores and office facilities with contractual terms that generally extend through 2029. The majority of cell site leases have an initial non-cancelable term of five to ten years with several renewal options that can extend the lease term from five to thirty-five years. In addition, we have financing leases for network equipment that generally have a non-cancelable lease term of two to five years; the financing leases do not have renewal options and contain a bargain purchase option at the end of the lease.

The components of lease expense were as follows:

(in millions)	Year Ended December 31, 2019
Operating lease expense	$ 2,558
Financing lease expense:	
Amortization of right-of-use assets	523
Interest on lease liabilities	82
Total financing lease expense	605
Variable lease expense	243
Total lease expense	$ 3,406

Information relating to the lease term and discount rate is as follows:

	December 31, 2019
Weighted Average Remaining Lease Term (Years)	
Operating leases	6
Financing leases	3
Weighted Average Discount Rate	
Operating leases	4.8 %
Financing leases	4.0 %

Maturities of lease liabilities as of December 31, 2019, were as follows:

(in millions)	Operating Leases	Finance Leases
Twelve Months Ending December 31,		
2020	$ 2,754	$ 1,013
2021	2,583	733
2022	2,311	414
2023	1,908	101
2024	1,615	71
Thereafter	3,797	115
Total lease payments	14,968	2,447
Less imputed interest	2,142	144
Total	$ 12,826	$ 2,303

Interest payments for financing leases for the year ended December 31, 2019, were $82 million.

As of December 31, 2019, we have additional operating leases for cell sites and commercial properties that have not yet commenced with future lease payments of approximately $341 million.

As of December 31, 2019, we were contingently liable for future ground lease payments related to the tower obligations. These contingent obligations are not included in the above table as the amounts owed are contractually owed by CCI based on the subleasing arrangement. See Note 9 - Tower Obligations for further information.

Lessor

JUMP! On Demand allows customers to lease a device (handset or tablet) over a period of 18 months and upgrade it for a new device up to one time per month. Upon device upgrade or at lease end, customers must return or purchase their device. The purchase price at the expiration of the lease is established at lease commencement and reflects the estimated residual value of the device, which reflects the estimated fair value of the underlying asset at the end of the lease term. The JUMP! On Demand leases do not contain any residual value guarantees or variable lease payments, and there are no restrictions or covenants imposed by these leases. Leased wireless devices are included in Property and equipment, net in our Consolidated Balance Sheets.

The components of leased wireless devices under our JUMP! On Demand program were as follows:

(in millions)	December 31, 2019	December 31, 2018
Leased wireless devices, gross	$ 1,139	$ 1,159
Accumulated depreciation	(407)	(622)
Leased wireless devices, net	$ 732	$ 537

For equipment revenues from the lease of mobile communication devices, see Note 10 - Revenue from Contracts with Customers.

Future minimum payments expected to be received over the lease term related to the leased wireless devices, which exclude optional residual buy-out amounts at the end of the lease term, are summarized below:

(in millions)	Total
Twelve Months Ending December 31,	
2020	$ 417
2021	99
Total	$ 516

Leases (Topic 840) Disclosures

On January 1, 2019, we adopted the new lease standard using a modified-retrospective approach by recognizing and measuring leases at the adoption date with a cumulative effect of initially applying the guidance recognized at the date of initial application and did not restate the prior periods presented in our Consolidated Financial Statements. As such, prior periods presented in our Consolidated Financial Statements continue to be in accordance with the former lease standard, Topic 840 Leases. See Note 1 - Summary of Significant Accounting Policies for further information.

Operating Leases

Under the previous lease standard, we had non-cancelable operating leases for cell sites, switch sites, retail stores and office facilities. As of December 31, 2018, these leases had contractual terms expiring through 2028, with the majority of cell site leases having an initial non-cancelable term of five to ten years with several renewal options. In addition, we had operating leases for dedicated transportation lines with varying expiration terms through 2027.

Our commitments under leases existing as of December 31, 2018 were approximately $2.7 billion for the year ending December 31, 2019, $4.7 billion in total for the years ending December 31, 2020 and 2021, $3.3 billion in total for the years ending December 31, 2022 and 2023 and $3.8 billion in total for years thereafter.

Total rent expense under operating leases, including dedicated transportation lines, was $3.0 billion for the year ended December 31, 2018, and was classified as Cost of services and Selling, general and administrative expense in our Consolidated Statements of Comprehensive Income.

Lessor

As of December 31, 2018, the future minimum payments expected to be received over the lease term related to the leased wireless devices, which exclude optional residual buy-out amounts at the end of the lease term, are summarized below:

(in millions)	Total
Year Ended December 31,	
2019	$ 419
2020	59
Total	$ 478

Capital Leases

Within property and equipment, wireless communications systems include capital lease agreements for network equipment with varying expiration terms through 2033. Capital lease assets and accumulated amortization were $3.1 billion and $867 million as of December 31, 2018.

As of December 31, 2018, the future minimum payments required under capital leases, including interest and maintenance, over their remaining terms are summarized below:

(in millions)	Future Minimum Payments
Year Ended December 31,	
2019	$ 909
2020	631
2021	389
2022	102
2023	66
Thereafter	106
Total	$ 2,203
Included in Total	
Interest	$ 143
Maintenance	45

Note 16 – Commitments and Contingencies

Purchase Commitments

We have commitments for non-dedicated transportation lines with varying expiration terms that generally extend through 2035. In addition, we have commitments to purchase and lease spectrum licenses, wireless devices, network services, equipment, software, marketing sponsorship agreements and other items in the ordinary course of business, with various terms through 2043. These amounts are not reflective of our entire anticipated purchases under the related agreements but are determined based on the non-cancelable quantities or termination amounts to which we are contractually obligated.

Our purchase commitments are approximately $3.6 billion for the year ending December 31, 2020, $3.3 billion in total for the years ending December 31, 2021 and 2022, $1.6 billion in total for the years ending December 31, 2023 and 2024 and $1.4 billion in total for the years thereafter.

In 2018, we signed a reciprocal long-term spectrum lease with Sprint. The lease includes an offsetting amount to be received from Sprint for the lease of our spectrum. Lease payments began in the fourth quarter of 2018. The minimum commitment under this lease as of December 31, 2019, is $481 million and is included in the purchase obligations above. The reciprocal long-term lease is a distinct transaction from the Merger.

Under the previous lease standard certain of our network backhaul arrangements were accounted for as operating leases. Obligations under these agreements were included within our operating lease commitments as of December 31, 2018.

These agreements no longer qualify as leases under the new lease standard. Our commitments under these agreements as of December 31, 2019, were approximately $164 million for the year ending December 31, 2020, $267 million in total for the years ended December 31, 2021 and 2022, $171 million in total for the years ended December 31, 2023 and 2024, and $196 million in total for years thereafter. The commitments under these agreements are included in the purchase commitments above.

Interest rate lock derivatives

We have entered into interest rate lock derivatives with notional amounts of $9.6 billion. These interest rate lock derivatives were designated as cash flow hedges to reduce variability in cash flows due to changes in interest payments attributable to increases or decreases in the benchmark interest rate during the period leading up to the probable issuance of fixed-rate debt. The fair value of interest rate lock derivatives as of December 31, 2019, was a liability of $1.2 billion and is included in Other current liabilities in our Consolidated Balance Sheets. See Note 7 – Fair Value Measurements for further information.

Renewable Energy Purchase Agreements

In April 2019, T-Mobile USA entered into a Renewable Energy Purchase Agreement ("REPA") with a third party that is based on the expected operation of a solar photovoltaic electrical generation facility located in Texas and will remain in effect until the fifteenth anniversary of the facility's entry into commercial operation. Commercial operation of the facility is expected to occur in July 2021. The REPA consists of an energy forward agreement that is net settled based on energy prices and the energy output generated by the facility. We have determined that the REPA does not meet the definition of a derivative because the expected energy output of the facility may not be reliably estimated (the arrangement lacks a notional amount). The REPA does not contain any unconditional purchase obligations because amounts under the agreement are not fixed and determinable. Our participation in the REPA did not require an upfront investment or capital commitment. We do not control the activities that most significantly impact the energy-generating facility, nor do we direct the use of, or receive specific energy output from, the facility.

Contingencies and Litigation

Litigation Matters

On June 11, 2019, a number of state attorneys general filed a lawsuit against us, DT, Sprint, and SoftBank in the U.S. District Court for the Southern District of New York, alleging that the Merger, if consummated, would violate Section 7 of the Clayton Act and so should be enjoined. The trial concluded after two weeks of witness testimony and presentation of document evidence. We are now waiting for the trial court's ruling. See Note 2 – Business Combinations for further information.

In addition to the litigation associated with the Transactions discussed above, we are involved in various lawsuits and disputes, claims, government agency investigations and enforcement actions, and other proceedings ("Litigation Matters") that arise in the ordinary course of business, which include claims of patent infringement (most of which are asserted by non-practicing entities primarily seeking monetary damages), class actions, and proceedings to enforce FCC rules and regulations. The Litigation Matters described above have progressed to various stages and some of them may proceed to trial, arbitration, hearing or other adjudication that could result in fines, penalties, or awards of monetary or injunctive relief in the coming 12 months if they are not otherwise resolved. We have established an accrual with respect to certain of these matters, where appropriate, which is reflected in the Consolidated Financial Statements but that is not considered to be, individually or in the aggregate, material. An accrual is established when we believe it is both probable that a loss has been incurred and an amount can be reasonably estimated. For other matters, where we have not determined that a loss is probable or because the amount of loss cannot be reasonably estimated, we have not recorded an accrual due to various factors typical in contested proceedings, including but not limited to uncertainty concerning legal theories and their resolution by courts or regulators, uncertain damage theories and demands, and a less than fully developed factual record. While we do not expect that the ultimate resolution of these proceedings, individually or in the aggregate, will have a material adverse effect on our financial position, an unfavorable outcome of some or all of these proceedings could have a material adverse impact on results of operations or cash flows for a particular period. This assessment is based on our current understanding of relevant facts and circumstances. As such, our view of these matters is subject to inherent uncertainties and may change in the future.

Note 17 – Additional Financial Information

Supplemental Consolidated Balance Sheets Information

Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities are summarized as follows:

(in millions)	December 31, 2019	December 31, 2018
Accounts payable	$ 4,322	$ 5,487
Payroll and related benefits	802	709
Property and other taxes, including payroll	682	642
Interest	227	227
Commissions	251	243
Network decommissioning	—	65
Toll and interconnect	156	157
Advertising	127	76
Other	179	135
Accounts payable and accrued liabilities	$ 6,746	$ 7,741

Book overdrafts included in accounts payable and accrued liabilities were $463 million and $630 million as of December 31, 2019 and 2018, respectively.

Supplemental Consolidated Statements of Comprehensive Income Information

Related Party Transactions

We have related party transactions associated with DT or its affiliates in the ordinary course of business, which are included in the Consolidated Financial Statements.

The following table summarizes the impact of significant transactions with DT or its affiliates included in Operating expenses in the Consolidated Statements of Comprehensive Income:

	Year Ended December 31,		
(in millions)	2019	2018	2017
Discount related to roaming expenses	$ (9)	$ —	$ —
Fees incurred for use of the T-Mobile brand	88	84	79
Expenses for telecommunications and IT services	—	—	12
International long distance agreement	39	36	55

We have an agreement with DT for the reimbursement of certain administrative expenses, which were $11 million for each of the years ended December 31, 2019, 2018 and 2017.

Note 18 – Guarantor Financial Information

Pursuant to the applicable indentures and supplemental indentures, the long-term debt to affiliates and third parties issued by T-Mobile USA (“Issuer”) is fully and unconditionally guaranteed, jointly and severally, on a senior unsecured basis by T-Mobile (“Parent”) and certain of the Issuer’s 100% owned subsidiaries (“Guarantor Subsidiaries”).

The guarantees of the Guarantor Subsidiaries are subject to release in limited circumstances only upon the occurrence of certain customary conditions. The indentures and credit facilities governing the long-term debt contain covenants that, among other things, limit the ability of the Issuer and the Guarantor Subsidiaries to incur more debt, pay dividends and make distributions, make certain investments, repurchase stock, create liens or other encumbrances, enter into transactions with affiliates, enter into transactions that restrict dividends or distributions from subsidiaries, and merge, consolidate or sell, or otherwise dispose of, substantially all of their assets. Certain provisions of each of the credit facilities, indentures and supplemental indentures relating to the long-term debt restrict the ability of the Issuer to loan funds or make payments to Parent. However, the Issuer and Guarantor Subsidiaries are allowed to make certain permitted payments to the Parent under the terms of the indentures and the supplemental indentures.

On October 23, 2018, SLMA LLC was formed as a limited liability company in Delaware to serve as an escrow subsidiary to facilitate the contemplated issuance of notes by Parent in connection with the Transactions. SLMA LLC is an indirect, 100% owned finance subsidiary of Parent, as such term is used in Rule 3-10(b) of Regulation S-X, and has been designated as an unrestricted subsidiary under the Issuer's existing debt securities. Any debt securities that may be issued from time to time by SLMA LLC will be fully and unconditionally guaranteed by Parent.

In 2019, certain Non-Guarantor Subsidiaries became Guarantor Subsidiaries. Certain prior period amounts have been reclassified to conform to the current period's presentation.

Presented below is the condensed consolidating financial information as of December 31, 2019 and 2018, and for the years ended December 31, 2019, 2018 and 2017.

Condensed Consolidating Balance Sheet Information
December 31, 2019

(in millions)	Parent	Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating and Eliminating Adjustments	Consolidated
Assets						
Current assets						
Cash and cash equivalents	$ 5	$ 1	$ 1,350	$ 172	$ —	$ 1,528
Accounts receivable, net	—	—	1,616	272	—	1,888
Equipment installment plan receivables, net	—	—	2,600	—	—	2,600
Accounts receivable from affiliates	—	—	20	—	—	20
Inventory	—	—	964	—	—	964
Other current assets	—	646	975	684	—	2,305
Total current assets	5	647	7,525	1,128	—	9,305
Property and equipment, net [1]	—	—	21,790	194	—	21,984
Operating lease right-of-use assets	—	—	10,933	—	—	10,933
Financing lease right-of-use assets	—	—	2,715	—	—	2,715
Goodwill	—	—	1,930	—	—	1,930
Spectrum licenses	—	—	36,465	—	—	36,465
Other intangible assets, net	—	—	115	—	—	115
Investments in subsidiaries, net	28,898	51,306	—	—	(80,204)	—
Intercompany receivables and note receivables	—	3,464	—	—	(3,464)	—
Equipment installment plan receivables due after one year, net	—	—	1,583	—	—	1,583
Other assets	—	18	1,797	239	(163)	1,891
Total assets	$ 28,903	$ 55,435	$ 84,853	$ 1,561	$ (83,831)	$ 86,921
Liabilities and Stockholders' Equity						
Current liabilities						
Accounts payable and accrued liabilities	$ —	$ 252	$ 6,236	$ 258	$ —	$ 6,746
Payables to affiliates	—	145	42	—	—	187
Short-term debt	—	25	—	—	—	25
Deferred revenue	—	—	631	—	—	631
Short-term operating lease liabilities	—	—	2,287	—	—	2,287
Short-term financing lease liabilities	—	—	957	—	—	957
Other current liabilities	—	1,171	139	363	—	1,673
Total current liabilities	—	1,593	10,292	621	—	12,506
Long-term debt	—	10,958	—	—	—	10,958
Long-term debt to affiliates	—	13,986	—	—	—	13,986
Tower obligations [1]	—	—	75	2,161	—	2,236
Deferred tax liabilities	—	—	5,770	—	(163)	5,607
Operating lease liabilities	—	—	10,539	—	—	10,539
Financing lease liabilities	—	—	1,346	—	—	1,346
Negative carrying value of subsidiaries, net	—	—	864	—	(864)	—
Intercompany payables and debt	114	—	2,968	382	(3,464)	—
Other long-term liabilities	—	—	937	17	—	954
Total long-term liabilities	114	24,944	22,499	2,560	(4,491)	45,626
Total stockholders' equity (deficit)	28,789	28,898	52,062	(1,620)	(79,340)	28,789
Total liabilities and stockholders' equity	$ 28,903	$ 55,435	$ 84,853	$ 1,561	$ (83,831)	$ 86,921

(1) Assets and liabilities for Non-Guarantor Subsidiaries are primarily included in VIEs related to the 2012 Tower Transaction. See Note 9 – Tower Obligations for further information.

Condensed Consolidating Balance Sheet Information
December 31, 2018

(in millions)	Parent	Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating and Eliminating Adjustments	Consolidated
Assets						
Current assets						
Cash and cash equivalents	$ 2	$ 1	$ 1,082	$ 118	$ —	$ 1,203
Accounts receivable, net	—	—	1,510	259	—	1,769
Equipment installment plan receivables, net	—	—	2,538	—	—	2,538
Accounts receivable from affiliates	—	—	11	—	—	11
Inventory	—	—	1,084	—	—	1,084
Other current assets	—	—	1,032	644	—	1,676
Total current assets	2	1	7,257	1,021	—	8,281
Property and equipment, net [1]	—	—	23,113	246	—	23,359
Goodwill	—	—	1,901	—	—	1,901
Spectrum licenses	—	—	35,559	—	—	35,559
Other intangible assets, net	—	—	198	—	—	198
Investments in subsidiaries, net	25,314	46,516	—	—	(71,830)	—
Intercompany receivables and note receivables	—	5,174	—	—	(5,174)	—
Equipment installment plan receivables due after one year, net	—	—	1,547	—	—	1,547
Other assets	—	7	1,540	217	(141)	1,623
Total assets	$ 25,316	$ 51,698	$ 71,115	$ 1,484	$ (77,145)	$ 72,468
Liabilities and Stockholders' Equity						
Current liabilities						
Accounts payable and accrued liabilities	$ —	$ 228	$ 7,263	$ 250	$ —	$ 7,741
Payables to affiliates	—	157	43	—	—	200
Short-term debt	—	—	841	—	—	841
Deferred revenue	—	—	698	—	—	698
Other current liabilities	—	447	164	176	—	787
Total current liabilities	—	832	9,009	426	—	10,267
Long-term debt	—	10,950	1,174	—	—	12,124
Long-term debt to affiliates	—	14,582	—	—	—	14,582
Tower obligations [1]	—	—	384	2,173	—	2,557
Deferred tax liabilities	—	—	4,613	—	(141)	4,472
Deferred rent expense	—	—	2,781	—	—	2,781
Negative carrying value of subsidiaries, net	—	—	676	—	(676)	—
Intercompany payables and debt	598	—	4,258	318	(5,174)	—
Other long-term liabilities	—	20	926	21	—	967
Total long-term liabilities	598	25,552	14,812	2,512	(5,991)	37,483
Total stockholders' equity (deficit)	24,718	25,314	47,294	(1,454)	(71,154)	24,718
Total liabilities and stockholders' equity	$ 25,316	$ 51,698	$ 71,115	$ 1,484	$ (77,145)	$ 72,468

(1) Assets and liabilities for Non-Guarantor Subsidiaries are primarily included in VIEs related to the 2012 Tower Transaction. See Note 9 – Tower Obligations for further information.

Condensed Consolidating Statement of Comprehensive Income Information
Year Ended December 31, 2019

(in millions)	Parent	Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating and Eliminating Adjustments	Consolidated
Revenues						
Service revenues	$ —	$ —	$ 32,268	$ 3,003	$ (1,277)	$ 33,994
Equipment revenues	—	—	10,053	3	(216)	9,840
Other revenues	—	19	1,109	203	(167)	1,164
Total revenues	—	19	43,430	3,209	(1,660)	44,998
Operating expenses						
Cost of services, exclusive of depreciation and amortization shown separately below	—	—	6,733	—	(111)	6,622
Cost of equipment sales, exclusive of depreciation and amortization shown separately below	—	—	10,908	1,207	(216)	11,899
Selling, general and administrative	—	16	14,467	989	(1,333)	14,139
Depreciation and amortization	—	—	6,564	52	—	6,616
Total operating expense	—	16	38,672	2,248	(1,660)	39,276
Operating income	—	3	4,758	961	—	5,722
Other income (expense)						
Interest expense	—	(454)	(88)	(185)	—	(727)
Interest expense to affiliates	—	(409)	(20)	—	21	(408)
Interest income	—	22	20	3	(21)	24
Other (expense) income, net	—	(13)	6	(1)	—	(8)
Total other expense, net	—	(854)	(82)	(183)	—	(1,119)
Income (loss) before income taxes	—	(851)	4,676	778	—	4,603
Income tax expense	—	—	(965)	(170)	—	(1,135)
Earnings of subsidiaries	3,468	4,319	31	—	(7,818)	—
Net income	$ 3,468	$ 3,468	$ 3,742	$ 608	$ (7,818)	$ 3,468
Net income	$ 3,468	$ 3,468	$ 3,742	$ 608	$ (7,818)	$ 3,468
Other comprehensive (loss) income, net of tax						
Other comprehensive (loss) income, net of tax	(536)	(536)	186	—	350	(536)
Total comprehensive income	$ 2,932	$ 2,932	$ 3,928	$ 608	$ (7,468)	$ 2,932

Condensed Consolidating Statement of Comprehensive Income Information
Year Ended December 31, 2018

(in millions)	Parent	Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating and Eliminating Adjustments	Consolidated
Revenues						
Service revenues	$ —	$ —	$ 30,637	$ 2,333	$ (978)	$ 31,992
Equipment revenues	—	—	10,209	1	(201)	10,009
Other revenues	—	29	1,113	228	(61)	1,309
Total revenues	—	29	41,959	2,562	(1,240)	43,310
Operating expenses						
Cost of services, exclusive of depreciation and amortization shown separately below	—	—	6,283	24	—	6,307
Cost of equipment sales, exclusive of depreciation and amortization shown separately below	—	—	11,239	1,010	(202)	12,047
Selling, general and administrative	—	11	13,296	892	(1,038)	13,161
Depreciation and amortization	—	—	6,422	64	—	6,486
Total operating expenses	—	11	37,240	1,990	(1,240)	38,001
Operating income	—	18	4,719	572	—	5,309
Other income (expense)						
Interest expense	—	(528)	(114)	(193)	—	(835)
Interest expense to affiliates	—	(522)	(21)	—	21	(522)
Interest income	—	23	16	1	(21)	19
Other (expense) income, net	—	(87)	33	—	—	(54)
Total other expense, net	—	(1,114)	(86)	(192)	—	(1,392)
Income (loss) before income taxes	—	(1,096)	4,633	380	—	3,917
Income tax expense	—	—	(950)	(79)	—	(1,029)
Earnings of subsidiaries	2,888	3,984	32	—	(6,904)	—
Net income	$ 2,888	$ 2,888	$ 3,715	$ 301	$ (6,904)	$ 2,888
Net income	$ 2,888	$ 2,888	$ 3,715	$ 301	$ (6,904)	$ 2,888
Other comprehensive (loss) income, net of tax						
Other comprehensive (loss) income, net of tax	(332)	(332)	116	—	216	(332)
Total comprehensive income	$ 2,556	$ 2,556	$ 3,831	$ 301	$ (6,688)	$ 2,556

Condensed Consolidating Statement of Comprehensive Income Information
Year Ended December 31, 2017

(in millions)	Parent	Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating and Eliminating Adjustments	Consolidated
Revenues						
Service revenues	$ —	$ —	$ 28,894	$ 2,113	$ (847)	$ 30,160
Equipment revenues	—	—	9,620	—	(245)	9,375
Other revenues	—	3	879	212	(25)	1,069
Total revenues	—	3	39,393	2,325	(1,117)	40,604
Operating expenses						
Cost of services, exclusive of depreciation and amortization shown separately below	—	—	6,076	24	—	6,100
Cost of equipment sales, exclusive of depreciation and amortization shown separately below	—	—	10,849	1,003	(244)	11,608
Selling, general and administrative	—	—	12,276	856	(873)	12,259
Depreciation and amortization	—	—	5,914	70	—	5,984
Gains on disposal of spectrum licenses	—	—	(235)	—	—	(235)
Total operating expenses	—	—	34,880	1,953	(1,117)	35,716
Operating income	—	3	4,513	372	—	4,888
Other income (expense)						
Interest expense	—	(811)	(109)	(191)	—	(1,111)
Interest expense to affiliates	—	(560)	(23)	—	23	(560)
Interest income	1	29	10	—	(23)	17
Other income (expense), net	—	(88)	16	(1)	—	(73)
Total other income (expense), net	1	(1,430)	(106)	(192)	—	(1,727)
Income (loss) before income taxes	1	(1,427)	4,407	180	—	3,161
Income tax expense (benefit)	—	—	1,527	(152)	—	1,375
Earnings (loss) of subsidiaries	4,535	5,962	(57)	—	(10,440)	—
Net income	4,536	4,535	5,877	28	(10,440)	4,536
Dividends on preferred stock	(55)	—	—	—	—	(55)
Net income attributable to common stockholders	$ 4,481	$ 4,535	$ 5,877	$ 28	$ (10,440)	$ 4,481
Net income	$ 4,536	$ 4,535	$ 5,877	$ 28	$ (10,440)	$ 4,536
Other comprehensive loss, net of tax						
Other comprehensive loss, net of tax	7	7	7	—	(14)	7
Total comprehensive income	$ 4,543	$ 4,542	$ 5,884	$ 28	$ (10,454)	$ 4,543

Condensed Consolidating Statement of Cash Flows Information
Year Ended December 31, 2019

(in millions)	Parent	Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating and Eliminating Adjustments	Consolidated
Operating activities						
Net cash (used in) provided by operating activities	$ —	$ (752)	$ 11,338	$ (3,207)	$ (555)	$ 6,824
Investing activities						
Purchases of property and equipment	—	—	(6,391)	—	—	(6,391)
Purchases of spectrum licenses and other intangible assets, including deposits	—	—	(967)	—	—	(967)
Proceeds from sales of tower sites	—	—	38	—	—	38
Proceeds related to beneficial interests in securitization transactions	—	—	37	3,839	—	3,876
Net cash related to derivative contracts under collateral exchange arrangements	—	(632)	—	—	—	(632)
Acquisition of companies, net of cash acquired	—	(32)	1	—	—	(31)
Other, net	—	(12)	(6)	—	—	(18)
Net cash (used in) provided by investing activities	—	(676)	(7,288)	3,839	—	(4,125)
Financing activities						
Proceeds from borrowing on revolving credit facility, net	—	2,340	—	—	—	2,340
Repayments of revolving credit facility	—	—	(2,340)	—	—	(2,340)
Repayments of financing lease obligations	—	—	(798)	—	—	(798)
Repayments of short-term debt for purchases of inventory, property and equipment, net	—	—	(775)	—	—	(775)
Repayments of long-term debt	—	—	(600)	—	—	(600)
Intercompany advances, net	1	(912)	934	(23)	—	—
Tax withholdings on share-based awards	—	—	(156)	—	—	(156)
Cash payments for debt prepayment or debt extinguishment costs	—	—	(28)	—	—	(28)
Intercompany dividend paid	—	—	—	(555)	555	—
Other, net	2	—	(19)	—	—	(17)
Net cash provided (used in) by financing activities	3	1,428	(3,782)	(578)	555	(2,374)
Change in cash and cash equivalents	3	—	268	54	—	325
Cash and cash equivalents						
Beginning of period	2	1	1,082	118	—	1,203
End of period	$ 5	$ 1	$ 1,350	$ 172	$ —	$ 1,528

Condensed Consolidating Statement of Cash Flows Information
Year Ended December 31, 2018

(in millions)	Parent	Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating and Eliminating Adjustments	Consolidated
Operating activities						
Net cash (used in) provided by operating activities	$ —	$ (1,254)	$ 10,414	$ (5,041)	$ (220)	$ 3,899
Investing activities						
Purchases of property and equipment	—	—	(5,536)	(5)	—	(5,541)
Purchases of spectrum licenses and other intangible assets, including deposits	—	—	(127)	—	—	(127)
Proceeds related to beneficial interests in securitization transactions	—	—	53	5,353	—	5,406
Acquisition of companies, net of cash	—	—	(338)	—	—	(338)
Equity investment in subsidiary	—	—	(43)	—	43	—
Other, net	—	(7)	28	—	—	21
Net cash (used in) provided by investing activities	—	(7)	(5,963)	5,348	43	(579)
Financing activities						
Proceeds from issuance of long-term debt	—	2,494	—	—	—	2,494
Proceeds from borrowing on revolving credit facility, net	—	6,265	—	—	—	6,265
Repayments of revolving credit facility	—	—	(6,265)	—	—	(6,265)
Repayments of financing lease obligations	—	—	(700)	—	—	(700)
Repayments of short-term debt for purchases of inventory, property and equipment, net	—	—	(300)	—	—	(300)
Repayments of long-term debt	—	—	(3,349)	—	—	(3,349)
Repurchases of common stock	(1,071)	—	—	—	—	(1,071)
Intercompany advances, net	995	(7,498)	6,530	(27)	—	—
Equity investment from parent	—	—	43	—	(43)	—
Tax withholdings on share-based awards	—	—	(146)	—	—	(146)
Cash payments for debt prepayment or debt extinguishment costs	—	—	(212)	—	—	(212)
Intercompany dividend paid	—	—	—	(220)	220	—
Other, net	4	—	(56)	—	—	(52)
Net cash (used in) provided by financing activities	(72)	1,261	(4,455)	(247)	177	(3,336)
Change in cash and cash equivalents	(72)	—	(4)	60	—	(16)
Cash and cash equivalents						
Beginning of period	74	1	1,086	58	—	1,219
End of period	$ 2	$ 1	$ 1,082	$ 118	$ —	$ 1,203

Condensed Consolidating Statement of Cash Flows Information
Year Ended December 31, 2017

(in millions)	Parent	Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating and Eliminating Adjustments	Consolidated
Operating activities						
Net cash provided by (used in) operating activities	$ 1	$ (1,613)	$ 9,761	$ (4,218)	$ (100)	$ 3,831
Investing activities						
Purchases of property and equipment	—	—	(5,237)	—	—	(5,237)
Purchases of spectrum licenses and other intangible assets, including deposits	—	—	(5,828)	—	—	(5,828)
Proceeds related to beneficial interests in securitization transactions	—	—	43	4,276	—	4,319
Equity investment in subsidiary	(308)	—	—	—	308	—
Other, net	—	—	1	—	—	1
Net cash (used in) provided by investing activities	(308)	—	(11,021)	4,276	308	(6,745)
Financing activities						
Proceeds from issuance of long-term debt	—	10,480	—	—	—	10,480
Proceeds from borrowing on revolving credit facility, net	—	2,910	—	—	—	2,910
Repayments of revolving credit facility	—	—	(2,910)	—	—	(2,910)
Repayments of financing lease obligations	—	—	(486)	—	—	(486)
Repayments of short-term debt for purchases of inventory, property and equipment, net	—	—	(300)	—	—	(300)
Repayments of long-term debt	—	—	(10,230)	—	—	(10,230)
Repurchases of common stock	(427)	—	—	—	—	(427)
Intercompany advances, net	484	(14,817)	14,300	33	—	—
Equity investment from parent	—	308	—	—	(308)	—
Tax withholdings on share-based awards	—	—	(166)	—	—	(166)
Dividends on preferred stock	(55)	—	—	—	—	(55)
Cash payments for debt prepayment or debt extinguishment costs	—	—	(188)	—	—	(188)
Intercompany dividend paid	—	—	—	(100)	100	—
Other, net	21	—	(16)	—	—	5
Net cash provided by (used in) financing activities	23	(1,119)	4	(67)	(208)	(1,367)
Change in cash and cash equivalents	(284)	(2,732)	(1,256)	(9)	—	(4,281)
Cash and cash equivalents						
Beginning of period	358	2,733	2,342	67	—	5,500
End of period	$ 74	$ 1	$ 1,086	$ 58	$ —	$ 1,219

Supplementary Data

Quarterly Financial Information (Unaudited)

(in millions, except share and per share amounts)	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Full Year
2019					
Total revenues	$ 11,080	$ 10,979	$ 11,061	$ 11,878	$ 44,998
Operating income	1,476	1,541	1,471	1,234	5,722
Net income	908	939	870	751	3,468
Net income attributable to common stockholders	908	939	870	751	3,468
Earnings per share					
Basic	$ 1.07	$ 1.10	$ 1.02	$ 0.88	$ 4.06
Diluted	$ 1.06	$ 1.09	$ 1.01	$ 0.87	$ 4.02
Weighted average shares outstanding					
Basic	851,223,498	854,368,443	854,578,241	856,294,467	854,143,751
Diluted	858,643,481	860,135,593	862,690,751	864,158,739	863,433,511
2018					
Total revenues	$ 10,455	$ 10,571	$ 10,839	$ 11,445	$ 43,310
Operating income	1,282	1,450	1,440	1,137	5,309
Net income	671	782	795	640	2,888
Net income attributable to common stockholders	671	782	795	640	2,888
Earnings per share					
Basic	$ 0.78	$ 0.92	$ 0.94	$ 0.75	$ 3.40
Diluted	$ 0.78	$ 0.92	$ 0.93	$ 0.75	$ 3.36
Weighted average shares outstanding					
Basic	855,222,664	847,660,488	847,087,120	849,102,785	849,744,152
Diluted	862,244,084	852,040,670	853,852,764	856,344,347	858,290,174

Earnings per share is computed independently for each quarter and the sum of the quarters may not equal earnings per share for the full year.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures designed to ensure information required to be disclosed in our periodic reports filed or submitted under the Exchange Act, is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms. Our disclosure controls are also designed to ensure that information required to be disclosed in the reports we file or submit under the Exchange Act is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosure.

Under the supervision and with the participation of our management, including our Chief Executive Officer and our Chief Financial Officer, we carried out an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective, as of the end of the period covered by this Form 10-K.

The certifications required by Section 302 of the Sarbanes-Oxley Act of 2002 are filed as exhibits 31.1 and 31.2, respectively, to this Form 10-K.

Changes in Internal Control over Financial Reporting

Beginning January 1, 2019, we adopted the new lease standard and implemented significant new lease accounting systems, processes and internal controls over lease accounting to assist us in the application of the new lease standard. Other than as discussed above, there were no changes in our internal control over financial reporting, as defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act, during our most recently completed fiscal quarter that materially affected or are reasonably likely to materially affect our internal control over financial reporting.

Management's Annual Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is a process to provide reasonable assurance regarding the reliability of our financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. Internal control over financial reporting includes maintaining records that in reasonable detail accurately and fairly reflect our transactions, providing reasonable assurance that transactions are recorded as necessary for preparation of our financial statements in accordance with generally accepted accounting principles, providing reasonable assurance that receipts and expenditures are made in accordance with management authorization, and providing reasonable assurance that unauthorized acquisition, use or disposition of company assets that could have a material effect on our financial statements would be prevented or detected on a timely basis. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with policies and procedures may deteriorate.

Management conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework and criteria established in Internal Control – Integrated Framework (2013), issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this evaluation, management concluded that our internal control over financial reporting was effective as of December 31, 2019.

The effectiveness of our internal control over financial reporting as of December 31, 2019 has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report herein.

Item 9B. Other Information

None.

PART III. OTHER INFORMATION

Item 10. Directors, Executive Officers and Corporate Governance

We maintain a code of ethics applicable to our Chief Executive Officer, Chief Financial Officer, Chief Accounting Officer, Treasurer, and Controller, which is a “Code of Ethics for Senior Financial Officers” as defined by applicable rules of the SEC. This code is publicly available on our website at investor.t-mobile.com. If we make any amendments to this code other than technical, administrative or other non-substantive amendments, or grant any waivers, including implicit waivers, from a provision of this code we will disclose the nature of the amendment or waiver, its effective date and to whom it applies on our website at investor.t-mobile.com or in a Current Report on Form 8-K filed with the SEC.

The remaining information required by this item, including information about our Directors, Executive Officers and Audit Committee, will be incorporated by reference from our definitive Proxy Statement to be filed with the SEC pursuant to Regulation 14A or be included in an amendment to this Report.

Item 11. Executive Compensation

The information required by this item will be incorporated by reference from our definitive Proxy Statement to be filed with the SEC pursuant to Regulation 14A or to be included in an amendment to this Report.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The information required by this item will be incorporated by reference from our definitive Proxy Statement to be filed with the SEC pursuant to Regulation 14A or to be included in an amendment to this Report.

Item 13. Certain Relationships and Related Transactions, and Director Independence

The information required by this item will be incorporated by reference from our definitive Proxy Statement to be filed with the SEC pursuant to Regulation 14A or to be included in an amendment to this Report.

Item 14. Principal Accounting Fees and Services

The information required by this item will be incorporated by reference from our definitive Proxy Statement to be filed with the SEC pursuant to Regulation 14A or to be included in an amendment to this Report.

PART IV.

Item 15. Exhibits, Financial Statement Schedules

(a) Documents filed as a part of this Form 10-K

1. Financial Statements

The following financial statements are included in Part II, Item 8 of this Form 10-K:

Report of Independent Registered Public Accounting Firm
Consolidated Balance Sheets
Consolidated Statements of Comprehensive Income
Consolidated Statements of Cash Flows
Consolidated Statement of Stockholders' Equity
Notes to the Consolidated Financial Statements

2. Financial Statement Schedules

All other schedules have been omitted because they are not required, not applicable, or the required information is otherwise included.

3. Exhibits

See the Index to Exhibits immediately following "Item 16. Form 10-K Summary" of this Form 10-K.

Item 16. Form 10–K Summary

None**.**

INDEX TO EXHIBITS

Exhibit No.	Exhibit Description	Incorporated by Reference			Filed Herein
		Form	Date of First Filing	Exhibit Number	
2.1	Business Combination Agreement, dated as of October 3, 2012, by and among MetroPCS Communications, Inc., Deutsche Telekom AG, T-Mobile Zwischenholding GMBH, T-Mobile Global Holding GMBH and T-Mobile USA, Inc.	8-K	10/3/2012	2.1	
2.2	Consent Solicitation Letter Agreement, dated December 5, 2012, by and among MetroPCS Communications, Inc. and Deutsche Telekom AG, amending Exhibit G to the Business Combination Agreement.	8-K	12/7/2012	2.1	
2.3	Amendment No. 1 to the Business Combination Agreement by and among Deutsche Telekom AG, T-Mobile USA, Inc., T-Mobile Global Zwischenholding GmbH, T-Mobile Global Holding GmbH and MetroPCS Communications, Inc., dated April 14, 2013.	8-K	4/15/2013	2.1	
2.4	Business Combination Agreement, dated as of April 29, 2018, by and among T-Mobile US, Inc., Huron Merger Sub LLC, Superior Merger Sub Corporation, Sprint Corporation, Starburst I, Inc., Galaxy Investment Holdings, Inc., and for the limited purposes set forth therein, Deutsche Telekom AG, Deutsche Telekom Holding B.V. and SoftBank Group Corp.	8-K	04/30/2018	2.1	
2.5	Amendment No. 1, dated as of July 26, 2019, to the Business Combination Agreement, dated as of April 29, 2018, by and among T-Mobile US, Inc., Huron Merger Sub LLC, Superior Merger Sub Corporation, Sprint Corporation, Starburst I, Inc., Galaxy Investment Holdings, Inc., and for the limited purposes set forth therein, Deutsche Telekom AG, Deutsche Telekom Holding B.V., and SoftBank Group Corp.	8-K	7/26/2019	2.2	
2.6	Asset Purchase Agreement, dated as of July 26, 2019, by and among T-Mobile US, Inc., Sprint Corporation and DISH Network Corporation	8-K	7/26/2019	2.1	
3.1	Fourth Amended and Restated Certificate of Incorporation.	8-K	5/2/2013	3.1	
3.2	Fifth Amended and Restated Bylaws.	8-K	5/2/2013	3.2	
3.3	Sixth Amended and Restated Bylaws of T-Mobile US, Inc.	8-K	10/11/2019	3.1	
3.4	Certificate of Designations of 5.50% Mandatory Convertible Preferred Stock, Series A, of T-Mobile US, Inc., dated December 12, 2014.	8-K	12/15/2014	3.1	
3.5	Certificate of Elimination of 5.5% Mandatory Convertible Preferred Stock, Series A, Par Value $0.00001 Per Share, dated February 15, 2018.	8-K	2/22/2018	3.1	
4.1	Indenture, dated as of April 28, 2013 among T-Mobile USA, Inc., the guarantors party thereto, and Deutsche Bank Trust Company Americas, as trustee.	8-K	5/2/2013	4.1	
4.2	Eleventh Supplemental Indenture, dated as of May 1, 2013 among T-Mobile USA, Inc., the guarantors party thereto, and Deutsche Bank Trust Company Americas, as trustee.	8-K	5/2/2013	4.12	
4.3	Fourteenth Supplemental Indenture, dated as of November 21, 2013, by and among T-Mobile USA, Inc., the Guarantors and Deutsche Bank Trust Company Americas, as trustee, including the Form of 6.125% Senior Note due 2022.	8-K	11/22/2013	4.1	
4.4	Fifteenth Supplemental Indenture, dated as of November 21, 2013, by and among T-Mobile USA, Inc., the Guarantors and Deutsche Bank Trust Company Americas, as trustee, including the Form of 6.500% Senior Note due 2024.	8-K	11/22/2013	4.2	
4.5	Sixteenth Supplemental Indenture, dated as of August 11, 2014, by and among T-Mobile USA, Inc., the guarantors party thereto and Deutsche Bank Trust Company Americas, as trustee.	10-Q	10/28/2014	4.3	

Exhibit No.	Exhibit Description	Incorporated by Reference			Filed Herein
		Form	Date of First Filing	Exhibit Number	
4.6	Seventeenth Supplemental Indenture, dated as of September 5, 2014, by and among T-Mobile USA, Inc., the guarantors party thereto and Deutsche Bank Trust Company Americas, as trustee, including the Form of 6.000% Senior Notes due 2023.	8-K	9/5/2014	4.1	
4.7	Eighteenth Supplemental Indenture, dated as of September 5, 2014, by and among T-Mobile USA, Inc., the guarantors party thereto and Deutsche Bank Trust Company Americas, as trustee, including the Form of 6.375% Senior Notes due 2025.	8-K	9/5/2014	4.2	
4.8	Nineteenth Supplemental Indenture, dated as of September 28, 2015, by and among T-Mobile USA, Inc., the guarantors party thereto and Deutsche Bank Trust Company Americas, as trustee.	10-Q	10/27/2015	4.3	
4.9	Twentieth Supplemental Indenture, dated as of November 5, 2015, by and among T-Mobile USA, Inc., the guarantors party thereto and Deutsche Bank Trust Company Americas, as Trustee, including the Form of 6.500% Senior Notes due 2026.	8-K	11/5/2015	4.1	
4.10	Twenty-First Supplemental Indenture, dated as of November 5, 2015, by and among T-Mobile USA, Inc., the guarantors party thereto and Deutsche Bank Trust Company Americas, as Trustee, including the Form of 6.000% Senior Notes due 2024.	8-K	4/1/2016	4.1	
4.11	Twenty-Third Supplemental Indenture, dated as of March 16, 2017, by and among T-Mobile USA, Inc., T-Mobile US, Inc., the other guarantors party thereto and Deutsche Bank Trust Company Americas, as trustee, including the Form of 4.000% Senior Note due 2022.	8-K	3/16/2017	4.1	
4.12	Twenty-Fourth Supplemental Indenture, dated as of March 16, 2017, by and among T-Mobile USA, Inc., T-Mobile US, Inc., the other guarantors party thereto and Deutsche Bank Trust Company Americas, as trustee, including the Form of 4.000% Senior Note due 2025.	8-K	3/16/2017	4.2	
4.13	Twenty-Fifth Supplemental Indenture, dated as of March 16, 2017, by and among T-Mobile USA, Inc., the other guarantors party thereto and Deutsche Bank Trust Company Americas, as trustee, including the Form of 5.375% Senior Note due 2027.	8-K	3/16/2017	4.3	
4.14	Twenty-Sixth Supplemental Indenture, dated as of April 27, 2017, by and among T-Mobile USA, Inc., T-Mobile US, Inc., the other guarantors party thereto and Deutsche Bank Trust Company Americas, as trustee, including the Form of 4.000% Senior Note due 2022-1.	8-K	4/28/2017	4.1	
4.15	Twenty-Seventh Supplemental Indenture, dated as of April 28, 2017, by and among T-Mobile USA, Inc., T-Mobile US, Inc., the other guarantors party thereto and Deutsche Bank Trust Company Americas, as trustee, including the Form of 5.125% Senior Note due 2025-1.	8-K	4/28/2017	4.2	
4.16	Twenty-Eighth Supplemental Indenture, dated as of April 28, 2017, by and among T-Mobile USA, Inc., T-Mobile US, Inc., the other guarantors party thereto and Deutsche Bank Trust Company Americas, as trustee, including the Form of 5.375% Senior Note due 2027-1.	8-K	4/28/2017	4.3	
4.17	Twenty-Ninth Supplemental Indenture, dated as of May 9, 2017, by and among T-Mobile USA, Inc., T-Mobile US, Inc., the other guarantors party thereto and Deutsche Bank Trust Company Americas, as trustee, including the Form of 5.300% Senior Notes due 2021.	8-K	5/9/2017	4.1	

Exhibit No.	Exhibit Description	Incorporated by Reference			Filed Herein
		Form	Date of First Filing	Exhibit Number	
4.18	Thirtieth Supplemental Indenture, dated as of May 9, 2017, by and among T-Mobile USA, Inc., T-Mobile US, Inc., the other guarantors party thereto and Deutsche Bank Trust Company Americas, as trustee.	8-K	5/9/2017	4.2	
4.19	Thirty-Second Supplemental Indenture, dated as of January 25, 2018, by and among T-Mobile USA, Inc., T-Mobile US, Inc., the other guarantors party thereto and Deutsche Bank Trust Company Americas, as trustee, including the Form of 4.500% Senior Note due 2026.	8-K	1/25/2018	4.1	
4.20	Thirty-Third Supplemental Indenture, dated as of January 25, 2018, by and among T-Mobile USA, Inc., T-Mobile US, Inc., the other guarantors party thereto and Deutsche Bank Trust Company Americas, as trustee, including the Form of 4.750% Senior Note due 2028.	8-K	1/25/2018	4.2	
4.21	Noteholder Agreement dated as of April 28, 2013, by and between Deutsche Telekom AG and T-Mobile USA, Inc.	8-K	5/2/2013	4.13	
4.22	Thirty-Fourth Supplemental Indenture, dated as of April 26, 2018, by and among T-Mobile USA, Inc., T-Mobile US, Inc., the other guarantors party thereto and Deutsche Bank Trust Company Americas, as trustee.	10-Q	5/1/2018	4.5	
4.23	Thirty-Fifth Supplemental Indenture, dated as of April 30, 2018, by and among T-Mobile USA, Inc., T-Mobile US, Inc., the other guarantors party thereto and Deutsche Bank Trust Company Americas, as trustee, including the Form of 4.500% Senior Note due 2026-1.	8-K	5/4/2018	4.1	
4.24	Thirty-Sixth Supplemental Indenture, dated as of April 30, 2018, by and among T-Mobile USA, Inc., T-Mobile US, Inc., the other guarantors party thereto and Deutsche Bank Trust Company Americas, as trustee, including the Form of 4.750% Senior Note due 2028-1.	8-K	5/4/2018	4.2	
4.25	Thirty-Seventh Supplemental Indenture, dated as of May 20, 2018, by and among T-Mobile USA, Inc., the guarantors party thereto, and Deutsche Bank Trust Company Americas.	8-K	5/21/2018	4.1	
4.26	Thirty-Eighth Supplemental Indenture, dated as of December 20, 2018, by and among T-Mobile USA, Inc., the guarantors party thereto, and Deutsche Bank Trust Company Americas.	8-K	12/21/2018	4.1	
4.27	Thirty-Ninth Supplemental Indenture, dated as of December 20, 2018, by and among T-Mobile USA, Inc., the guarantors party thereto, and Deutsche Bank Trust Company Americas.	10-K	2/7/2019	4.41	
4.28	Fortieth Supplemental Indenture, dated as of September 27, 2019, by and among T-Mobile USA, Inc., T-Mobile US, Inc., the other guarantors party thereto and Deutsche Bank Trust Company Americas, as trustee.	10-Q	10/28/2019	4.1	
4.29	Description of Securities				X
10.1	Master Agreement, dated as of September 28, 2012, among T-Mobile USA, Inc., Crown Castle International Corp., and certain T-Mobile and Crown subsidiaries.	10-Q	8/8/2013	10.1	
10.2	Amendment No. 1, dated as of November 30, 2012, to Master Agreement, dated as of November 30, 2012, among Crown Castle International Corp., and certain T-Mobile and Crown subsidiaries.	10-Q	8/8/2013	10.2	
10.3	Settlement and Amendment No. 2, dated as of May 8, 2014, to Master Agreement, dated as of November 2012, among Crown Castle International Corp., and certain T-Mobile and Crown subsidiaries.	10-K	2/7/2019	10.3	

Exhibit No.	Exhibit Description	Incorporated by Reference			Filed Herein
		Form	Date of First Filing	Exhibit Number	
10.4	Master Prepaid Lease, dated as of November 30, 2012, by and among T-Mobile USA Tower LLC, T-Mobile West Tower LLC, T-Mobile USA, Inc. and CCTMO LLC.	10-Q	8/8/2013	10.3	
10.5	MPL Site Master Lease Agreement, dated as of November 30, 2012, by and among Cook Inlet/VS GSM IV PCS Holdings, LLC, T-Mobile Central LLC, T-Mobile South LLC, Powertel/Memphis, Inc., Voicestream Pittsburgh, L.P., T-Mobile West LLC, T-Mobile Northeast LLC, Wireless Alliance, LLC, Suncom Wireless Operating Company, L.L.C., T-Mobile USA, Inc. and CCTMO LLC.	10-Q	8/8/2013	10.4	
10.6	First Amendment, dated as of November 30, 2012, to MPL Site Master Lease Agreement, dated as of November 30, 2012, by and among Cook Inlet/VS GSM IV PCS Holdings, LLC, T-Mobile Central LLC, T-Mobile South LLC, Powertel/Memphis, Inc., Voicestream Pittsburgh, L.P., T-Mobile West LLC, T-Mobile Northeast LLC, Wireless Alliance, LLC, Suncom Wireless Operating Company, L.L.C., T-Mobile USA, Inc. and CCTMO LLC.	10-Q	8/8/2013	10.5	
10.7	Second Amendment, dated as of October 31, 2014, to MPL Site Master Lease Agreement, dated as of November 30, 2012, by and among Cook Inlet/VS GSM IV PCS Holdings, LLC, T-Mobile Central LLC, T-Mobile South LLC, Powertel/Memphis, Inc., Voicestream Pittsburgh, L.P., T-Mobile West LLC, T-Mobile Northeast LLC, Suncom Wireless Operating Company, L.L.C., T-Mobile USA, Inc.	10-K	2/7/2019	10.7	
10.8	Sale Site Master Lease Agreement, dated as of November 30, 2012, by and among Cook Inlet/VS GSM IV PCS Holdings, LLC, T-Mobile Central LLC, T-Mobile South LLC, Powertel/Memphis, Inc., Voicestream Pittsburgh, L.P., T-Mobile West LLC, T-Mobile Northeast LLC, Wireless Alliance, LLC, Suncom Wireless Operating Company, L.L.C., T-Mobile USA, Inc., T3 Tower 1 LLC and T3 Tower 2 LLC.	10-Q	8/8/2013	10.6	
10.9	First Amendment, dated as of November 30, 2012, to Sale Site Master Lease Agreement, dated as of November 30, 2012, by and Cook Inlet/VS GSM IV PCS Holdings, LLC, T-Mobile Central LLC, T-Mobile South LLC, Powertel/Memphis, Inc., Voicestream Pittsburgh, L.P., T-Mobile West LLC, T-Mobile Northeast LLC, Wireless Alliance, LLC, Suncom Wireless Operating Company, L.L.C., T-Mobile USA, Inc., T3 Tower 1 LLC and T3 Tower 2 LLC.	10-Q	8/8/2013	10.7	
10.10	Second Amendment, dated as of October 31, 2014, to Sale Site Master Lease Agreement, dated as of November 30, 2012, by and Cook Inlet/VS GSM IV PCS Holdings, LLC, T-Mobile Central LLC, T-Mobile South LLC, Powertel/Memphis, Inc., Voicestream Pittsburgh, L.P., T-Mobile West LLC, T-Mobile Northeast LLC, Suncom Wireless Operating Company, L.L.C., T-Mobile USA, Inc., T3 Tower 1 LLC and T3 Tower 2 LLC.	10-K	2/7/2019	10.10	
10.11	Settlement Technical Closing Agreement, dated as of October 1, 2014, among Crown Castle International Corp., and certain T-Mobile and Crown subsidiaries.	10-K	2/7/2019	10.11	
10.12	Management Agreement, dated as of November 30, 2012, by and among Suncom Wireless Operating Company, L.L.C., Cook Inlet/VS GSM IV PCS Holdings, LLC, T-Mobile Central LLC, T-Mobile South LLC, Powertel/Memphis, Inc., Voicestream Pittsburgh, L.P., T-Mobile West LLC, T-Mobile Northeast LLC, Wireless Alliance, LLC, Suncom Wireless Property Company, L.L.C., T-Mobile USA Tower LLC, T-Mobile West Tower LLC, CCTMO LLC, T3 Tower 1 LLC and T3 Tower 2 LLC.	10-Q	8/8/2013	10.8	

Exhibit No.	Exhibit Description	Incorporated by Reference			Filed Herein
		Form	Date of First Filing	Exhibit Number	
10.13	Stockholder's Agreement dated as of April 30, 2013 by and between MetroPCS Communications, Inc. and Deutsche Telekom AG.	8-K	5/2/2013	10.1	
10.14	Waiver of Required Approval Under Section 3.6(a) of the Stockholder's Agreement, dated August 7, 2013, between T-Mobile US, Inc. and Deutsche Telekom AG.	10-Q	8/8/2013	10.10	
10.15	License Agreement dated as of April 30, 2013 by and between T-Mobile US, Inc. and Deutsche Telekom AG.	8-K	5/2/2013	10.2	
10.16	Supplemental Agreement, effective as of June 3, 2019, to the License Agreement, dated as of April 30, 2013, by and between T-Mobile US, Inc. and Deutsche Telekom AG.	10-Q	7/26/2019	10.5	
10.17	Receivables Sale and Conveyancing Agreement, dated as of February 26, 2014, among T-Mobile West LLC, T-Mobile Central LLC, T-Mobile Northeast LLC and T-Mobile South LLC, as sellers, and T-Mobile PCS Holdings LLC, as purchaser.	8-K	3/4/2014	10.1	
10.18	Joinder and First Amendment to the Receivables Sale and Conveyancing Agreement, dated as of November 28, 2014, among Powertel/Memphis, Inc., Triton PCS Holdings Company L.L.C., T-Mobile West LLC, T-Mobile Central LLC, T-Mobile Northeast LLC and T-Mobile South LLC, as sellers, and T-Mobile PCS Holdings LLC, as purchaser.	10-K	2/19/2015	10.55	
10.19	Joinder and Second Amendment to the Receivables Sale and Conveyancing Agreement, dated as of January 9, 2015, among SunCom Wireless Operating Company, LLC, Powertel/Memphis, Inc., Triton PCS Holdings Company L.L.C., T-Mobile West LLC, T-Mobile Central LLC, T-Mobile Northeast LLC and T-Mobile South LLC, as sellers, and T-Mobile PCS Holdings LLC, as purchaser.	10-Q	4/28/2015	10.5	
10.20	Receivables Sale and Contribution Agreement, dated as of February 26, 2014, between T-Mobile PCS Holdings LLC, as seller, and T-Mobile Airtime Funding LLC, as purchaser.	8-K	3/4/2014	10.2	
10.21	First Amendment to the Receivables Sale and Contribution Agreement, dated as of November 28, 2014, between T-Mobile PCS Holdings LLC, as seller, and T-Mobile Airtime Funding LLC, as purchaser.	10-K	2/19/2015	10.56	
10.22	Second Amendment to the Receivables Sale and Contribution Agreement, dated as of January 9, 2015, by and among T-Mobile PCS Holdings LLC, as seller, and T-Mobile Airtime Funding LLC, as purchaser.	10-Q	4/28/2015	10.6	
10.23	Third Amendment to the Receivables Sale and Contribution Agreement, dated as of November 30, 2016, by and among T-Mobile PCS Holdings LLC, as seller, and T-Mobile Airtime Funding LLC, as purchaser.	10-K	2/14/2017	10.33	
10.24	Fourth Amendment to the Receivables Sale and Contribution Agreement, dated as of May 5, 2017, by and among T-Mobile PCS Holdings LLC, as seller, and T-Mobile Airtime Funding LLC, as purchaser.	10-Q	7/20/2017	10.1	
10.25	Fourth Amended and Restated Master Receivables Purchase Agreement, dated as of February 26, 2019, among T-Mobile Funding LLC, as funding seller, Billing Gate One LLC, as purchaser, Landesbank Hessen-Thüringen Giroznetrale, as bank purchasing agent, MUFG Bank (Europe) N.V., Germany Branch, as bank collection agent, T-Mobile PCS Holdings LLC, as servicer, and T-Mobile US, Inc. and T-Mobile USA, Inc., as performance guarantors.	8-K	3/4/2019	10.1	
10.26	Term Loan Credit Agreement, dated as of November 9, 2015, among T-Mobile USA, Inc., the lenders party thereto and Deutsche Bank AG New York Branch, as administrative agent and collateral agent.	8-K	11/12/2015	10.1	

Exhibit No.	Exhibit Description	Incorporated by Reference			Filed Herein
		Form	Date of First Filing	Exhibit Number	
10.27	Amendment No.1 to the Term Loan Credit Agreement, dated as of January 25, 2017, among T-Mobile USA, Inc., the guarantors party thereto, the lenders party thereto and Deutsche Bank AG New York Branch, as administrative agent and collateral agent.	10-Q	4/24/2017	10.3	
10.28	Amendment No.2 to the Term Loan Credit Agreement, dated as of January 25, 2017, among T-Mobile USA, Inc., the guarantors party thereto, the lenders party thereto and Deutsche Bank AG New York Branch, as administrative agent and collateral agent.	10-Q	4/24/2017	10.4	
10.29	Amendment No.3 to the Term Loan Credit Agreement, dated as of March 28, 2017, among T-Mobile USA, Inc., the guarantors party thereto, the lenders party thereto and Deutsche Bank AG New York Branch, as administrative agent and collateral agent.	10-Q	4/24/2017	10.5	
10.30	Amendment No.4 to the Term Loan Credit Agreement, dated as of July 25, 2017, among T-Mobile USA, Inc., the guarantors party thereto, the lenders party thereto and Deutsche Bank AG New York Branch, as administrative agent and collateral agent.	8-K	7/27/2017	10.1	
10.31	Amendment No. 5 to the Term Loan Credit Agreement, dated as of March 29, 2018, among T-Mobile USA, Inc., the guarantors party thereto, the lenders party thereto and Deutsche Bank AG New York Branch, as administrative agent and collateral agent.	8-K	3/30/2018	10.1	
10.32	First Incremental Facility Amendment, dated as of December 29, 2016, to the Term Loan Credit Agreement, dated as of November 9, 2015, by and among T-Mobile USA, Inc., the guarantors party thereto, the several banks and other financial institutions or entities from time to time parties thereto as lenders, and Deutsche Bank AG New York Branch, as administrative agent.	8-K	12/30/2016	10.3	
10.33	Second Incremental Facility Amendment, dated as of January 25, 2017, to the Term Loan Credit Agreement, dated as of November 9, 2015, as amended by that certain First Incremental Facility Amendment dated as of December 29, 2016, by and among T-Mobile USA, Inc., the guarantors party thereto, the several banks and other financial institutions or entities from time to time parties thereto as lenders, and Deutsche Bank AG New York Branch, as administrative agent.	8-K	1/25/2017	10.1	
10.34	Third Amended and Restated Receivables Sale Agreement, dated as of October 23, 2018, by and between T-Mobile Financial LLC, as seller, and T-Mobile Handset Funding LLC, as purchaser.	10-Q	10/30/2018	10.2	
10.35	Third Amended and Restated Receivables Purchase and Administration Agreement, dated as of October 23, 2018, by and among T-Mobile Handset Funding LLC, as transferor, T-Mobile Financial LLC, as servicer, T-Mobile US, Inc., as performance guarantor, Royal Bank of Canada, as administrative agent, and certain financial institutions party thereto.	10-Q	10/30/2018	10.1	
10.36	First Amendment, dated as of December 21, 2018, to Third Amended and Restated Receivables Purchase and Administration Agreement, dated as of October 23, 2018, by and among T-Mobile Handset Funding LLC, as transferor, T-Mobile Financial LLC, as servicer, T-Mobile US, Inc., as performance guarantor, Royal Bank of Canada, as administrative agent, and certain financial institutions party thereto	10-K	2/7/2019	10.45	

Exhibit No.	Exhibit Description	Incorporated by Reference			Filed Herein
		Form	Date of First Filing	Exhibit Number	
10.37	Purchase Agreement, dated as of March 6, 2016, among T-Mobile USA, Inc., the guarantor party thereto and Deutsche Telekom AG.	8-K	3/7/2016	1.1	
10.38	Amendment No. 1 to Purchase Agreement, dated as of October 28, 2016, to Purchase Agreement, dated as of March 6, 2016, by and among T-Mobile USA, Inc., the guarantors party thereto and Deutsche Telekom AG.	8-K	11/2/2016	10.1	
10.39	Purchase Agreement, dated as of April 25, 2016, among T-Mobile USA, Inc., the guarantor party thereto and Deutsche Telekom AG.	8-K	4/26/2016	1.1	
10.40	Amendment No. 1 to Purchase Agreement, dated as of October 28, 2016, to Purchase Agreement, dated as of April 25, 2016, by and among T-Mobile USA, Inc., the guarantors party thereto and Deutsche Telekom AG.	8-K	11/2/2016	10.2	
10.41	Purchase Agreement, dated as of April 29, 2016, among T-Mobile USA, Inc., the guarantor party thereto and Deutsche Telekom AG.	8-K	4/29/2016	1.1	
10.42	Amendment No. 1 to Purchase Agreement, dated as of October 28, 2016, to Purchase Agreement, dated as of April 29, 2016, by and among T-Mobile USA, Inc., the guarantors party thereto and Deutsche Telekom AG.	8-K	11/2/2016	10.3	
10.43	Purchase Agreement, dated as of March 13, 2017, among T-Mobile USA, Inc., the guarantors party thereto and Deutsche Telekom AG.	8-K	3/16/2017	10.1	
10.44	Purchase Agreement, dated as of January 22, 2018, among T-Mobile USA, Inc., the guarantors party thereto and Deutsche Telekom AG.	8-K	1/25/2018	10.1	
10.45	Unsecured Revolving Credit Agreement, dated as of December 29, 2016, by and among T-Mobile US, Inc., T-Mobile USA, Inc., the several banks and other financial institutions or entities from time to time party thereto as lenders, and Deutsche Telekom AG, as administrative agent.	8-K	12/30/2016	10.1	
10.46	Amendment No. 1, dated as of March 29, 2018, to the Unsecured Revolving Credit Agreement, dated as of December 29, 2016, among T-Mobile USA, Inc., T-Mobile US, Inc., the other guarantors party thereto and Deutsche Telekom AG, as administrative agent and lender.	8-K	3/30/2018	10.3	
10.47	Secured Revolving Credit Agreement, dated as of December 29, 2016, by and among T-Mobile US, Inc., T-Mobile USA, Inc., the several banks and other financial institutions or entities from time to time party thereto as lenders, and Deutsche Telekom AG, as administrative agent.	8-K	12/30/2016	10.2	
10.48	Amendment No. 1, dated as of March 29, 2018, to the Secured Revolving Credit Agreement, dated as of December 29, 2016, among T-Mobile USA, Inc., T-Mobile US, Inc., the other guarantors party thereto and Deutsche Telekom AG, as administrative agent and lender.	8-K	3/30/2018	10.2	
10.49*	Amended and Restated MetroPCS Communications, Inc. 2004 Equity Incentive Compensation Plan.	S-1/A	2/27/2007	10.1(a)	
10.50*	MetroPCS Communications, Inc. 2010 Equity Incentive Compensation Plan.	Schedule 14A	4/19/2010	Annex A	
10.51*	Form Change in Control Agreement for MetroPCS Communications, Inc.	10-Q	8/9/2010	10.2	
10.52*	Form Change in Control Agreement Amendment for MetroPCS Communications, Inc.	10-Q	10/30/2012	10.1	

Exhibit No.	Exhibit Description	Incorporated by Reference			Filed Herein
		Form	Date of First Filing	Exhibit Number	
10.53*	MetroPCS Communications, Inc. Employee Non-qualified Stock Option Award Agreement relating to the MetroPCS Communications, Inc. Amended and Restated 2004 Equity Incentive Compensation Plan.	10-K	3/1/2013	10.9(a)	
10.54*	Form MetroPCS Communications, Inc. 2010 Equity Incentive Compensation Plan Employee Non-Qualified Stock Option Award Agreement.	10-K	2/29/2012	10.12	
10.55*	Amended and Restated Employment Agreement, dated as of December 20, 2017, between T-Mobile US, Inc. and J. Braxton Carter.	10-K	2/8/2018	10.69	
10.56*	First Amendment, dated as of April 28, 2018, to Amended and Restated Employment Agreement, dated as of December 20, 2017, between T-Mobile US, Inc. and J. Braxton Carter.	10-Q	5/1/2018	10.12	
10.57*	Second Amendment, dated as of March 25, 2019, to Amended and Restated Employment Agreement, dated as of December 20, 2017, between T-Mobile US, Inc. and J. Braxton Carter.	10-Q	10/28/2019	10.1	
10.58*	Third Amendment to Amended and Restated Employment Agreement, effective as of November 15, 2019, between T-Mobile US, Inc. and J. Braxton Carter.				X
10.59*	Amended and Restated Employment Agreement, dated as of March 28, 2017, between T-Mobile US, Inc. and John J. Legere.	10-Q	4/24/2017	10.7	
10.60*	First Amendment, dated as of April 28, 2018, to Amended and Restated Employment Agreement, dated as of April 1, 2017, between T-Mobile US, Inc. and John Legere.	10-Q	5/1/2018	10.10	
10.61*	Employment Agreement, effective November 15, 2019, between T-Mobile US, Inc. and Michael Sievert.				X
10.62*	Letter Agreement, dated as of February 19, 2018, between T-Mobile US, Inc. and David R. Carey.	10-Q	7/26/2019	10.1	
10.63*	Compensation Term Sheet, dated as of April 28, 2018, by and between T-Mobile US, Inc. and David R. Carey.	10-Q	7/26/2019	10.2	
10.64*	Letter Agreement, dated as of April 28, 2018, between T-Mobile US, Inc. and David R. Carey.	10-Q	7/26/2019	10.3	
10.65*	Compensation Term Sheet between Neville Ray and T-Mobile US, Inc., effective as of November 15, 2019.				X
10.66*	Form of Severance Letter Agreement.	10-Q	5/1/2018	10.9	
10.67*	Form of Indemnification and Advancement Agreement.	10-K	2/8/2018	10.76	
10.68*	T-Mobile US, Inc. Non-Qualified Deferred Executive Compensation Plan (As Amended and Restated Effective as of January 1, 2014).	10-K	2/25/2014	10.39	
10.69*	First Amendment to T-Mobile US, Inc. Non-Qualified Deferred Executive Compensation Plan	10-K	2/7/2019	10.75	
10.70*	T-Mobile US, Inc. Executive Continuity Plan as Amended and Restated Effective as of January 1, 2014.	8-K	10/25/2013	10.1	
10.71*	T-Mobile US, Inc. 2013 Omnibus Incentive Plan (as amended and restated on August 7, 2013).	10-Q	8/8/2013	10.20	
10.72*	Amendment to T-Mobile US, Inc. 2013 Omnibus Incentive Plan (as amended and restated on August 7, 2013).	Schedule 14A	4/26/2018	Annex A	
10.73*	T-Mobile USA, Inc. 2011 Long-Term Incentive Plan.	10-Q	8/8/2013	10.21	
10.74*	Annual Incentive Award Notice under the 2013 Omnibus Incentive Plan.				X
10.75*	Form of Restricted Stock Unit Award Agreement for Non-Employee Directors under the T-Mobile US, Inc. 2013 Omnibus Incentive Plan.	8-K	6/4/2013	10.2	

Exhibit No.	Exhibit Description	Incorporated by Reference			Filed Herein
		Form	Date of First Filing	Exhibit Number	
10.76*	Form of Restricted Stock Unit Award Agreement (Time-Vesting) for Executive Officers under the T-Mobile US, Inc. 2013 Omnibus Incentive Plan.				X
10.77*	Form of Restricted Stock Unit Award Agreement (Performance-Vesting) for Executive Officers under the T-Mobile US, Inc. 2013 Omnibus Incentive Plan.				X
10.78*	T-Mobile US, Inc. 2014 Employee Stock Purchase Plan.	S-8	2/19/2015	99.1	
10.79*	Amended Director Compensation Program effective as of May 1, 2013 (amended June 4, 2014 and further amended on June 1, 2015, June 16, 2016, June 13, 2017 and June 13, 2019).	10-Q	7/26/2019	10.4	
10.80*	Support Agreement, dated as of April 29, 2018, by and among SoftBank Group Corp., SoftBank Group Capital Limited, Starburst I, Inc., Galaxy Investment Holdings, Inc., T-Mobile US, Inc., and Deutsche Telekom AG.	8-K	04/30/2018	10.1	
10.81	Second Amended and Restated Commitment Letter, dated as of September 6, 2019, by and among T-Mobile USA, Inc. and the financial institutions party thereto.	8-K	9/9/2019	10.1	
10.82	Financing Matters Agreement, dated as of April 29, 2018, by and between T-Mobile USA, Inc. and Deutsche Telekom AG.	8-K	04/30/2018	10.3	
21.1	Subsidiaries of Registrant.				X
23.1	Consent of PricewaterhouseCoopers LLP.				X
24.1	Power of Attorney, pursuant to which amendments to this Form 10-K may be filed (included on the signature page contained in Part IV of the Form 10-K).				
31.1	Certifications of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.				X
31.2	Certifications of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.				X
32.1**	Certification of Chief Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.				X
32.2**	Certification of Chief Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.				X
101.INS	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.				
101.SCH	XBRL Taxonomy Extension Schema Document.				X
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document.				X
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document.				X
101.LAB	XBRL Taxonomy Extension Label Linkbase Document.				X
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document.				X
104	Cover Page Interactive Data File (the cover page XBRL tags are embedded within the Inline XBRL document).				

* Indicates a management contract or compensatory plan or arrangement.

** Furnished herein.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

T-MOBILE US, INC.

February 6, 2020	/s/ John J. Legere
	John J. Legere Chief Executive Officer

POWER OF ATTORNEY

Each person whose signature appears below constitutes and appoints John J. Legere, J. Braxton Carter and David A. Miller, and each or any of them, his or her true and lawful attorney-in-fact and agent, each acting alone, with full power of substitution and resubstitution, for him or her and in his or her name, place and stead, in any and all capacities, to sign any or all amendments or supplements (including post-effective amendments) to this Report, and to file the same, with all exhibits thereto, and all documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorney-in-fact and agent, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agent, or his or her substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities indicated as of February 6, 2020.

Signature	Title
/s/ John J. Legere John J. Legere	Chief Executive Officer and Director (Principal Executive Officer)
/s/ G. Michael Sievert G. Michael Sievert	President and Chief Operating Officer Director
/s/ J. Braxton Carter J. Braxton Carter	Executive Vice President and Chief Financial Officer (Principal Financial Officer)
/s/ Peter Osvaldik Peter Osvaldik	Senior Vice President, Finance and Chief Accounting Officer (Principal Accounting Officer)
/s/ Timotheus Höttges Timotheus Höttges	Chairman of the Board
/s/ Srikant Datar Srikant Datar	Director

/s/ Lawrence H. Guffey Lawrence H. Guffey	Director
/s/ Christian P. Illek Christian P. Illek	Director
/s/ Srini Gopalan Srini Gopalan	Director
/s/ Bruno Jacobfeuerborn Bruno Jacobfeuerborn	Director
/s/ Raphael Kübler Raphael Kübler	Director
/s/ Thorsten Langheim Thorsten Langheim	Director
/s/ Teresa A. Taylor Teresa A. Taylor	Director
/s/ Kelvin R. Westbrook Kelvin R. Westbrook	Director

EXHIBIT 4.29

Description of Securities Registered Pursuant to Section 12 of the Securities Exchange Act of 1934

T-Mobile US, Inc., a Delaware corporation (the "Company," "we" or "our"), currently has one class of securities registered under Section 12 of the Securities Exchange Act of 1934, as amended, the Company's common stock, par value $0.00001 per share (the "Common Stock"). The following summary includes a brief description of the Common Stock as well as certain related information.

The following summary does not purport to be complete and is subject to, and qualified in its entirety by, the full text of our Fourth Amended and Restated Certificate of Incorporation (the "Certificate of Incorporation"), our Sixth Amended and Restated Bylaws (the "Bylaws") and our Stockholder's Agreement, dated as of April 30, 2013 (the "Stockholder's Agreement"), by and between the Company and Deutsche Telekom AG ("Deutsche Telekom"). For additional information please refer to the Certificate of Incorporation, Bylaws and Stockholder's Agreement, each of which are exhibits to our Annual Report on Form 10- K, and applicable provisions of the General Corporation Law of the State of Delaware.

General

Pursuant to the Certificate of Incorporation, the total number of shares of capital stock that the Company is authorized to issue is one billion one hundred million (1,100,000,000). The total number of shares of Common Stock that the Company is authorized to issue is one billion (1,000,000,000), with a par value of $0.00001 per share, and the total number of shares of preferred stock that the Company is authorized to issue is one hundred million (100,000,000), with a par value of $0.00001 per share (the "Preferred Stock"). The rights and privileges of holders of Common Stock are subject to any series of Preferred Stock that we may issue in the future.

Common Stock

Voting Rights

Holders of our Common Stock have the right to vote on every matter submitted to a vote of our stockholders other than any matter on which only the holders of Preferred Stock are entitled to vote separately as a class. There are no cumulative voting rights. Accordingly, holders of a majority of shares entitled to vote in an election of directors are able to elect all of the directors standing for election.

Classification of the Board of Directors

All of the directors of the Company shall be of one class and shall be elected annually. Each director shall hold office until the next annual meeting of stockholders and shall serve until his successor shall have been duly elected and qualified or until his earlier death, resignation, retirement, disqualification or removal.

Dividend, Liquidation and Other Rights

Subject to preferences that may be applicable to any outstanding Preferred Stock, the holders of Common Stock will share equally on a per share basis any dividends when, as and if declared by our board of directors out of funds legally available for that purpose. If we are liquidated, dissolved or wound up, the holders of our Common Stock will be entitled to a ratable share of any distribution to stockholders, after satisfaction of all of our liabilities and of the prior rights of any outstanding class of

Preferred Stock. Our Common Stock carries no preemptive or other subscription rights to purchase shares of our Common Stock and is not convertible, assessable or entitled to the benefits of any sinking fund.

Redemption Provisions

Pursuant to our Certificate of Incorporation, if a holder of our Common Stock acquires additional shares of our Common Stock or otherwise is attributed with ownership of such shares that would cause us to violate the Federal Communications Commission ("FCC") rules, we may, at the option of the board of directors, redeem from the holder or holders causing the violation of the FCC's rules shares of our Common Stock sufficient to eliminate the violation.

The redemption price will be a price mutually determined by us and our stockholders, but if no agreement can be reached, the redemption price will be either:

- 75% of the fair market value of our Common Stock being redeemed, if the holder caused the FCC violation; or

- 100% of the fair market value of our Common Stock being redeemed, if the FCC violation was not caused by the holder;

The foregoing redemption rights do not apply to any shares of our Common Stock or Preferred Stock beneficially owned by Deutsche Telekom or any of its subsidiaries. If any waivers or approvals are required from the FCC in order for Deutsche Telekom or any of its subsidiaries to acquire or hold any shares of our Common Stock or Preferred Stock, Deutsche Telekom and any of its subsidiaries are required by the Certificate of Incorporation to cooperate to secure such waivers or approvals and abide by any conditions related to such waivers or approvals.

Certain Other Provisions of Our Certificate of Incorporation and Bylaws

The following provisions of our Certificate of Incorporation and Bylaws could be deemed to have an anti-takeover effect and could delay, defer or prevent a takeover attempt that a stockholder might consider to be in the stockholders' best interests.

- *Advance notice of director nominations and matters to be acted upon at meetings*. Our Bylaws contain advance notice requirements for nominations for directors to our board of directors and for proposing matters that can be acted upon by stockholders at stockholder meetings.

- *Amendment to Bylaws*. Our Certificate of Incorporation provides that our Bylaws may be amended upon the affirmative vote of the holders of shares having a majority of our voting power. Our Certificate of Incorporation also provides that our board of directors is authorized to make, alter or repeal our Bylaws without further stockholder approval.

- *Special meeting of stockholders*. Our Certificate of Incorporation provides that a special meeting of our stockholders (i) may be called by the chairman of the board or our chief executive officer and (ii) must be called by our secretary at the request of (a) a majority of our board of directors or (b) as long as Deutsche Telekom beneficially owns 25% or more of the outstanding shares of our Common Stock, the holders of not less than 33- 1⁄3% of the voting power of all of the outstanding voting stock of our Company entitled to vote generally for the election of directors.

- *Board representation*. Our Certificate of Incorporation (as well as the Stockholder's Agreement described below) provides that Deutsche Telekom generally has the right to designate a number of Deutsche Telekom designees to our board of directors and any committees thereof equal to the percentage of our Common Stock beneficially owned by Deutsche Telekom multiplied by the number of directors on our board of directors (or the number of members of any committee thereof), in each case, rounded to the nearest whole number. These rights will remain in effect as long as Deutsche Telekom beneficially owns 10% or more of the outstanding shares of our Common Stock. Our Certificate of Incorporation provides that all of the directors of our board of directors are of one class and are elected annually.

- *Special approval rights*. Our Certificate of Incorporation provides Deutsche Telekom with the same approval rights as are set forth in the Stockholder's Agreement with respect to our ability to take certain actions (including, without limitation, changing the size of our board of directors or dispositions in excess of $1,000,000,000, or hiring or terminating without cause our chief executive officer) as long as Deutsche Telekom beneficially owns 30% or more of the outstanding shares of our Common Stock.

- *Authorized but unissued shares*. The authorized but unissued shares of our Common Stock and Preferred Stock are available for future issuance without stockholder approval. These additional shares may be used for a variety of corporate purposes, such as for additional public offerings, acquisitions and employee benefit plans. The existence of authorized but unissued and unreserved Common Stock and Preferred Stock could render more difficult or discourage an attempt to obtain control of our Company by means of a proxy contest, tender offer, merger or otherwise.

- *Cumulative voting.* Our Certificate of Incorporation does not permit cumulative voting in the election of directors. Instead, any election of directors will be decided by a plurality of the votes cast (in person or by proxy) by holders of our Common Stock.

Stockholder's Agreement

Pursuant to the Stockholder's Agreement, Deutsche Telekom has the right to designate a number of individuals to be nominees for election to our board of directors equal to the percentage of our Common Stock beneficially owned by Deutsche Telekom multiplied by the number of directors on our board of directors rounded to the nearest whole number. In addition, we have agreed to include as members of each committee of our board of directors the number of Deutsche Telekom director designees equal to the percentage of Common Stock beneficially owned by Deutsche Telekom multiplied by the number of members of such committee, except to the extent that such membership would violate applicable law or stock exchange rules; provided that no committee may consist solely of directors designated by Deutsche Telekom. These rights will remain in effect as long as Deutsche Telekom beneficially owns 10% or more of the outstanding shares of our Common Stock. We and Deutsche Telekom have also each agreed to use our reasonable best efforts to cause at least three members of the board of directors to be considered "independent" under the rules of the SEC and under applicable listing standards.

In addition, pursuant to the Stockholder's Agreement, as long as Deutsche Telekom beneficially owns 30% or more of the outstanding shares of our Common Stock, we will not take certain actions without Deutsche Telekom's prior written consent, including (a) incurring indebtedness above certain

levels based on a specified debt to cash flow ratio, (b) taking any action that would cause a default under any instrument evidencing indebtedness of Deutsche Telekom or its affiliates, (c) acquiring or disposing of assets or entering into mergers or similar acquisitions in excess of $1,000,000,000, (d) changing the size of our board of directors, (e) issuing equity of 10% or more of the then outstanding number of shares of our Common Stock or to redeem debt held by Deutsche Telekom, (f) except as required by our Certificate of Incorporation or Bylaws, repurchasing or redeeming equity securities or making any extraordinary or in-kind dividend other than on a pro rata basis or (g) making certain changes involving our chief executive officer. In addition, we have agreed that, without the prior written consent of Deutsche Telekom, we will not amend our Certificate of Incorporation and Bylaws in any manner that could adversely affect Deutsche Telekom's rights under the Stockholder's Agreement as long Deutsche Telekom beneficially owns 5% or more of the outstanding shares of our Common Stock.

During the term of the Stockholder's Agreement, Deutsche Telekom is not permitted to, and is required to cause the Deutsche Telekom designees then serving as directors on our board of directors not to, support, enter into or vote in favor of any transaction between, or involving both (a) the Company and (b) Deutsche Telekom or an affiliate of Deutsche Telekom, unless such transaction is approved by a majority of the directors on the Company's board of directors, which majority includes a majority of the disinterested directors. Such approval requirement has been waived with respect to any transaction that does not exceed $120,000 or that is unanimously approved by the audit committee of our board of directors.

Pursuant to the Stockholder's Agreement, Deutsche Telekom and its affiliates are prohibited from acquiring more than 80.1% of the outstanding shares of our Common Stock unless it makes an offer to acquire all of the then remaining outstanding shares of Common Stock at the same price and on the same terms and conditions as the proposed acquisition from all other stockholders of the Company, which is approved or accepted by disinterested directors or stockholders. Deutsche Telekom is also prohibited from transferring any shares of Common Stock in any other transaction that would result in the transferee owning more than 30% of the outstanding shares of Common Stock unless such transferee offers to acquire all of the then outstanding shares of Common Stock at the same price and on the same terms and conditions as the proposed transfer. The Stockholder's Agreement also restricts Deutsche Telekom's ability to compete with us in the United States, Puerto Rico and the territories and protectorates of the United States during the period beginning on April 30, 2013 and ending on the date that is two years after the date on which Deutsche Telekom beneficially owns less than 10% of the outstanding shares of our Common Stock.

Subject to specified limitations, Deutsche Telekom has the right to request that we file, from time to time, a registration statement or prospectus supplement to a registration statement for the resale of shares of our Common Stock and debt securities beneficially owned by Deutsche Telekom. In addition, Deutsche Telekom has piggyback registration rights with respect to any offering that we initiate. Any transferee of Deutsche Telekom who acquires at least 5% of either the registrable equity securities or the registrable debt securities pursuant to a transaction that is not registered under the Securities Act will be entitled to enjoy the same registration rights as Deutsche Telekom as long as the registrable securities held by such transferee may not be sold or disposed of pursuant to Rule 144 under the Securities Act without volume limitations.

THIRD AMENDMENT TO
AMENDED AND RESTATED EMPLOYMENT AGREEMENT

THIS THIRD AMENDMENT TO AMENDED AND RESTATED EMPLOYMENT AGREEMENT (this "***Third Amendment***"), effective as of November 15, 2019 (the "***Effective Date***") is entered into by and between T-Mobile US, Inc. (the "***Company***"), and J. Braxton Carter ("***Executive***"). Capitalized terms used but not otherwise defined herein shall have the respective meanings ascribed to them in the Employment Agreement (as defined below).

RECITALS

WHEREAS, the Company and Executive are parties to that certain Amended and Restated Employment Agreement, dated as of December 20, 2017 (as amended, the "***Employment Agreement***"), which sets forth the terms and conditions of Executive's employment as Executive Vice President and Chief Financial Officer of the Company; and

WHEREAS, the Company and Executive mutually desire to amend the Employment Agreement as set forth herein.

NOW, THEREFORE, in consideration of Executive's continued service with the Company, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, effective as of the Effective Date, the Company and Executive hereby agree as follows:

AMENDMENT

1. Expiration Date. The Employment Agreement is hereby amended to (i) provide that "***Expiration Date***" means, and the Term of the Employment Agreement shall continue until, July 1, 2020, and (ii) clarify that Executive's employment with the Company will terminate automatically upon the expiration of the Term.

2. Separation Benefits.

a. *Separation Benefits*. Except as provided in Sections 2(b) and (c) below, subject to Executive's continued employment through December 31, 2019, and provided that Executive timely executes and does not revoke a release of claims in a form determined by the Company that becomes effective on or before such date, Executive shall receive the following payments and benefits:

i.On December 31, 2019, Executive shall receive the payments and benefits set forth under clauses (a), (e) and (f) of the section entitled "Severance" of the Employment Agreement (*i.e.*, the payments and benefits thereunder that Executive would have received on December 31, 2019 if Executive's employment under the Employment Agreement terminated on such date due to the expiration of the Term) (collectively, the "***Severance***") and (ii) Executive's accrued, unused paid-time-off through December 31, 2019 (the "***Accrued PTO***"). The Accrued PTO and the Severance payable under clause (a) of the section entitled "Severance" of the Employment Agreement shall be paid in a single lump-sum amount on December 31, 2019. The accelerated vesting of LTI Awards described in clauses (e) and (f) of the section entitled "Severance" of the Employment Agreement shall occur on December 31, 2019.

ii.Executive shall receive an STI Award for calendar year 2019 (the "***2019 STI Award***"), which shall be paid to him in a single lump-sum amount at the same time as annual short-term incentive awards are paid to other similarly situated executives of the Company generally for

calendar year 2019 (but in no event later than March 15, 2020), subject to his continued employment through the end of calendar year 2019.

For clarity, (x) if Executive's employment terminates for any reason prior to December 31, 2019 in a manner that entitles him to severance payments and benefits under his Employment Agreement (as in effect prior to the Effective Date), this Section 2 shall be of no force or effect, and (y) if Executive becomes entitled to the Severance and 2019 STI Award (collectively, the "***Severance Benefits***") under this Section 2(a), he will not be entitled to any further Severance Benefits upon his subsequent termination of employment with the Company.

b. *COBRA Continuation*. Notwithstanding the foregoing or anything to the contrary in the Employment Agreement, the healthcare continuation benefits set forth in subsection (g) under the section entitled "Severance" of the Employment Agreement (the "***COBRA Benefits***") (i) shall not commence on December 31, 2019 and shall instead commence on the Termination Date and continue for a period of eighteen (18) months thereafter, and (ii) such COBRA Benefits shall be provided at the Company's sole expense. Such COBRA Benefits shall be subject to Executive's timely execution and non-revocation of a release of claims in a form prescribed by the Company that becomes effective and irrevocable no later than sixty (60) days after the Termination Date in accordance with the terms of the Employment Agreement (collectively, the "***Release Requirement***").

c. *Accrued Obligations*. Upon Executive's termination of employment with the Company for any reason, Executive shall be entitled to receive the amounts set forth under the section entitled "Accrued Obligations" of the Employment Agreement (to the extent not previously paid pursuant to Section 2(a) above), payable within thirty (30) days following the Termination Date (or such earlier date as may be required by applicable law). For clarity, such amounts shall include any accrued, paid-time-off from January 1, 2020 through the Termination Date.

3. Extension Period.

a. *Continued Salary and Benefits*. During the period commencing on January 1, 2020 and ending on the date on which Executive's employment terminates for any reason (including due to expiration of the Term) (the "***Extension Period***"), Executive shall continue to serve as Executive Vice President and Chief Financial Officer of the Company and to have such duties and responsibilities as are consistent with such position. In addition, during the Extension Period, Executive shall continue to receive the same Base Salary as in effect on the Effective Date (*i.e.*, $950,000 per year, pro-rated for any partial year of employment) and to be eligible to participate in employee benefit plans maintained by the Company, in each case, in accordance with the terms and conditions of the Employment Agreement. Notwithstanding the foregoing or anything to the contrary in the Employment Agreement, except as otherwise determined by the Company, Executive shall not be eligible to receive STI Awards (other than the payment of the 2019 STI Award in accordance with Section 2(a)(ii) above) or grants of LTI Awards during the Extension Period.

b. *Special Bonus*. In respect of Executive's services during the Extension Period, Executive shall be eligible to receive a one-time cash bonus in an amount equal to $7,525,000 (the "***Special Bonus***"). Subject to Executive's continued employment through the Expiration Date, the Special Bonus shall be paid to Executive in a single lump-sum amount on or within seventy-four (74) days following the Expiration Date, provided that he satisfies the Release Requirement. Notwithstanding the foregoing, if Executive's employment is terminated by the Company without Cause or Executive resigns for Good Reason, in either case, between January 1, 2020 and the Expiration Date, then Executive shall be entitled to receive a pro-rated Special Bonus determined by multiplying the full amount of the Special Bonus by a fraction, the numerator of which equals the number of days elapsed between January 1, 2020 and the Termination Date and the denominator of which is the total number of days between January 1, 2020 and the Expiration Date, which pro-rated

Special Bonus shall be paid to him within seventy-four (74) days following the Termination Date (provided that he satisfies the Release Requirement).

4. Right to Sell Vested Shares.

a. During the period commencing on January 1, 2020 and ending on the date that is two (2) business days before the date on which the Company's 2019 Form 10-K is filed with the Securities Exchange Commission (such date, the "***10-K Filing Date***" and such window, the "***Put Window***"), Executive shall have the right (the "***Put Right***") to require that the Company purchase some or all of Executive's Vested Shares (as defined below), at a price per Vested Share equal to the volume weighted average price of the Company's common stock over the thirty (30) calendar day period ending with (and including) the 10-K Filing Date (the "***Put Price***"). Executive may exercise the Put Right by delivering to the Company, during the Put Window, a written notice (the "***Put Notice***") indicating that Executive is exercising the Put Right and specifying the number of Vested Shares as to which the Put Right is being exercised (such shares, the "***Put Shares***"). To validly exercise the Put Right, the Put Notice must be delivered to the Company during the Put Window and, if Executive does not validly exercise the Put Right during the Put Window, the Put Right shall terminate with respect to all Vested Shares held by Executive.

b. The purchase of the Put Shares by the Company from Executive, and the sale of the Put Shares by Executive to the Company, shall be consummated on the second (2nd) business day following the 10-K Filing Date (the "***Repurchase Date***"). The Company will pay for the Put Shares by delivery of cash or a check, in either case, in an amount equal to the aggregate Put Price of such Put Shares. The Company will, in connection with such repurchase, be entitled to receive customary representations and warranties from Executive in a form prescribed by the Company regarding such sale.

c. Notwithstanding anything herein to the contrary, no payment shall be made under this Section 4 that would cause the Company to violate any applicable law, or any loan or other financial covenant or cause default of any indebtedness or breach of any other financing instrument of the Company. Any payment under this Section 4 that would cause such violation or default shall toll and result in an extension of the Repurchase Date until such time as such payment would no longer result in any of the foregoing consequences, as determined by the Company.

d. For purposes of this Section 4, "***Vested Shares***" shall mean all vested shares of Company common stock that were issued or paid to Executive pursuant to LTI Awards (including, without limitation, any shares paid to Executive in connection with the accelerated vesting of LTI Awards on December 31, 2019 pursuant to Section 2(a) above) and that are held by Executive as of the Repurchase Date.

5. The Employment Agreement is hereby amended to the extent necessary to reflect Sections 1 through 4 above.

6. This Third Amendment shall be and hereby is incorporated into and forms a part of the Employment Agreement.

7. Except as expressly provided herein, all terms and conditions of the Employment Agreement shall remain in full force and effect.

(*Remainder of page intentionally left blank*)

IN WITNESS WHEREOF, the Company and Executive have executed this Third Amendment effective as of the date first above written.

COMPANY
T-Mobile US, Inc.

/s/ Derek Potter
Name: Derek Potter
Title: SVP, Total Rewards & Employee Experience

EXECUTIVE

/s/ J. Braxton Carter
J. Braxton Carter

(*Signature Page to Third Amendment to Employment Agreement*)

EXHIBIT 10.61

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (this "***Agreement***") is entered into effective as of November 15, 2019 (the "***Effective Date***") by and between **T-Mobile US, Inc.** (the "***Company***") and **Michael Sievert** (the "***Executive***").

W I T N E S S E T H:

Whereas, the parties wish to enter into this Agreement setting forth the terms and conditions of the Executive's employment with the Company, effective as of the Effective Date.

Now Therefore, in consideration of the promises and the mutual covenants hereinafter set forth, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. **Duties**.[1] The Company shall employ the Executive, and the Executive shall serve in the full-time employ of the Company, on the terms and subject to the conditions set forth in this Agreement. The Executive shall initially serve as President and Chief Operating Officer of the Company, reporting to the Chief Executive Officer of the Company. Commencing on May 1, 2020 (the "***CEO Start Date***"), the Executive shall cease to serve as Chief Operating Officer of the Company and shall instead serve as the President and Chief Executive Officer ("***CEO***") of the Company, reporting to the Board of Directors for the Company (the "***Board***") and shall at all times during the portion of the Term commencing on the CEO Start Date be the most senior executive officer of the Company. Commencing on the CEO Start Date, the Executive shall have such duties and authority commensurate with the position of CEO of the Company and shall perform such other duties commensurate with such position as the Board may from time-to-time assign. During the Term, Deutsche Telekom AG ("***DT***") shall cause the Executive to be appointed to the Board (and for so long as the Company has publicly traded common stock or other equity securities, the Company shall use its best efforts to cause the Executive to be nominated for election to the Board). The Executive shall devote his best efforts and all of his business time and attention to promote the benefit and advantage of the Company; provided, however, that the foregoing shall not preclude the Executive from engaging in appropriate civic, charitable or religious activities which have been previously approved by the Company's compliance function consistent with Company policy or from devoting a reasonable amount of time to private investments not inconsistent with the Restrictive Covenant and Confidentiality Agreement (as defined below), and provided further, that the Executive may (i) continue to serve on the boards of directors of the entities listed on Exhibit A to this Agreement, and (ii) serve on additional boards of directors and/or advisory boards from time to time, subject to the approval of the Chairman of the Board, which approval shall not be unreasonably withheld, provided, further, that in all such cases such service may not materially interfere with the Executive's full time services to the Company, and such service may continue for so long as such entities do not, in the reasonable and good faith judgment of the Board, compete, directly or indirectly, with the business of the Company. The Executive's position shall be based at the Company's headquarters in Bellevue, Washington.

2. **Term**. Subject to earlier termination as set forth herein, the term of the Executive's employment with the Company under this Agreement shall be the period commencing on the Effective Date and continuing until the third (3rd) anniversary of the CEO Start Date (the "***Original Term***") and renew and be automatically extended for successive one-year terms (each, a "***Renewal Term***") unless notice of non-renewal is given by either party to the other party at least ninety (90) days prior to the end of the Original Term or any Renewal Term. The Original Term and any Renewal Term(s) (if any) are collectively referred to herein as the "***Term***". The "***Termination Date***" of the Executive's employment under this Agreement shall be the earliest to occur of:

(a) the last day of the Term,

(b) the termination date provided in the written notice delivered by the Executive or the Company, as the case may be, pursuant to the provisions of paragraph 4,

(c) the date of the Executive's death or Disability pursuant to the provisions of paragraph 4, or

(d) the date determined by mutual written agreement of the parties.

3. **Compensation and Benefits**. During the Term, the Executive shall be compensated by the Company as follows:

(a) **Base Salary**. The Executive shall be paid a base salary (the "***Base Salary***") at an annual rate of $1,200,000, which salary shall be payable in installments in accordance with the Company's regular payroll practices as in effect from time to time. The Executive's Base Salary shall automatically increase to $1,400,000 effective January 1, 2020 (subject to the Executive's continued employment with the Company through such date). The Executive's Base Salary shall also be increased by the Committee (as defined below) to $1,500,000 per year effective January 1, 2021, and the Executive's Base Salary shall be further increased by the Committee effective January 1, 2022 to the greater of (i) $1,600,000 or (ii) the then-current median annual base salary for Chief Executive Officers in the Company's then-current peer group utilized by the Committee for executive compensation decisions (as determined by the Committee) (the "***Peer Group***") (in each case, subject to the Executive's continued employment with the Company through the date of the applicable increase). The Compensation Committee of the Board or a Subcommittee thereof (the "***Committee***") shall periodically review (not less than annually) the amount of the Executive's Base Salary and may increase, but not decrease, such Base Salary in its discretion.

(b) **One-Time Cash Payment**. In addition, the Company shall pay to the Executive a one-time cash payment in an amount equal to three million five hundred thousand dollars ($3,500,000) (the "***Retention Payment***"), payable in a single lump-sum amount on or within thirty (30) days after the earlier of (i) the date on which the transactions contemplated by the Business Combination Agreement between the Company, Sprint Corp. and certain other parties named therein, dated as of April 29, 2018 (the "***BCA***"), close (or, if later, the CEO Start Date), (ii) the date on which the transactions contemplated by the BCA are terminated or abandoned (or, if later, the CEO Start Date), or (iii) December 1, 2020 (the earlier such date, the "***Retention Date***"), subject to and conditioned upon your continued employment with the Company through the Retention Date (except as otherwise provided under paragraph 5 below).

(c) **Annual Short-Term Incentive Awards**. For each fiscal year of the Company during the Term (commencing with calendar year 2020), the Executive shall have the opportunity to earn an annual short-term incentive ("***STI***") cash award with a value targeted at not less than 250% of the Executive's Base Salary, with a maximum award value equal to 200% of the targeted value, to be determined annually by the Committee. Any STI award will be earned based on the attainment of performance goals established by the Committee in accordance with standard Company practices after consultation with the Executive. Such performance goals shall be established by the Committee generally by no later than March 31 of the applicable performance year. Payment of any STI award earned for a year shall be made after the Committee determines performance results and at the same time as annual STI awards are paid to other senior managers of the Company with respect to the applicable fiscal year, generally as soon as practicable following completion of the applicable performance year (but not later than March 15 of the year following the applicable performance year). Except as otherwise expressly provided by paragraph 5 below, the Executive must remain continuously employed with the Company through the applicable payment date in order to earn the right to payment of any STI award, and any termination of employment before such payment date shall result in cancellation of any right or entitlement to any such STI award. Each STI award shall be subject to the terms of the Incentive Plan, including provisions regarding treatment of any outstanding STI awards in connection with a Change in Control, which terms shall be no less favorable than those applicable to all other Executive-Level Employees of the Company, and an award agreement evidencing the grant of the STI award; provided, however, that to the extent that the Incentive Plan or any STI award agreement provides for more favorable treatment to the Executive of any STI award(s), the terms of the Incentive Plan or award agreement (as applicable) shall control.

(d) **Special Long-Term Incentive Award**. Within fifteen (15) days following the CEO Start Date, the Company shall grant to the Executive, under the Incentive Plan, a one-time LTI (as defined below) award of performance-based restricted stock units ("***PRSUs***") with respect to a target number of shares of Company common stock equal to the quotient of $20,000,000 divided by the average closing price of the Company's common stock over the period beginning on the date of the Company's public announcement of this Agreement and the Executive's new prospective role as Chief Executive Officer and ending on the CEO Start Date (the "***Performance Period Start Price"***), rounded up to the nearest whole PRSU (such PRSUs, the "***Special PRSUs***"). The Special PRSUs shall be eligible to vest on the third (3rd) anniversary of the CEO Start Date, based on the Company's total shareholder return relative to the Company's peer group during the applicable performance period, starting with the Performance Period Start Price for the Company's common stock price and using the same method of calculation for the starting common stock prices of the Company's peer group companies, and ending with the Performance Period End Price for the Company's common stock price and using the same method of calculation for the ending common stock prices of the Company's peer group companies (with, subject to the penultimate sentence in this paragraph 3(d), no PRSUs eligible to vest if relative total shareholder return of the Company is below the 25th percentile, between 25% and 100% of the target Special PRSUs eligible to vest if relative total shareholder return of the Company is at or above the 25th percentile but is less than the 50th percentile, between 100% and 125% of the target Special PRSUs eligible to vest if relative total shareholder return of the Company is at or above the 50th percentile but is less than the 75th percentile, and between 125% and 200% of the target Special PRSUs eligible to vest if relative total shareholder return of the Company is at or above the 75th percentile), subject to the Executive's continued employment through the applicable vesting date, and further subject to accelerated vesting upon certain terminations of the Executive's employment in accordance with paragraph 5 below and the Special PRSU award agreement (and any other applicable Company plan or arrangement in which the Executive participates). Notwithstanding the foregoing, in order for more than one hundred percent (100%) of the target number of Special PRSUs to vest, there must be at least a twenty percent (20%) increase in the Company's stock price over the period beginning on the CEO Start Date (with the common stock price for the Company on the CEO Start Date deemed to be equal to the Performance Period Start Price) and ending on the vesting date (with the vesting date common stock price for the Company determined based on the average closing price of the Company's common stock over the thirty (30) calendar-day period preceding the applicable vesting date (the "***Performance Period End Price***")). The Special PRSUs shall be subject to the terms and conditions of the Incentive Plan and an award agreement which will evidence the grant of the Special PRSUs.

(e) **Long-Term Incentive Awards**. For each calendar year during the Term (commencing with calendar year 2020), the Company shall provide the Executive with a long-term incentive (“***LTI***”) award or awards under the Incentive Plan, on such terms as the Committee may determine that are no less favorable than those applicable to, and at the same time(s) as, the LTI awards granted to the Company’s other Executive-Level Employees, in an aggregate target value on the grant date of not less than $13,500,000 (the “***Annual LTI Target Value***”), which shall be allocated as follows: (i) one-half (1/2) of such Annual LTI Target Value will be granted in the form of PRSUs; and (ii) the remaining one-half (1/2) of such Annual LTI Target Value shall be granted in the form of time-based restricted stock units (“***RSUs***”). Effective for LTI grants made during calendar year 2021, the Executive’s Annual LTI Target Value shall automatically increase to $14,250,000, and effective for LTI grants made during calendar years beginning on or after January 1, 2022, the Executive’s Annual LTI Target Value shall automatically increase to the greater of (i) $15,000,000 and (ii) the then-current median target grant-date value of annual equity incentive awards for Chief Executive Officers in the Peer Group, which in each case shall be allocated between PRSUs and RSUs in the same manner as described in the immediately preceding sentence. With respect to sixty percent (60%) of the total time-based RSUs granted to Executive as annual LTI awards during each of calendar years 2020, 2021 and 2022 (*i.e.*, thirty percent (30%) of the total Annual LTI Target Value for each such year), the total length of the vesting schedule of such RSUs shall be no longer than the median total length of vesting schedules of annual time-based equity incentive awards for Chief Executive Officers in the Peer Group at the time such RSUs are granted to Executive. In addition, and for the avoidance of doubt, and notwithstanding anything in this paragraph 3(e) to the contrary, (x) the mix of such LTI awards (and, as a result of any such different mix or different performance goals, the actual amounts paid under such LTI awards) may be different for the Executive than for other Executive-Level Employees, (y) subject to compliance with the requirements in this paragraph 3(e), the Committee will have discretion to set performance goals, determine payouts, and otherwise make determinations with respect to the Executive’s LTI awards consistent with the underlying LTI award documents, and (z) no LTI awards shall be granted to the Executive during the period commencing on the date on which either the Executive or the Company provides notice of the termination of the Executive’s employment for any reason, and ending on the date on which the Executive’s employment terminates; provided, however, that solely for purposes of this clause (z), such notice shall not be deemed to have been given any earlier than 115 days prior to the date on which the Executive’s employment terminates.

(f) **Paid Time Off, and Other Benefits**. During the Term, the Executive shall be eligible for paid time off (“***PTO***”) according to the terms the Company’s policies as in effect from time to time. As of the Effective Date, such policies include an entitlement to 4.8 weeks of PTO per year. In addition, except as specifically provided to the contrary in this Agreement, the Executive shall be eligible to participate in employee benefit plans maintained by the Company from time to time, to the same extent and on the same terms as those benefits generally made available by the Company to its Executive-Level Employees. Notwithstanding anything herein to the contrary, the Executive shall not participate in the Company’s Executive Continuity Plan or any other severance plan or program, other than the right to receive severance benefits subject to, and in accordance with, the provisions of paragraph 5 below.

(g) **Business Expenses**. The Executive shall be reimbursed, in a manner consistent with the policies of the Company, for all reasonable business expenses incurred in the performance of Executive’s duties pursuant to this Agreement, to the extent such expenses are substantiated in writing, and are consistent with the general policies of the Company relating to the reimbursement of expenses that are applicable to Executive-Level Employees of the Company.

(h) **Deduction and Withholding**. All compensation and other benefits to or on behalf of the Executive pursuant to this Agreement shall be subject to such deductions and withholding as may be agreed to by the Executive or required by applicable law, rule or regulation or Company policy.

(i) **No Requirement for Continuation or Establishment of Benefits**. Without intending to limit the Company’s obligations under this Agreement, nothing herein contained shall be construed as requiring the Company to establish or continue, or as preventing the Company from terminating or amending, any particular benefit plan in discharge of its obligations under this Agreement.

(i)**Compensation Recoupment Policy**. The Executive acknowledges and agrees that any incentive compensation provided by the Company to the Executive under this Agreement or otherwise may be subject to recovery by the Company under and in accordance with the Company's Executive Incentive Compensation Recoupment Policy as adopted October 30, 2014, as amended from time to time.

(ii)**Valuation and Tax Advice**. During the Term and during any period after the Executive's termination of employment from the Company during which the Executive is continuing to receive payments or benefits under paragraph 5 below, in the event that any payments or benefits from the Company to the Executive constitute "parachute payments" within the meaning of Section 280G of the Code that are or may become subject to excise taxes under Section 4999 of the Code, within twenty (20) days after receiving a request for such assistance from the Executive, the Company's current independent public accounting firm, or such other nationally recognized public accounting firm as the parties may mutually agree, may be engaged by the Executive to provide valuation and tax advice to the Executive with respect to such payments and benefits that are or may become payable under this Agreement in connection with a Change in Control. Such advice shall include the provision of a report showing the amount of such excise taxes that may become payable by or on behalf of the Executive, along with detailed supporting calculations. All fees and expenses of such accounting firm shall be borne by the Company.

4. **Termination**.

(iii)**Termination by Company for Cause**. The Company may terminate the Executive's employment for "Cause" (as defined below in this paragraph 4(a)) immediately upon written notice to the Executive. Such notice shall specify in reasonable detail the nature of Cause and the Termination Date. For purposes of this Agreement and all Company plans, arrangements or programs in which the Executive is or becomes a participant, "***Cause***" shall mean:

a. The Executive's gross neglect or willful material breach of the Executive's principal employment responsibilities or duties,

b. A final judicial adjudication that the Executive is guilty of any felony (other than a law, rule or regulation relating to a traffic violation or other similar offense that has no material adverse effect on the Company, DT or their respective Affiliates),

c. The Executive's breach of any written non-competition, non-solicitation or confidentiality covenant between the Executive and the Company or any Affiliate of the Company (other than a *de minimis* breach),

d. Fraudulent conduct as determined by a court of competent jurisdiction in the course of the Executive's employment with the Company or any of its Affiliates,

e. The Executive's unlawful discrimination, harassment, or retaliation, assault or other violent act toward any employee or third party, or other act or omission, in each case that in the reasonable and good faith view of the Board constitutes a material breach of the Company's written policies or Code of Conduct, or

(vi) The material breach by the Executive of any other obligation which ,if reasonably curable, continues uncured for a period of thirty (30) days after notice thereof by the Company or any of its Affiliates (which notice identifies with reasonable specificity the breach at issue). Notwithstanding the foregoing, no cure period shall be required if the breach is a recurrence of conduct that was the subject of a prior notice under this paragraph 4(a)(vi) for which a thirty (30)-day cure period was given. For purposes of this clause (vi), the term "obligation" refers to Company policies and directives and is not intended to refer to performance expectations such as goals set

forth in bonus plans or performance evaluations. The cessation of employment of the Executive shall not be deemed to be for Cause unless and until there shall have been delivered to the Executive a copy of a resolution duly adopted by the Board at a meeting of the Board called and held for such purpose (after reasonable notice is provided to the Executive and the Executive is given the opportunity, together with counsel, to be heard before the Board), finding that, in the reasonable and good faith opinion of the Board, the Executive is guilty of the alleged conduct triggering termination for Cause.

(iv)**Termination by Company Other Than For Cause**. The Company shall have the right to terminate the Executive's employment without Cause (and for any reason or no reason) by giving the Executive written notice at least ninety (90) days in advance of the applicable Termination Date, unless the Company and the Executive mutually agree to an earlier or later Termination Date.

(v)**Termination by Executive Without Good Reason**. The Executive may terminate his employment without Good Reason (as defined in paragraph 4(d) below), upon written notice to the Company at least ninety (90) days in advance of the applicable Termination Date, unless the Company and the Executive mutually agree to an earlier or later Termination Date.

(vi)**Termination by Executive With Good Reason**. The Executive may terminate his employment with Good Reason, effective as of such Termination Date specified in the Executive's written notice to the Company described below, but not earlier than the expiration of the applicable cure period, unless the Company and the Executive mutually agree to an earlier Termination Date. For purposes of this Agreement and all Company plans, arrangements or programs in which the Executive is or becomes a participant, "***Good Reason***" shall mean any of the events listed in subparagraphs (i) through (v) below, which occurs without the Executive's express written consent. In order to terminate his employment for Good Reason, the Executive must notify the Company of the occurrence of the applicable event in writing not more than ninety (90) days after the initial existence thereof. If the Company does not cure such event within thirty (30) days after receipt of such notice, the Executive may thereafter terminate his employment for Good Reason within sixty (60) days after expiration of the Company's cure period upon written notice of such termination to the Company. The events which shall constitute Good Reason are:

f. a material diminution in the Executive's Base Salary, annual target STI award, or Annual LTI Target Value or in the maximum potential amount payable with respect to any STI award provided for under this Agreement;

g. a material diminution in the Executive's authority, duties or responsibilities, including, without limitation, any change in title or the appointment of any person as a result of which the Executive ceases to be the Company's sole Chief Executive Officer after May 1, 2020 or the Executive is not the sole executive reporting to the full Board after May 1, 2020;

h. a change in the Executive's reporting relationship such that the Executive no longer reports directly to (i) prior to the CEO Start Date, the current Chief Executive Officer of the Company (John Legere) or (ii) after the CEO Start Date, the Board (including, after the CEO Start Date, a requirement that the Executive report to a corporate officer or employee instead of reporting directly to the Board);

i. a change of fifty (50) miles or greater in the principal geographic location at which the Executive must perform the services hereunder; or

j. any material breach by the Company or its successor company, as applicable of this Agreement or any other agreement between the Executive and the Company or the successor company, as applicable.

(vii)**Termination due to Death or Disability**. The Executive's employment pursuant to this Agreement shall terminate automatically on the date of the Executive's death or Disability (as defined below). The Termination Date shall be, as applicable, the date of the Executive's death or the date of the Executive's Disability as determined by the method provided below. For purposes of this Agreement, the Executive shall be deemed to have a "***Disability***" on the earlier of: (i) the date on which it is medically determined by the Company (following review (including, if applicable, of medical information supplied by the Executive and/or the Executive's medical provider) by its third party medical and other advisors, in any case, as determined appropriate by the Company in its discretion) that the Executive is not capable of performing the services contemplated by this Agreement and is not expected to be able to perform such services for an indefinite period or for a period in excess of one hundred twenty (120) days; or (ii) if the Executive fails because of illness or other incapacity, to render the services contemplated by this Agreement for a period of one hundred twenty (120) consecutive days or any series of shorter periods aggregating to one hundred fifty (150) days in any consecutive period of twelve (12) months, unless in either case under clauses (i) or (ii) above, with reasonable accommodation the Executive could continue to perform his duties under this Agreement and making these accommodations would not pose an undue burden on the Company as determined by the Board.

5. **Effect of Termination**.

(viii) **Termination by Company for Cause; Termination by Executive Without Good Reason**. If the Executive's employment with the Company is terminated (x) by the Company for Cause pursuant to paragraph 4(a) above, (y) by the Executive without Good Reason pursuant to paragraph 4(c) above, or (z) as a result of non-renewal of the Agreement by notice given by the Executive under paragraph 2 above, then the Executive shall be entitled to receive:

k. An amount equal to his accrued Base Salary at the rate then in effect through the Termination Date; plus

l. Unused PTO accrued through the Termination Date; plus

m. Any vested benefits or entitlements under any employee benefit plans of the Company in which the Executive participates (e.g., vested 401(k) plan balances, rights to COBRA continuation coverage under group medical plans, etc.), subject to the terms and conditions of such plans.

The compensation and benefits set forth in clauses (i) through (iii) above are referred to herein as the "Accrued Benefits."

(ix)**Termination by Company Other Than For Cause; Termination by Executive With Good Reason**. If the Executive's employment with the Company is terminated (x) by the Company other than for Cause pursuant to paragraph 4(b) above, (y) by the Executive with Good Reason pursuant to paragraph 4(d) above, or (z) as a result of non-renewal of the Agreement by notice given by the Company under paragraph 2 above (provided that, at the time of such non-renewal, the Executive is willing and able to continue providing services to the Company on terms and conditions substantially similar to those set forth in this Agreement (which terms and conditions shall not, for clarity, include additional Retention Payments or Special PRSUs)), then the Company shall pay or provide to the Executive the following (subject to the last paragraph of this paragraph 5(b)):

n. The Accrued Benefits; plus

o. A cash severance payment in an amount equal to two (2) times the sum of (A) the Executive's Base Salary as in effect immediately prior to the Termination Date and (B) the Executive's target STI award for the fiscal year in which the Termination Date occurs, payable no later than seventy-four (74) days following the Termination Date; plus

p. Any annual STI award for the last completed fiscal year of the Company preceding the Termination Date that is unpaid as of the Termination Date, irrespective of whether the Executive is employed on the normal payment date, payable no later than seventy-four (74) days following the Termination Date; plus

q. A pro rata STI award for the fiscal year of the Company in which the Termination Date occurs, based on the number of days in the fiscal year through the Termination Date divided by 365 and based on actual performance results for the fiscal year in which the Termination Date occurs, payable no later than March 15th of the fiscal year immediately following the fiscal year in which the Termination Date occurs; plus

r. For any LTI awards under the Incentive Plan, whether granted before or during the Term, and notwithstanding anything to the contrary in the applicable award agreement(s):

1. each outstanding LTI award that is not subject to any performance vesting condition as of the Termination Date (each, a "***Time-Based Award***"), shall vest in full (to the extent then-unvested) on the date on which the release described below becomes effective and irrevocable (the "***Release Effective Date***") (and shall remain outstanding and eligible to vest on the Release Effective Date); and

2. each outstanding LTI award that is subject to any performance vesting condition as of the Termination Date (each, a "***Performance Award***") will become earned and vested on the Release Effective Date as follows:

a. A portion of each Performance Award, determined by multiplying (i) the full number of shares or units, as applicable, subject to such Performance Award by (ii) a fraction, the numerator of which equals the number of days elapsed from the commencement of the applicable performance period in effect as of the Termination Date through (and including) the Termination Date and the denominator of which equals the total number of days in the applicable performance period, shall vest upon the Release Effective Date based on the actual level of actual performance determined as if the applicable performance period had ended as of the last trading day immediately preceding the Termination Date, and shall be paid to the Executive no more than sixty (60) days following the Release Effective Date (unless subject to any deferral of earned and vested awards elected by the Executive in accordance with the terms of the applicable award agreement(s), in which case such deferral shall dictate payment timing); and

b. The remaining portion of each Performance Award, determined by multiplying (i) the full number of shares or units, as applicable, subject to such Performance Award by (ii) a fraction, the numerator of which equals the number of days from the Termination Date through the end of the applicable performance period in effect as of the Termination Date and the denominator of which equals the total number of days in the applicable performance period, shall vest upon the Release Effective Date at the greater of (x) the actual level of actual performance determined as if the applicable performance period had ended as of the last trading day immediately preceding the Termination Date, and (y) target, and shall be paid to the Executive no more than sixty (60) days following the Release Effective Date (unless subject to any deferral of earned and vested awards elected by the Executive in accordance with the terms of the applicable award agreement(s), in which case such deferral shall dictate payment timing); plus

s. During the period commencing on the Termination Date and ending on the earlier of the end of the eighteenth (18th) full calendar month following the Termination Date or the date on which the Executive becomes eligible for coverage under a subsequent employer's group medical and dental plans (in either case, the "***COBRA Period***"), subject to the Executive's valid election to continue healthcare coverage under Section 4980B of the Code and the regulations thereunder, the Company will continue to provide to the Executive and the Executive's dependents, at the Company's sole expense, coverage under its group medical and dental plans at the same levels in effect on the Termination Date; provided, however, that if (x) any plan pursuant to which such benefits are provided is not, or ceases prior to the expiration of the continuation coverage period to be, exempt from the application of Section 409A (as defined below) under Treasury Regulation Section 1.409A-1(a)(5), (y) the Company is otherwise unable to continue to cover the Executive or the Executive's dependents under its group health plans, or (z) the Company cannot provide the benefit without violating applicable law (including, without limitation, Section 2716 of the Public Health Service Act), then, in any such case, an amount equal to the dollar value of the balance of the Company's subsidy shall thereafter be paid to the Executive in substantially equal, then-currently-taxable monthly installments over the COBRA Period (or remaining portion thereof). In the event the Company-subsidized portion of the coverage cost paid on the Executive's or the Executive's dependents' behalf during the COBRA Period, as described above, would cause the Executive to be taxable on reimbursements under the applicable plans by reason of the application of Section 105(h) of the Code (and the Company is not paying such amounts to the Executive in then-currently-taxable monthly installments as contemplated by the preceding sentence), such Company-subsidized portion of the coverage cost will to be imputed as taxable income to the Executive; plus

t. During the period commencing on the Termination Date and ending on the eighteen (18) month anniversary thereof (or, if earlier, the date on which Executive commences subsequent employment with a third party, subsequent full-time self-employment or subsequent self-employment that may compete, directly or indirectly, with the business of the Company), the Company shall provide to Executive, at its sole expense, an exclusive office and exclusive assistant or, if not furnished by the Company, the Company shall pay directly or reimburse Executive for (at the Company's election) the costs of an exclusive leased office space and exclusive assistant selected by Executive; provided that the aggregate cost to the Company of the office and assistant provided under this Section 5(b)(vii) shall not exceed $25,000 per month. For the avoidance of doubt, Executive shall be solely liable for any taxes (if any) arising in connection with the foregoing; plus

u. If the Termination Date occurs after the CEO Start Date and prior to payment of the Retention Payment pursuant to paragraph 3(b) above, the Retention Payment, payable no later than seventy-four (74) days following the Termination Date.

The payments and benefits described in clauses (ii) through (viii) above are conditioned on (i) the Executive executing and delivering to the Company a release of all claims in substantially the form attached hereto as **<u>Exhibit B</u>**, with such release becoming fully effective (including, without limitation, the lapse of any revocation period) no later than the sixtieth (60th) day following the Termination Date, and (ii) the Executive's continued compliance with the term and conditions set forth in the Restrictive Covenant and Confidentiality Agreement. Notwithstanding the foregoing, if the aggregate period during which the Executive is eligible to consider and revoke the release of claims begins in one calendar year and ends in the immediately following calendar year, no payments under this paragraph 5(b) will be made prior to the beginning of the second such calendar year (and any payments otherwise payable prior thereto (if any) will instead be paid on

the first regularly scheduled Company payroll date occurring in the latter such calendar year or, if later, on the first regularly scheduled Company payroll date following the Release Effective Date).

(x)**Death or Disability**. If the Executive's employment with the Company is terminated due to the Executive's death or Disability under paragraph 4(e) above, then the Executive (or, in case of death, the Executive's beneficiary under the applicable plan, or the Executive's estate if there is no such beneficiary) shall be entitled to receive:

v. The Accrued Benefits; plus

w. Any STI award for the last completed fiscal year of the Company preceding the Termination Date that is unpaid as of the Termination Date; plus

x. A pro rata STI award for the fiscal year in which the Termination Date occurs, based on the greater of (x) the target performance level for the applicable fiscal year and (y) the actual level of actual performance for the portion of the fiscal year the Executive was employed, in any case, based on the number of days in the fiscal year through the Termination Date divided by 365; plus

y. For any LTI awards granted under the Incentive Plan, vesting of any outstanding awards shall be determined under and in accordance with the terms of the Incentive Plan and applicable award agreement, which terms shall be no less favorable than applicable to all other Executive-Level Employees of the Company.

The payments described in clauses (ii) through (iii) above shall be made in a lump sum as soon as practicable (but not more than sixty (60) days) after the Termination Date.

(xi)**Non-Duplication**. Other than as described above in this paragraph 5, the Executive shall not be entitled to any payment, benefit, damages, award or compensation in connection with the Executive's termination of employment, by either the Company or the Executive, except as may be expressly provided in another written agreement, if any, approved by the Board and executed by the Executive and the Company. Neither the Executive nor the Company is obligated to enter into any such other written agreement. The Executive shall not be entitled to severance benefits under this Agreement except as provided in paragraphs 5(a) through (c) above, and only to the extent provided in the applicable paragraph (i.e., severance benefits shall not be payable under more than one paragraph above).

(xii)**No Mitigation; No Offset**. In the event of any termination of employment under this Agreement, the Executive shall be under no obligation to seek other employment or to mitigate damages, and there will be no offset against amounts due to the Executive under this Agreement for any reason, including without limitation, on account of any remuneration attributable to any subsequent employment that the Executive may obtain.

(xiii)**Certain Definitions**. For purposes of this Agreement, the following terms shall have the following meanings:

z. "***Affiliate***" means any entity currently existing or subsequently organized or formed that directly or indirectly controls, is controlled by or is under common control with a named organization, or any entity in which the named organization holds a controlling interest, whether through the ownership of voting securities, member interests, by contract or otherwise. For this purpose, "control" shall be deemed to exist when more than fifty percent (50%) of the voting power for the election of the directors (or similar governing body) of the entity or of the capital stock (or other equity interests) of the entity is owned, directly or indirectly, by another person, or other entity.

aa. “***Change in Control***” has the meaning set forth in the Incentive Plan.

ab. “***Executive-Level Employee***” means an “executive officer” of the Company (as defined in Rule 16a-1(f) under the Securities Exchange Act of 1934).

ac. “***Incentive Plan***” means the T-Mobile US, Inc. 2013 Omnibus Incentive Plan, as in effect from time to time (and any successor plan thereto).

(xiv)**Payments in Cash**. Unless otherwise specifically indicated, all payments under paragraph 5 of this Agreement will be made in cash.

6. **Restrictive Covenant and Confidentiality Agreement**. The Executive and the Company acknowledge and agree that the Executive and the Company have previously entered into a Restrictive Covenant and Confidentiality Agreement, attached hereto as **Exhibit C** (the “***Restrictive Covenant and Confidentiality Agreement***”), the terms of which are incorporated by reference herein. To the extent that the Restrictive Covenant and Confidentiality Agreement suggests that (a) Executive’s duties are other than as described in this Agreement, (b) Executive is not eligible for severance, or (c) there is no other agreement between the Company and the Executive besides the Restrictive Covenant and Confidentiality Agreement, the provisions of this Agreement will control. Notwithstanding any provision of the Restrictive Covenant and Confidentiality Agreement to the contrary, the duration of the post-termination “***Restricted Period***” as defined in the first sentence of paragraph 4 of such Agreement is increased from one year to two years and the last sentence of paragraph 4 of such Agreement is deleted. Further notwithstanding anything in the Restrictive Covenant and Confidentiality Agreement to the contrary, the Executive understands that (i) nothing contained in the Restrictive Covenant and Confidentiality Agreement will prohibit the Executive from filing a charge with, reporting possible violations of federal law or regulation to, participating in any investigation by, or cooperating with any governmental agency or entity or making other disclosures that are protected under the whistleblower provisions of applicable law or regulation; (ii) nothing in the Restrictive Covenant and Confidentiality Agreement is intended to or will prevent the Executive from communicating directly with, cooperating with, or providing information (including trade secrets) in confidence to, any federal, state or local government regulator (including, but not limited to, the U.S. Securities and Exchange Commission, the U.S. Commodity Futures Trading Commission, or the U.S. Department of Justice) for the purpose of reporting or investigating a suspected violation of law, or from providing such information to Executive’s attorney or in a sealed complaint or other document filed in a lawsuit or other governmental proceeding; and (iii) pursuant to 18 USC Section 1833(b), the Executive will not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that is made: (A) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney, and solely for the purpose of reporting or investigating a suspected violation of law; or (B) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.

7. **Responsibilities Upon Termination**. Upon the termination of his employment by the Company for whatever reason and irrespective of whether or not such termination is voluntary on his part, the Executive agrees that all papers, notes, documents, files, records, computer data, programs, tools, models, keys, pass cards, identification cards, and other items, furnished by the Company or created by the Executive or others in the course of work done by or on the behalf of the Company, including all duplicates and copies of such materials, are the property of the Company. The Executive agrees to return all the Company property to the Company at the conclusion of employment or earlier at the Company’s request. The Executive also agrees to return all property of the Company’s clients and customers and all documents and records containing information obtained from clients and customers at the conclusion of employment or earlier at the Company’s request.

8. **Tax Matters**.

(xv)**280G**. In the event any payment, benefit or distribution of any type to or for the benefit of the Executive, whether paid or payable, provided or to be provided, or distributed or distributable pursuant to the terms of this Agreement or otherwise to the Executive under this Agreement or otherwise constitutes a “parachute payment” under Section 280G of the Internal Revenue Code of 1986, as amended (the “***Code***”), the amount payable to the Executive shall be either (i) paid in full, or (ii) paid after reduction by the smallest amount as would result in no portion thereof being subject to the excise tax under Section 4999 of the Code, whichever of the foregoing amounts, taking into account the applicable federal, state and local income taxes and the excise tax under Section 4999 of the Code, results in the receipt by the Executive, on an after-tax basis, of the greater net value, notwithstanding that all or some portion of such payment amount may be taxable under Section 4999 of the Code. Unless the Company and the Executive otherwise agree in writing, all determinations required to be made under this paragraph 8(a), including the manner and amount of any reduction in the Participant’s payments hereunder, and the assumptions to be utilized in arriving at such determinations, shall be made in writing in good faith by the accounting firm serving as the Company’s independent public accounting firm immediately prior to the event giving rise to such payment (the “***Accounting Firm***”); provided, however, that no such reduction or elimination shall apply to any non-qualified deferred compensation amounts (within the meaning of Section 409A of the Code) to the extent such reduction or elimination would accelerate or defer the timing of such payment in manner that does not comply with Section 409A of the Code. For purposes of making the calculations required by this paragraph 8(a), the Accounting Firm may make reasonable assumptions and approximations concerning the application of Sections 280G and 4999 of the Code. The Company and the Executive shall furnish to the Accounting Firm such information and documents as the Accounting Firm may reasonably request to make a determination under this paragraph 8(a). The Accounting Firm shall provide its written report to the Committee and the Executive which shall include information regarding methodology. The Company shall bear all costs the Accounting Firm may reasonably incur in connection with any calculations contemplated by this paragraph 8(a). The Executive and the Company shall cooperate in case of a potential Change in Control to consider alternatives to mitigate any Section 280G exposure, although the Company cannot guaranty any such alternatives will be available or approved by the Company and neither the Executive nor the Company shall be obligated to enter into them.

(xvi)**409A**. It is intended that the payments and benefits under this Agreement comply with Section 409A of the Code (together with the Treasury Regulations relating thereto, "***Section 409A***"), or satisfy the requirements for an exemption to Section 409A, in each case, to the extent applicable to this Agreement and, accordingly, to the maximum extent permitted, this Agreement shall be interpreted and be administered to be in compliance therewith (or to be in satisfaction of an exemption therefrom). Notwithstanding anything contained herein to the contrary, to the extent required in order to avoid accelerated taxation and/or tax penalties under Section 409A, the Executive shall not be considered to have terminated employment with the Company for purposes of this Agreement, no Termination Date shall be deemed to have occurred, and no payment otherwise payable upon a termination of the Executive's employment shall be paid to the Executive under this Agreement unless and until the Executive's termination of employment constitutes a "separation from service" from the Company within the meaning of Section 409A (a "***Separation from Service***"). Any payments described in this Agreement that qualify for the "short-term deferral" exception from Section 409A as described in Treasury Regulation Section 1.409A-1(b)(4) will be paid under such exception. For purposes of Section 409A of the Code (including, without limitation, for purposes of Treasury Regulation Section 1.409A-2(b)(2)(iii) and the application of the short-term deferral exception), each payment under this Agreement will be treated as a separate payment. Notwithstanding anything to the contrary in this Agreement (whether under this Agreement or otherwise), to the extent delayed commencement of any portion of the payments to be made to the Executive upon his Separation from Service is required to avoid a prohibited payment under Section 409A(a)(2)(B)(i) of the Code, such portion of the payments shall be delayed and paid on the first business day after the earlier of (i) the date that is six (6) months following such Separation from Service and (ii) the Executive's death. Notwithstanding anything contained herein to the contrary, to the extent required in order to avoid accelerated taxation and/or tax penalties under Section 409A, amounts reimbursable to the Executive under this Agreement shall be paid to the Executive on or before the last day of the year following the year in which the expense was incurred and the amount of expenses eligible for reimbursement (and in-kind benefits provided to the Executive) during any one year may not affect amounts reimbursable or provided in any subsequent year and may not be liquidated or exchanged for any other benefit.

9. **General**.

(xvii)**Survival**. The covenants of the Executive and the Company in this Agreement and in the agreements referenced herein, including but not limited to the covenants imposed upon the Executive in the Restrictive Covenant and Confidentiality Agreement (as modified by this Agreement), shall survive the Termination Date.

(xviii)**Notices**. Unless and until some other address has been designated, all notices, consents, demands and other communications provided for by or relating to this Agreement shall be addressed as follows and shall be in writing and shall be deemed to have been given at the time the same is delivered in person or is mailed by registered or certified mail:

To the Company:
Dave Miller
Executive Vice President, General Counsel and Secretary
T-Mobile US, Inc.
12920 SE 38th St
Bellevue, Washington 98006

To the Executive:
Michael Sievert
Chief Executive Officer
T-Mobile US, Inc.
12920 SE 38th St
Bellevue, Washington 98006

Either party wishing to change the address to which notices, requests, demands and other communications under this Agreement shall be sent shall give written notice of such change to the other party.

(xix)**Dispute Resolution**. Except for any claims arising out of, or relating to, the Restrictive Covenant and Confidentiality Agreement attached hereto, any controversy, claim or dispute arising out of or relating to the Executive's employment with the Company or the termination thereof, either during the existence of the employment relationship or afterwards, and including, but not limited to, any common law or statutory claims for wrongful discharge, discrimination or unpaid compensation, shall be resolved exclusively by arbitration in King County, Washington. Arbitration shall be conducted in accordance with the then-prevailing employment arbitration rules of the American Arbitration Association (the "***AAA***"), with one arbitrator designated in accordance with those rules. The parties agree to abide by all decisions and awards rendered in such proceedings. Such decisions and awards rendered by the arbitrator shall be final and conclusive and may be entered in any court having jurisdiction thereof as a basis of judgment and of the issuance of execution for its collection. All such controversies, claims or disputes shall be settled in this manner in lieu of any action at law or equity; provided, however, that nothing in this paragraph 9(c) shall be construed as precluding the Company from bringing an action for injunctive relief or other equitable relief in any such dispute. The prevailing party shall be entitled to its or his attorneys' fees and costs, in addition to any other relief that may be awarded. The exclusive venue for claims arising out of, or related to, the Restrictive Covenant and Confidentiality Agreement, shall be the state and Federal courts of King County, Washington.

(xx)**Governing Law**. This Agreement shall be exclusively governed by and interpreted under the laws of the State of Washington.

(xxi)**Waiver**. The waiver or failure of either party to insist in any one or more instances upon performance of any term, covenant or condition of this Agreement shall not be construed as a waiver of future performance of any such term, covenant or condition, but the obligations of either party with respect to such term, covenant or condition shall continue in full force and effect. No course of dealing shall be implied or arise from any waiver or series of waivers of any right or remedy hereunder.

(xxii)**Severability**. Each provision of this Agreement shall be interpreted where possible in a manner necessary to sustain its legality and enforceability. If any provision of this Agreement shall be unenforceable or invalid under applicable law, such provision shall be limited to the minimum extent necessary to render the same enforceable or valid. The unenforceability of any provision of this Agreement in a specific situation, or the unenforceability of any portion of any provision of this Agreement in a specific situation, shall not affect the enforceability of (i) that provision or portion of provision in another situation or (ii)the other provisions or portions of provisions of this Agreement if such other provisions or the remaining portions could then continue to conform with the purposes of this Agreement and the terms and requirements of applicable law.

(xxiii)**Amendments**. This Agreement shall not be amended orally, but only by a written instrument executed only by a member of the Board or the Chair of the Compensation Committee of the Board, on the one hand, and the Executive, on the other.

(xxiv)**Entire Agreement**. This Agreement, along with any other agreements expressly incorporated by reference herein, embody the entire agreement and understanding between the parties with respect to the subject matter hereof and supersedes all prior oral and written agreements and understandings between the Company and the Executive with respect to the subject matter hereof, including, without limitation, the compensation term sheet between the Executive and the Company, dated as of January 1, 2017 (as amended). To the extent the provisions of this Agreement are inconsistent with the terms of any underlying compensation plan or program, including without limitation any annual performance bonus plan or the Incentive Plan, the terms of this Agreement shall control.

(xxv)**Free and Voluntary Act**. The Executive agrees that he is entering into this Agreement as a free and voluntary act and that he has been given adequate time to decide whether or not to sign the Agreement and signs it only after full reflection and analysis. The Executive further acknowledges that the Executive has been given an opportunity to obtain an attorney's independent counsel and advice, and that the Executive has read and understands the complete Agreement. Each party agrees that they have cooperated in the drafting and preparation of this Agreement; any construction of this Agreement shall not be construed against any party as drafter.

(xxvi)**Indemnification**. The Executive shall be covered by the Company's indemnification provisions and directors' and officers' insurance policies generally applicable to Company executives and directors. Subject to the terms and conditions of such provisions and policies, these provisions and policies shall continue to apply to the Executive after any termination of employment with respect to his service prior to termination of employment, on the same basis as for other former officers and directors.

(xxvii)**Legal Fees**. The Company shall promptly reimburse the Executive for his legal fees reasonably incurred in connection with this Agreement, not to exceed $50,000, upon reasonable documentation.

(xxviii)**Binding Effect: Successors**. This Agreement shall inure to the benefit of and shall be binding upon the Company and its successors, assigns and legal representatives and the Executive, his heirs and legal representatives. The Company will cause any successor thereto in a Change in Control to assume Company's obligations under this Agreement, and failure to do so shall constitute a material breach of this Agreement unless otherwise agreed to by the Executive and the successor company. The Executive may not assign, transfer, or otherwise dispose of this Agreement, or any of his other rights or obligations hereunder (other than his rights to payments hereunder, which may be transferred only by will or by the laws of descent and distribution), without the prior written consent of the Company, and any such attempted assignment, transfer or other disposition without such consent shall be null and void.

(xxix)**Counterparts**. This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original but all of which together shall constitute one and the same instrument. The execution of this Agreement may be by actual, facsimile or ".pdf" signature. Signatures of the parties transmitted by facsimile or email of a ".pdf" shall be deemed to be their original signatures for all purposes.

(xxx)**Authority and Ratification**. The Company represents that it has obtained all approvals, including Board and Compensation Committee approvals, required to enter into and perform its obligations under this Agreement, and that no other agreements would prevent the Company from entering into this Agreement.

[*Signature Page Follows*]

In Witness Whereof, the parties have executed this Agreement effective as of the date first above written.

T-Mobile US, Inc.

By: /s/ Kelvin R. Westbrook
Kelvin R. Westbrook,
Chair, Compensation Committee of the Board of Directors

Executive

By: /s/ G. Michael Sievert
G. Michael Sievert

[1] For purposes of this Agreement, “Company” refers to T-Mobile US, Inc.; provided, however, that for payroll and tax reporting purposes, the Executive may also be an employee of T-Mobile USA, Inc

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EXHIBIT A

Permitted Board Service

The Executive is permitted to continue his service on the board of Shaw Communications Inc., a public company in Canada, subject to the terms and conditions of Section 1 (“Duties”) of the Agreement.

EXHIBIT B

Release

[see attached]

EXHIBIT C

Restrictive Covenant and Confidentiality Agreement

[see attached]

T-MOBILE US, INC.

COMPENSATION TERM SHEET
FOR
Neville Ray

This Compensation Term Sheet (the "Term Sheet") between Neville Ray ("you") and T-Mobile US, Inc. (the "Company"), effective as of November 15, 2019 (the "Effective Date"), confirms our understanding and agreement about your role and certain compensation opportunities with the Company following the Effective Date.

Term Unless earlier terminated by you or the Company, the term of this Term Sheet will commence on the Effective Date and continue until the second (2nd) anniversary of the Effective Date (the "Initial Term"). Upon expiration of the Initial Term (and unless earlier terminated by you or the Company), the term of this Term Sheet shall automatically be extended for successive one-year periods (each, a "Renewal Term") unless notice of non-extension is given by either party to the other at least sixty (60) days prior to the end of the Initial Term or applicable Renewal Term (as applicable). The Initial Term and any Renewal Terms are collectively referred to herein as the "Term". Your employment remains "at will," meaning that it may be terminated by you or the Company, for any reason or for no reason whatsoever, with or without notice and with or without cause. The at-will nature of your employment relationship cannot be changed other than by a written agreement signed by you and a duly authorized Company officer.

Position During the Term, you will serve as the President, Technology of the Company (subject to ratification of such title by the Company's Board of Directors), reporting to the Chief Executive Officer ("CEO"). You will have such duties and authority as are commensurate with your current duties and authority and with the position of President, Technology of the Company and you will perform such other duties commensurate with such position as the CEO may from time to time assign. You will continue to devote your full professional time, attention and energies to the business of the Company. Notwithstanding the foregoing, provided it does not interfere with your obligations to the Company, you may (a) with the prior approval of the Company's Chief Executive Officer, serve as a director or trustee, or in a similar capacity, in connection with service to for profit and not-for-profit entities, including industry associations, that do not compete, directly or indirectly, with the Company and its affiliates and (b) manage your personal investments. Your position will continue to be based in Bellevue, WA.

Compensation During the Term, your compensation will be as follows:

Salary:

- You will receive an annual base salary of $900,000 (pro-rated for any partial year of employment), payable in accordance with the Company's standard payroll practices (but no less often than monthly).

Short-Term Incentive ("STI"):

- For each calendar year commencing after the Effective Date during the Term (commencing with calendar year 2020), your annual STI award will be targeted at no less than 200% of your eligible base earnings during such calendar year.

- STI awards will continue be based on the achievement of Company goals (and, as applicable, individual performance) as determined by the Compensation Committee or Section 16 Subcommittee of the Company's Board of Directors (collectively, the "Committee").

Long-Term Incentive ("LTI"):

- For each calendar year commencing after the Effective Date during the Term (commencing with 2020), your annual LTI awards will have an annual aggregate grant-date target value (as determined by the Committee) of no less than $6,750,000.

- LTI awards will continue to be made in such form and on such terms as the Committee may determine. Each LTI award will be subject to the terms and conditions of the Company's 2013 Omnibus Incentive Plan (as amended from time to time, the "Plan") and an award agreement prescribed by the Company, which shall evidence the grant of the LTI award.

- Notwithstanding the foregoing, no LTI awards will be granted to you during the period commencing on the date on which either you or the Company provides notice of the termination of your employment for any reason and ending on the date on which your employment terminates.

Severance Letter You and the Company acknowledge and agree that the Letter Regarding Severance Benefits between you and the Company, dated April 28, 2018 (the "Severance Letter"), remains in effect in accordance with its terms, subject to the following modifications:

(a) Except in the case of a "Qualifying Termination" (as defined in the Severance Letter), which shall continue to be governed by the Severance Letter, in the event your employment is terminated by the Company other than for "Cause" (as defined in the Severance Letter) or you resign for "Good Reason" (as defined in the Severance Letter) at any time during the Initial Term, (i) you shall be eligible to receive the Severance Benefits set forth in Section 1 of the Severance Letter, payable in accordance with and subject to all other terms and conditions set forth in the Severance Letter (including, without limitation, your compliance with Sections 2 and 3 thereof), and (ii) all references to "Qualifying Termination" in Section 3 of the Severance Letter shall be deemed to include the termination of your employment pursuant to this clause (a).

(b) Any accelerated vesting of your LTI awards that you become entitled to receive upon termination of your employment during the Initial Term

pursuant to clause (a) above shall apply only to your annual LTI awards, whether now existing or granted after the Effective Date, and shall not apply to any special or one-time LTI awards granted on or after the Effective Date.

(c) Solely for purposes of determining your right to and administering any severance you become entitled to receive pursuant to this Term Sheet, (i) the "Expiration Time" (as defined in the Severance Letter) shall be deemed to mean the Termination Date (as defined in the Severance Letter), (ii) for purposes of Section 3 of the Severance Letter, the "Restricted Period" (as defined in the Severance Letter) shall equal eighteen (18) months, and (iii) all references to the "Transaction Date" in the definition of Good Reason set forth in the Severance Letter shall be deemed to mean and refer to the Effective Date.

Code Sections The payments and benefits described in this Term Sheet are intended to comply with or be exempt from Section 409A of the Internal Revenue Code of 1986, as amended ("Section 409A"). See Attachment A, which is hereby incorporated into this Term Sheet, for additional details. In addition, you acknowledge and agree that the payments and benefits described in this Term Sheet (in addition to any other payments and benefits payable to you by the Company or any affiliate thereof) may be subject to reduction as set forth on Attachment B, which is hereby incorporated into this Term Sheet.

Successors This Term Sheet is personal to you and, without the prior written consent of the Company, shall not be assignable by you other than by will or the laws of descent and distribution. This Term Sheet shall inure to the benefit of and be binding upon the Company and its successors and assigns.

Withholding All compensation and other benefits to or on behalf of you pursuant to this Term Sheet shall be subject to such deductions and withholding as may be agreed to by you or required by applicable law, rule or regulation or Company policy.

Covenants You acknowledge and agree that, concurrently with the execution of this Term Sheet, you are entering into a T-Mobile US, Inc. Restrictive Covenant, Intellectual Property Ownership and Assignment, and Confidentiality Agreement with the Company (the "Restrictive Covenant Agreement") and you agree to be bound by and comply with the terms and conditions of such Restrictive Covenant Agreement. Notwithstanding any provision of the Restrictive Covenant Agreement to the contrary, you understand that (i) nothing contained in the Restrictive Covenant Agreement will prohibit you from filing a charge with, reporting possible violations of federal law or regulation to, participating in any investigation by, or cooperating with any governmental agency or entity or making other disclosures that are protected under the whistleblower provisions of applicable law or regulation; (ii) nothing in the Restrictive Covenant Agreement is intended to or will prevent you from communicating directly with, cooperating with, or providing information (including trade secrets) in confidence to, any federal, state or local government regulator (including, but not limited to, the U.S. Securities and Exchange Commission, the U.S. Commodity Futures Trading Commission, or the U.S. Department of Justice) for the purpose of reporting or

investigating a suspected violation of law, or from providing such information to your attorney or in a sealed complaint or other document filed in a lawsuit or other governmental proceeding; and (iii) pursuant to 18 USC Section 1833(b), you will not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that is made: (A) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney, and solely for the purpose of reporting or investigating a suspected violation of law; or (B) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.

Dispute Resolution Except for any claims arising out of, or relating to, your Restrictive Covenant Agreement and, any other written and fully executed agreements to which you and the Company or an affiliate thereof are parties that expressly provide for a different dispute resolution mechanism, any controversy, claim or dispute arising out of or relating to this Term Sheet or your employment with the Company or termination thereof, either during the existence of the employment relationship or afterward, and including, but not limited to, any common law or statutory claims for wrongful discharge, discrimination or unpaid compensation, shall be resolved exclusively by arbitration in King County, Washington, conducted in accordance with the then prevailing commercial arbitration rules of the American Arbitration Association (the "AAA"), with one arbitrator designated in accordance with those rules. The parties agree to abide by all decisions and awards rendered in such proceedings. Such decisions and awards rendered by the arbitrator shall be final and conclusive and may be entered in any court having jurisdiction thereof as a basis of judgment and of the issuance of execution for its collection. All such controversies, claims or disputes shall be settled in this manner in lieu of any action at law or equity; provided, however, that nothing in this paragraph shall be construed as precluding either party from bringing an action for injunctive relief or other equitable relief. In any such dispute, the prevailing party shall be entitled to its or his attorneys' fees and costs, in addition to any other relief that may be awarded. In accordance with the terms of the Restrictive Covenant Agreement, the exclusive venue for claims arising out of, or related to, the Restrictive Covenant Agreement shall be the state and Federal courts of King County, Washington.

Entire Agreement This Term Sheet, along with the Restrictive Covenant Agreement, your Severance Letter and your STI and LTI award agreements, embody the entire agreement and understanding between the parties with respect to the subject matters hereof (including but not limited to your compensation terms) and supersedes all prior oral and written agreements and understandings between the Company and you with respect to the subject matters hereof, and it can only be modified in a fully executed written agreement between you and a duly authorized Company officer. It may be executed by facsimile and in counterparts which, taken together, shall constitute one original. To the extent the provisions of this Term Sheet are inconsistent with the terms of any underlying compensation plan or program, including without limitation any annual performance bonus plan or the Plan, the terms of this Term Sheet shall control. Notwithstanding the foregoing or anything herein to the contrary, to the extent that the Plan or any STI or LTI award agreement provides for more favorable

treatment to you of your STI award(s) and/or LTI award(s) than the terms of this Term Sheet, the terms of the Plan or award agreement (as applicable) shall control. For avoidance of doubt, this Term Sheet is not intended to deprive you of any right, entitlement or protection (e.g., indemnification and insurance), in any case, that is not inconsistent with this Term Sheet and that you may have under any other agreement, plan, or policy of the Company applicable to you that may provide more favorable treatment than this Term Sheet, nor is it intended to exclude you from being eligible to receive any employee benefits (provided that such benefits would not result in you receiving a duplication of benefits) that may in the future be broadly provided to similarly-situated employees. Similarly, for avoidance of doubt, this Term Sheet is not intended to relieve you of obligations to the Company or requirements of the Company set forth in any other written agreement, plan, or policy of the Company applicable to you (including, without limitation, the Company's Executive Incentive Compensation Recoupment Policy as adopted October 30, 2014, as amended from time to time), unless such obligations or requirements are expressly contrary to a commitment in this Term Sheet. This Term Sheet shall be exclusively governed by and interpreted under the laws of the State of Washington.

Please indicate your acceptance of, and agreement to, the terms and conditions outlined above by signing and dating this Term Sheet below.

[*Signature page follows*]

Sincerely,

T-MOBILE US, INC.

By: /s/ Derek Potter
Derek Potter
SVP, Total Rewards & Employee Experience

AGREED and **ACCEPTED** as of the date below:

/s/ Neville Ray   November 15, 2019
Neville Ray   Date

ATTACHMENT A

It is intended that the payments and benefits under this Term Sheet comply with the provisions of Section 409A and the Treasury regulations relating thereto, or satisfy the requirements for an exemption from Section 409A, in each case to the extent applicable to this Agreement and, accordingly, to the maximum extent permitted, this Term Sheet shall be interpreted and be administered in a manner to be in compliance therewith. Notwithstanding anything contained herein to the contrary, to the extent required in order to avoid accelerated taxation and/or tax penalties under Section 409A, you shall not be considered to have terminated employment with the Company for purposes of this Term Sheet, and no payment otherwise due upon a termination of employment shall be due to you under this Term Sheet, until you would be considered to have incurred a "separation from service" from the Company within the meaning of Section 409A (a "Separation from Service"). Any payments described in this Term Sheet that qualify for the "short-term deferral" exception from Section 409A shall not be treated as deferred compensation as described in Treasury Regulation Section 1.409A-1(b)(4) and will be paid under such exception unless applicable law requires otherwise. For purposes of Section 409A (including, without limitation, for purposes of Treasury Regulation Section 1.409A-2(b)(2)(iii) and the application of the short-term deferral exception), each payment under this Term Sheet will be treated as a separate payment. Notwithstanding anything to the contrary in this Term Sheet (whether under this Term Sheet or otherwise), to the extent delayed commencement of any portion of the payments to be made to you upon your Separation from Service is required to avoid a prohibited payment under Section 409A(a)(2)(B)(i) of the Code, such portion of the payments shall be delayed and paid on the first business day after the earlier of (i) the date that is six (6) months following such Separation from Service or (ii) your death. Notwithstanding anything contained herein to the contrary, to the extent required in order to avoid accelerated taxation and/or tax penalties under Section 409A, amounts reimbursable to you under this Term Sheet shall be paid to you on or before the last day of the year following the year in which the expense was incurred and the amount of expenses eligible for reimbursement (and in-kind benefits provided to you) during any one year may not affect amounts reimbursable or provided in any subsequent year and may not be liquidated or exchanged for any other benefit.

ATTACHMENT B

In the event any payment, benefit or distribution of any type to or for the benefit of you, whether paid or payable, provided or to be provided, or distributed or distributable pursuant to the terms of this Term Sheet or otherwise, constitutes a "parachute payment" under Section 280G of the Internal Revenue Code of 1986, as amended (the "Code"), the amount payable to you shall be either (a) paid in full, or (b) paid after reduction by the smallest amount as would result in no portion thereof being subject to the excise tax under Section 4999 of the Code, whichever of the foregoing amounts, taking into account the applicable federal, state and local income taxes and the excise tax under Section 4999 of the Code, results in the receipt by you, on an after-tax basis, of the greater net value, notwithstanding that all or some portion of such payment amount may be taxable under Section 4999 of the Code. Unless the Company and you otherwise agree in writing, all determinations required to be made under this paragraph, including the manner and amount of any reduction in your payments hereunder, and the assumptions to be utilized in arriving at such determinations, shall be made in writing in good faith by the accounting firm serving as the Company's independent public accounting firm immediately prior to the event giving rise to such payment (the "Accounting Firm"); provided, however, that no such reduction or elimination shall apply to any non-qualified deferred compensation amounts (within the meaning of Section 409A of the Code) to the extent such reduction or elimination would accelerate or defer the timing of such payment in manner that does not comply with Section 409A of the Code. For purposes of making the calculations required by this paragraph, the Accounting Firm may make reasonable assumptions and approximations concerning the application of Sections 280G and 4999 of the Code. The Company and you shall furnish to the Accounting Firm such information and documents as the Accounting Firm may reasonably request to make a determination under this paragraph. The Accounting Firm shall provide its written report to the Committee and you, which shall include information regarding methodology. The Company shall bear all costs the Accounting Firm may reasonably incur in connection with any calculations contemplated by this paragraph. You and the Company shall cooperate in case of a potential Change in Control (as defined in the Plan) to consider alternatives to mitigate any Section 280G exposure, although the Company cannot guaranty any such alternatives will be available or approved by the Company and neither you nor the Company shall be obligated to enter into them.

EXHIBIT 10.74

T-MOBILE US, INC.

ANNUAL INCENTIVE AWARD NOTICE

2013 OMNIBUS INCENTIVE PLAN

T-Mobile US, Inc., a Delaware corporation (the "***Company***"), has granted you an Annual Incentive Award pursuant to Section 12 of the Company's 2013 Omnibus Incentive Plan, as amended from time to time (the "***Omnibus Plan***"). The Annual Incentive Award is subject to all the terms and conditions set forth in this Award Notice (the "***Award Notice***"), the terms and conditions of the Company's Annual Short-Term Incentive Program (the "***Program***"), ***Appendix A*** (attached), ***Appendix B*** (attached), and the Omnibus Plan, which are attached or available as provided below and incorporated into the Award Notice in their entirety.

Participant:	____________________
Performance Period:	___________, 20__ to _________, 20__
Target Bonus:	_______________

Vesting Schedule: Subject to the terms and conditions of the Omnibus Plan and the Program and except as otherwise provided in ***Appendix B***, the bonus amount payable under this Annual Incentive Award will depend upon achievement of certain performance goals and will be determined in accordance with the Performance Matrix attached hereto as ***Appendix A*** (the "***Performance Matrix***"). Except as otherwise provided in ***Appendix B***, upon your Separation from Service (as such term is defined in the Omnibus Plan) for any reason during the Performance Period, this Annual Incentive Award immediately will be canceled without payment of any consideration to you.**Acceptance/Entire Agreement:** The Award Notice, Appendix A, Appendix B, the Program, the Omnibus Plan, and your Severance Letter Agreement with the Company, dated as of April 29, 2018, as may be amended from time to time (or any successor agreement) (the "***Severance Agreement***") set forth the entire understanding between you and the Company regarding this Annual Incentive Award and supersede all prior oral and written agreements on the subject. Acceptance of this Annual Incentive Award constitutes acceptance of all of the terms and conditions of the Award Notice, Appendix A, Appendix B, the Program and the Omnibus Plan.

Incorporated Documents:1. 2013 Omnibus Incentive Plan2. Appendix A
3. Appendix B 4. Program Summary
5. Severance Agreement [Note: include only if applicable]

APPENDIX A

Performance Matrix

APPENDIX B

Separation from Service and Change in Control

1. Impact of Separation from Service; Change in Control

If you have a Separation from Service during the Performance Period set forth in the Award Notice, then the Annual Incentive Award shall become earned and vested or be canceled depending on the reason for Separation from Service as follows.

(a) Death or Disability. If you have a Separation from Service prior to the last day of the applicable Performance Period due to death or Disability, you will be eligible to receive an amount equal to the Annual Incentive Award payment (determined at target performance). [For Mr. Legere only: notwithstanding anything to the contrary in your Amended and Restated Employment Agreement with the Company dated April 1, 2017, as may amended from time to time, or any successor agreement (the "Employment Agreement").] Any Annual Incentive Award payment determined under this paragraph (a) will be paid as soon as practicable (but not more than sixty (60) days) after your Separation from Service.

(b) Workforce Reduction or Divestiture. If you have a Separation from Service as a result of a Workforce Reduction or Divestiture, then you will be eligible to receive an amount equal to (i) the Annual Incentive Award payment (determined as though you had remained employed through the last day of the applicable Performance Period), multiplied by (ii) the Pro-Rata Fraction. Any Annual Incentive Award payment determined under this paragraph (b) will be paid at the same time as other Annual Incentive Award payments for the applicable Performance Period are made. Notwithstanding anything to the contrary herein, you will not be eligible to receive any Annual Incentive Award payment under this paragraph (b) unless you execute all documents required under the applicable Company severance program or otherwise, including without limitation, any required release of claims, within the applicable time frames set forth in such documents or as prescribed by the Company. In the event you fail to execute all required documents in a timely fashion, if any portion of the Annual Incentive Award payment has been earned or paid to you after the Separation from Service but before your failure to execute all required documents, you covenant and agree that you will have no right, title or interest in such amount earned or paid and that you will cause such amount to be returned immediately to the Company upon notice.

[For Mr. Legere only, clause (b) is replaced in its entirety by the following:

(b) Without Cause or For Good Reason. If you have a Separation from Service (other than as provided in paragraph (c) below) either (i) by action of the Company for any reason other than Cause (including due to expiration of your Employment Agreement, but excluding due to your death or Disability) or (2) for Good Reason, then you will be eligible to receive an amount equal to (i) the Annual Incentive Award payment (determined as though you had remained employed through the last day of the applicable Performance Period), multiplied by (ii) the Pro-Rata Fraction.]

(c) Change in Control. Notwithstanding anything in the Award Notice or the Program to the contrary, but subject to Section 15.3.1(i) of the Omnibus Plan, if (i) a Change in Control occurs and (ii) on or after the Change in Control and on or before the first anniversary of the Change in Control either (A) you have a Separation from Service by action of the Company or your employing Subsidiary for any reason other than Cause (excluding due to your death or Disability) or (B) you have a Separation from Service for Good Reason, then the Annual Incentive Award shall become immediately earned and vested as of the date of such Separation from Service at the greater of (1) target or (2) the actual level of performance under ***Appendix A*** determined as if the Performance Period had ended as of the date determined in accordance with Section 15.3.1(ii) of the Omnibus Plan.

[For Mr. Legere only, paragraph (c) is replaced in its entirety by the following:

(c) Change in Control. Notwithstanding anything in the Award Notice, the Program or the Plan to the contrary, if (i) a Change in Control occurs and (ii) during the period beginning on the date of such Change in Control and ending on the second anniversary of the Change in Control either (A) you have a Separation from Service by action of the Company or your employing Subsidiary for any reason other than Cause (including due to expiration of your Employment Agreement, but excluding your death or Disability) or (B) you have a Separation from Service for Good Reason, then you will be eligible to receive an amount equal to (1) the Annual Incentive Award payment (determined at target performance), multiplied by (2) the Pro-Rata Fraction.]

(d) Any other Separation from Service. Upon your Separation from Service for any reason during the Performance Period other than the reasons set forth in paragraphs (a) through (c) above, the Annual Incentive Award immediately will be canceled without payment of any consideration to you.

[For Mr. Legere only, a new paragraph (e) is added to read as follows:

(e) Payment Date. Any Annual Incentive Award payments that become payable under paragraphs (a) through (c) above shall be paid at such time and subject to such terms and conditions set forth in the Employment Agreement.]

2. Definitions

For purposes of the Annual Incentive Award, the following terms shall have the following meanings. Unless otherwise defined in this Appendix B, capitalized terms used herein shall have the meaning assigned to such terms in the Omnibus Plan.

"**Cause**" shall be defined as that term is defined in your offer letter or other applicable employment agreement; or, if there is no such definition, "Cause" means any one or more of the following: (i) your gross neglect or willful material breach of your principal employment responsibilities or duties; (ii) a final judicial adjudication that you are guilty of any felony (other than a law, rule or regulation relating to a traffic violation or other similar offense that has no material adverse effect on the Company or any of its Subsidiaries); (iii) your breach of any non-competition or confidentiality covenant between you and the Company or any Subsidiary; (iv) fraudulent conduct as determined by a court of competent jurisdiction in the course of your employment with the Company or any of its Subsidiaries; or (v) the material breach by you of any other obligation which continues uncured for a period of 30 days after notice thereof by the Company or any of its Subsidiaries.

"**Divestiture**" means a Separation from Service as the result of a divestiture or sale of a business unit as determined by your employer based on the personnel records of the Company and its Subsidiaries. [For Mr. Legere only, this definition is omitted in its entirety.]

"**Good Reason**" shall be defined as that term is defined in your offer letter or other applicable employment agreement; or, if there is no such definition, "Good Reason" means the occurrence of any of the following events without your consent, provided that you have complied with the Good Reason Process: (i) a material diminution in your responsibility, authority or duty; (ii) a material diminution in your base salary except for across-the-board salary reductions based on the Company and its Subsidiaries' financial performance similarly affecting all or substantially all management employees of the Company and its Subsidiaries; or (iii) the relocation of the office at which you were principally employed immediately prior to a Change in Control to a location more than fifty (50) miles from the location of such office, or your being required to be based anywhere other than such office, except to the extent you were not previously assigned to a principal location and except for required travel on business to an extent substantially consistent with your business travel obligations at the time of the Change in Control.

"**Good Reason Process**" means that (i) you reasonably determine in good faith that a Good Reason condition has occurred; (ii) you notify the Company and its Subsidiaries in writing of the occurrence of the Good Reason condition within 60 days of such occurrence; (iii) you cooperate in good faith with the Company and its Subsidiaries' efforts, for a period of not less than 30 days following such notice (the "**Cure Period**"), to remedy the condition; (iv) notwithstanding such efforts, the Good Reason condition continues to exist following the Cure Period; and (v) you have a Separation from Service within 60 days after the end of the Cure Period. If the Company or its Subsidiaries cures the Good Reason condition during the Cure Period, and you have a Separation from Service due to such condition (notwithstanding its cure), then you will not be deemed to have had a Separation from Service for Good Reason.

“**Performance Period**” has the meaning set forth in the Award Notice.

“**Pro Rata Fraction**” means a fraction, the numerator of which is the number of days that have elapsed in the applicable Performance Period through your Separation from Service and the denominator of which is the number of days in the Performance Period. [For Mr. Legere only, this definition of “Pro-Rata Fraction” is replaced in its entirety by the following: “**Pro Rata Fraction**” means a fraction, the numerator of which is the number of days that have elapsed in the applicable fiscal year through your Separation from Service and the denominator of which is 365.]

“**Workforce Reduction**” means your Separation from Service as a result of a reduction in force, realignment or similar measure as determined by your employer and (i) you are officially notified in writing of such Separation from Service due to a workforce reduction and eligibility for the Company’s severance program under which you are covered, or (ii) if not covered by a Company severance program, you are notified in writing by an authorized officer of the Company or any Subsidiary that the Separation from Service is as a result of such action. [For Mr. Legere only, this definition is omitted in its entirety.]

PROGRAM SUMMARY

T-MOBILE US, INC.

2013 OMNIBUS INCENTIVE PLAN

ANNUAL SHORT-TERM INCENTIVE PROGRAM

PURPOSE AND ELIGIBILITY

The primary purpose of Annual Incentive Awards is to enhance the Company's ability to motivate its executive officers to expend maximum efforts to achieve and over-perform on critical financial, operational, and strategic goals established by the Section 16 Subcommittee of the Compensation Committee of the Company's Board of Directors or such other committee of the Company's Board of Directors, as may be applicable from time to time (the "***Committee***").

Executive officers are eligible to receive Annual Incentive Awards. The Committee will reevaluate and select participants in the T-Mobile US, Inc. Annual Short-Term Incentive Program (the "***Program***") on an annual basis.

ESTABLISHMENT OF PERFORMANCE GOALS

Performance periods under the Program will be the period with respect to which an Annual Incentive Award is calculated and, if applicable, paid. The Committee will establish in writing, the performance measures or goals (the "Performance Goals") for each performance period (including, without limitation, the manner for calculating achievement against such Performance Goals). If more than one Performance Goal applies for a performance period, the Committee will establish the relative weighting of the Performance Goals, as the Committee deems appropriate.

ESTABLISHMENT OF TARGET BONUS AND PAYOUT FORMULA

The Committee will establish the target bonus for each participant in the Program and the formula or payout matrix (the "***Payout Formula***") to determine the amount of cash compensation that may be paid to a participant under an Annual Incentive Award for the applicable performance period.

The target bonus may be (but is not required to be) expressed as a percentage of the participant's base salary. The Payout Formula may provide for an Annual Incentive Award payment that is greater than or less than the participant's target bonus (*i.e.*, a maximum payment and a threshold payment), depending on the extent to which the Performance Goals are attained during the applicable performance period. Notwithstanding anything to the contrary herein, the maximum amount payable under any participant's Annual Incentive Award in any calendar year will not exceed $10,000,000.

CERTIFICATION

At the conclusion of a performance period and prior to making any Annual Incentive Award payments for a performance period, the Committee will certify in writing (which may be by approval of the Committee minutes in which the certification is made) the extent to which the Performance Goals applicable for the performance period were achieved or exceeded, the final

amount payable to each participant under the participant's Annual Incentive Award, and any other material terms. Except as otherwise provided in the award notice evidencing a participant's Annual Incentive Award, the amount of the Annual Incentive Award payment for each participant will be determined by applying the Payout Formula based on the level of actual performance certified by the Committee. Notwithstanding anything to the contrary herein, the Committee, in its sole discretion, may eliminate or reduce the Annual Incentive Award payment that otherwise would be payable under the Payout Formula to any participant.

PAYMENT TIMING

Except as otherwise provided in the award notice evidencing a participant's Annual Incentive Award, the Company will distribute amounts payable to participants in the Program as soon as practicable following the determination and written certification of the final Annual Incentive Award payments for the applicable performance period, but in no event later than March 15 of the calendar year immediately following the calendar year that includes the last day of the applicable performance period. Notwithstanding the foregoing sentence and subject to Section 17.9 of the Omnibus Plan, if an Annual Incentive Award provides deferred compensation subject to Section 409A, amounts payable with respect to the Annual Incentive Award will be paid at the same time and in the same form as provided under the terms and conditions governing such award.

SEPARATION FROM SERVICE

Except as otherwise provided in the award notice evidencing a participant's Annual Incentive Award, if a participant in the Program has a Separation from Service prior to the last day of the applicable performance period for any reason, the participant's Annual Incentive Award will be immediately canceled as of the date of such Separation from Service without payment of any consideration to the participant.

ADMINISTRATION

The Program will be administered by the Committee. The interpretation and construction by the Committee of any provision of the Omnibus Plan, the Program, any Annual Incentive Award, or any award notice evidencing an Annual Incentive Award will be final, conclusive and binding.

The foregoing is intended only as a summary of the Program and is subject to and qualified by reference to the Omnibus Plan. The award notice evidencing your Annual Incentive Award, any appendices attached thereto, the terms and conditions of the Program, and the Omnibus Plan set forth the terms and conditions of your Annual Incentive Award. Except as otherwise expressly defined herein, capitalized terms will have the meanings assigned to such terms under the Omnibus Plan.

EXHIBIT 10.76

NOTICE OF GRANT OF RESTRICTED STOCK UNIT AWARD(TIME-VESTING, SECTION 16 OFFICER)

T-MOBILE US, INC.2013 OMNIBUS INCENTIVE PLAN

FOR GOOD AND VALUABLE CONSIDERATION, T-Mobile US, Inc. (the "**Company**") hereby grants this Restricted Stock Unit Award (the "**Award**") of the number of Restricted Stock Units set forth in this Notice of Grant of Restricted Stock Unit Award (the "**Notice**") to the Grantee designated in this Notice, pursuant to the provisions of the Company's 2013 Omnibus Incentive Plan, as amended (the "**Plan**") and subject to certain restrictions as outlined below in this Notice and the additional provisions set forth in the attached Terms and Conditions of Restricted Stock Units Award (the "**Terms**"). Together, this Notice, the attached Terms and all Exhibits hereto constitute the "**Agreement**." The terms and conditions of the Plan are incorporated by reference in their entirety into this Agreement. When used in this Agreement, the terms which are defined in the Plan shall have the meanings given to them in the Plan, as modified herein (if applicable).

Grantee: [__________]

Grant Date: [__________]

# of Restricted Stock Units: [________]

Vesting Schedule: Subject to the terms of the Plan and this Agreement, the Restricted Stock Units shall become earned and vested, and shares of Stock shall be issued in settlement of vested Restricted Stock Units, in accordance with the following schedule, in the event the Grantee does not have a Separation from Service prior to the applicable vesting date(s):

Vesting Date	% Vesting
First anniversary of the Grant Date	33-1/3%
Second anniversary of the Grant Date	33-1/3%
Third anniversary of the Grant Date	33-1/3%

Only a whole number of Restricted Stock Units will become vested as of any given vesting date. If the number of Restricted Stock Units determined as of a vesting date is a fractional number, the number vesting will be rounded down to the nearest whole number with any fractional portion carried forward. No Restricted Stock Units shall become earned and vested following

Grantee's Separation from Service, except as expressly provided in the Notice below, as applicable, or as otherwise provided pursuant to the terms of the Plan.

Notwithstanding the foregoing, if the Grantee elects to defer issuance of shares of Stock in settlement of vested Restricted Stock Units pursuant to Section 1(f) of the Terms, the shares of Stock will be issued in settlement of vested Restricted Stock Units in accordance with such deferral.

Impact of Separation from Service on Vesting: See Exhibit A

Acceleration of Vesting on or following a Change in Control: See Exhibit A

The Grantee must accept this Agreement electronically pursuant to the online acceptance procedure established by the Company within 90 days after the Agreement is presented to the Grantee for review. If the Grantee fails to accept the Award within such 90-day period, the Company may, in its sole discretion, rescind the Award in its entirety. By electronically accepting the Agreement, the Grantee agrees that this Award is granted under and governed by the terms and conditions of the Plan and this Agreement.

1. EXHIBIT A

Separation from Service and Change in Control

(i)Impact of Separation from Service; Change in Control. If the Grantee has a Separation from Service before any of the vesting date(s) specified under "Vesting Schedule" in the Notice, then any unearned Restricted Stock Units shall become earned and vested or be canceled depending on the reason for Separation from Service as follows.

(1) Death or Disability. If the Grantee has a Separation from Service due to the Grantee's death or Disability, any unearned Restricted Stock Units shall become immediately earned and vested as of the date of such Separation from Service.

(2) Workforce Reduction or Divestiture. If the Grantee has a Separation from Service as a result of a Workforce Reduction or Divestiture, then the unearned Restricted Stock Units otherwise scheduled to become earned and vested at the next scheduled vesting date specified under "Vesting Schedule" in the Notice shall become immediately earned and vested as of the date of such Separation from Service and any remaining unearned Restricted Stock Units shall be immediately canceled as of that date; provided, however, that the Grantee will not be eligible to receive any vesting of the Restricted Stock Units under this paragraph (a)(ii) unless the Grantee executes all documents required under the applicable Company severance program or otherwise, including without limitation any required release of claims, within the applicable time frames set forth in such documents or as prescribed by the Company. In the event the Grantee fails to execute all required documents in a timely fashion, if any portion of the Award has been earned or paid to the Grantee after the Separation from Service but before the Grantee's failure to execute all required documents, the Grantee covenants and agrees that the Grantee will have no right, title or interest in such amount earned or paid and that the Grantee will cause such amount to be returned immediately to the Company upon notice.

[For Mr. Legere only, clause (ii) is replaced in its entirety with the following: (ii) Without Cause or For Good Reason. If the Grantee has a Separation from Service (other than as provided in section (a)(iii) below) either (1) by action of the Company for any reason other than Cause (including due to non-renewal of Grantee's Employment Agreement with the Company dated April 1, 2017, as amended from time to time, or any successor agreement (the "Employment Agreement") by notice given by the Company, but excluding due to the Grantee's death or Disability) or (2) for Good Reason, then any unearned Restricted Stock Units shall become immediately earned and vested as of the date of such Separation from Service; provided, however, that the Grantee will not be eligible to receive any vesting of the Restricted Stock Units under this paragraph (a)(ii) unless the Grantee executes all documents required under the Employment Agreement, including without limitation, any required release of claims, within the applicable time frames set forth in the Employment Agreement. In the event the Grantee fails to execute all required documents in a timely fashion, if any portion of the Award has been earned or paid to the Grantee after the Separation from Service but before the Grantee's failure to execute all required documents, the Grantee covenants and agrees that the Grantee will have no right, title or interest in such amount earned or paid and that the Grantee will cause such amount to be returned immediately to the Company upon notice.]

(3) Change in Control. Notwithstanding anything in this Agreement to the contrary but subject to the provisions of Section 15.3.1(i) of the Plan, if (A) a Change in Control occurs and (B) on or after the Change in Control and on or before the first anniversary of the Change in Control either (1) the Grantee has a Separation from Service by action of the Company or the Grantee's employing Subsidiary for any reason other than Cause ([For Mr. Legere only: including due to non-renewal of the Employment Agreement by notice given by the Company, but] excluding due to the Grantee's death or Disability) or (2) the Grantee has a Separation from Service for Good Reason, then any unearned Restricted Stock Units shall become immediately earned and vested as of the date of such Separation from Service.

(4) Any other Separation from Service. If the Grantee has a Separation from Service for any reason other than as specified in subparagraphs (i), (ii) or (iii) above, any Restricted Stock Units that were not already earned and vested pursuant to the schedule specified under "Vesting Schedule" in the Notice as of the date of the Separation from Service shall be immediately canceled as of the date of Separation from Service.

(ii)Definitions. For purposes of this Agreement, the following terms shall have the following meanings:

"**Cause**" shall be defined as that term is defined in the Grantee's offer letter or other applicable employment agreement; or, if there is no such definition, "Cause" means any one or more of the following: (i) the Grantee's gross neglect or willful material breach of the Grantee's principal employment responsibilities or duties; (ii) a final judicial adjudication that the Grantee is guilty of any felony (other than a law, rule or regulation relating to a traffic violation or other similar offense that has no material adverse affect on the Company or any of its Subsidiaries); (iii) the Grantee's breach of any non-competition or confidentiality covenant between the Grantee and the Company or any Subsidiary; (iv) fraudulent conduct as determined by a court of competent jurisdiction in the course of the Grantee's employment with the Company or any of its Subsidiaries; or (v) the material breach by the Grantee of any other obligation which continues uncured for a period of 30 days after notice thereof by the Company or any of its Subsidiaries.

"**Divestiture**" means a Separation from Service as the result of a divestiture or sale of a business unit as determined by the Grantee's employer based on the personnel records of the Company and its Subsidiaries. [For Mr. Legere only, this definition is omitted in its entirety.]

"**Good Reason**" shall be defined as that term is defined in the Grantee's offer letter or other applicable employment agreement; or, if there is no such definition, "Good Reason" means the occurrence of any of the following events without the Grantee's consent, provided that the Grantee has complied with the Good Reason Process: (i) a material diminution in the Grantee's responsibility, authority or duty; (ii) a material diminution in the Grantee's base salary except for across-the-board salary reductions based on the Company and its Subsidiaries' financial performance similarly affecting all or substantially all management employees of the Company and its Subsidiaries; or (iii) the relocation of the office at which the Grantee was

principally employed immediately prior to a Change in Control to a location more than fifty (50) miles from the location of such office, or the Grantee being required to be based anywhere other than such office, except to the extent the Grantee was not previously assigned to a principal location and except for required travel on business to an extent substantially consistent with the Grantee's business travel obligations at the time of the Change in Control.

"**Good Reason Process**" means that (i) the Grantee reasonably determines in good faith that a Good Reason condition has occurred; (ii) the Grantee notifies the Company and its Subsidiaries in writing of the occurrence of the Good Reason condition within 60 days of such occurrence; (iii) the Grantee cooperates in good faith with the Company and its Subsidiaries' efforts, for a period of not less than 30 days following such notice (the "**Cure Period**"), to remedy the condition; (iv) notwithstanding such efforts, the Good Reason condition continues to exist following the Cure Period; and (v) the Grantee has a Separation from Service within 60 days after the end of the Cure Period. If the Company or its Subsidiaries cures the Good Reason condition during the Cure Period, and the Grantee has a Separation from Service due to such condition (notwithstanding its cure), then the Grantee will not be deemed to have had a Separation from Service for Good Reason.

"**Workforce Reduction**" means the Grantee's Separation from Service as a result of a reduction in force, realignment or similar measure as determined by the Grantee's employer and (i) the Grantee is officially notified in writing of such Separation from Service due to a workforce reduction and eligibility for the Company's severance program under which the Grantee is covered, or (ii) if not covered by a Company severance program, the Grantee is notified in writing by an authorized officer of the Company or any Subsidiary that the Separation from Service is as a result of such action. [For Mr. Legere only, this definition is omitted in its entirety.]

2. TERMS AND CONDITIONS OF RESTRICTED STOCK UNIT AWARD

The Restricted Stock Unit Award (the "**Award**") granted by T-Mobile US, Inc. (the "**Company**") to the Grantee specified in the Notice of Grant of Restricted Stock Unit Award (the "**Notice**") to which these Terms and Conditions of Restricted Stock Unit Award (the "**Terms**") are attached, is subject to the terms and conditions of the Plan, the Notice, and these Terms. The terms and conditions of the Plan are incorporated by reference in their entirety into these Terms. Together, the Notice, all Exhibits to the Notice and these Terms constitute the "**Agreement**." A Prospectus describing the Plan has been delivered to the Grantee. The Plan itself is available upon request. When used in this Agreement, the terms which are defined in the Plan shall have the meanings given to them in the Plan, as modified herein (if applicable). For purposes this Agreement, any reference to the Company shall include a reference to any Affiliate.

a. Grant of Units.

i.As of the Grant Date set forth in the Notice, the Company grants to the Grantee the number Restricted Stock Units ("**Units**") set forth in the Notice. Each Unit represents the right to receive one share of Stock at a future date after the Unit has become earned and vested, subject to the terms and conditions of this Agreement.

ii.The Units covered by this Award shall become earned and vested in accordance with the schedule set forth in the Notice. Except as otherwise provided by a deferral election pursuant to Section 1(f) below, each earned and vested Unit shall be settled on the date(s) specified in the Notice by issuance of one share of Stock on or as soon as administratively practicable (but no more than 60 days) after the applicable vesting and/or settlement date specified in the Notice, subject to the requirements of (i) Section 4 (Withholding), Section 6 (Regulatory Restrictions on the Shares Issued Upon Settlement), and Section 7(m) (Recovery of Compensation) of this Agreement and (ii) Section 17.9 of the Plan regarding a potential six-month delay in settlement for awards to certain Grantees to the extent determined by the Company to be necessary to comply with Section 409A. If the Grantee elects to defer issuance of shares of Stock in settlement of earned and vested Units pursuant to Section 1(f) below, each earned and vested Unit shall be settled in accordance with such deferral.

iii.Units constitute an unfunded and unsecured obligation of the Company. The Grantee shall not have any rights of a stockholder of the Company with respect to the shares of Stock underlying the Units unless and until the Units become earned and vested and are settled by the issuance of shares of Stock. Upon issuance of shares of Stock in connection with the settlement of vested Units, the Grantee shall be the record owner of the shares of Stock unless and until such shares are sold or otherwise disposed of, and as record owner shall be entitled to all rights of a stockholder of the Company (including voting rights).

iv.The Grantee may designate a beneficiary to receive payment in connection with the Units in the event of the Grantee's death in accordance with the Company's beneficiary designation procedures, as in effect from time to time. If the Grantee does not designate a beneficiary, or if

the Grantee's designated beneficiary does not survive the Grantee, then the Grantee's beneficiary will be the Grantee's estate.

v.The Units shall not entitle the Grantee to receive any dividend equivalents with respect to any cash dividend that is otherwise paid with respect to shares of the Stock.

(f) Subject to Section 17.9 of the Plan, the Grantee may elect to defer delivery of the shares of Stock that otherwise would be due by virtue of the satisfaction of the requirements for distribution of the shares of Stock under the Award in accordance with the terms and conditions set forth in the Company's Non-Qualified Deferred Compensation Plan (as amended and restated effective as of January 1, 2014 and as may be further amended from time to time), any successor plan or any other deferred compensation arrangement.

b. Restrictions. Subject to any exceptions set forth in this Agreement, until such time as the Units become earned and vested and are settled in shares of Stock in accordance with Section 1, the Units or the rights relating thereto may not be assigned, alienated, pledged, attached, sold or otherwise transferred or encumbered by the Grantee. Any attempt to assign, alienate, pledge, attach, sell or otherwise transfer or encumber the Units or the rights relating thereto shall be wholly ineffective and, if any such attempt is made, the Units will be forfeited by the Grantee and all of the Grantee's rights to such Units shall immediately terminate without any payment of consideration by the Company.

c. Cancellation of Rights. If any portion of the Units fail to become earned and vested (for example, because the Grantee fails to satisfy the vesting conditions specified in the Notice prior to a Separation from Service), then such Units shall be immediately forfeited as of the date of such failure and all of the Grantee's rights to such Units shall immediately terminate without any payment of consideration by the Company.

d. Withholding.

i.Regardless of any action the Company takes with respect to any or all income tax, payroll tax or other tax-related withholding ("**Tax-Related Items**"), the Grantee acknowledges that the ultimate liability for all Tax-Related Items owed by the Grantee is and remains the Grantee's responsibility and that the Company (i) makes no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Award, including the grant or vesting of the Units or the subsequent sale of shares of Stock acquired upon vesting; and (ii) does not commit to structure the terms of the grant or any aspect of the Award to reduce or eliminate the Grantee's liability for Tax-Related Items.

ii.Prior to vesting of the Units, the Grantee shall pay or make adequate arrangements satisfactory to the Company to satisfy all withholding obligations of the Company. In this regard, the Grantee authorizes the Company to withhold all applicable Tax-Related Items legally payable by the Grantee from the Grantee's wages or other cash compensation paid to the Grantee by the Company or from proceeds of the sale of the shares of Stock. Alternatively, or in addition, to the extent permissible under applicable law, the Company may (i) sell or arrange for the sale of shares of Stock that the Grantee acquires to meet the withholding obligation for Tax-

Related Items, and/or (ii) withhold in shares of Stock, provided that the Company only withholds the amount of shares of Stock necessary to satisfy the minimum withholding amount. Finally, the Grantee shall pay to the Company any amount of Tax-Related Items that the Company may be required to withhold as a result of the Grantee's participation in the Plan that cannot be satisfied by the means previously described. The Company may refuse to issue and deliver shares of Stock in payment of any earned and vested Units if the Grantee fails to comply with the Grantee's obligations in connection with the Tax-Related Items as described in this Section 4.

e. Grantee Representations. The Grantee hereby represents to the Company that the Grantee has read and fully understands the provisions of this Agreement, the Prospectus and the Plan, and the Grantee's decision to participate in the Plan is completely voluntary. Further, the Grantee acknowledges that the Grantee is relying solely on his or her own advisors with respect to the tax consequences of this Award.

f. Regulatory Restrictions on the Shares Issued Upon Settlement. Notwithstanding the other provisions of this Agreement, the Committee shall have the sole discretion to impose such conditions, restrictions and limitations on the issuance of shares of Stock with respect to this Award unless and until the Committee determines that such issuance complies with (i) any applicable registration requirements under the Securities Act or the Committee has determined that an exemption therefrom is available, (ii) any applicable listing requirement of any stock exchange on which the Stock is listed, (iii) any applicable Company policy or administrative rules, and (iv) any other applicable provision of state, federal or foreign law, including foreign securities laws where applicable.

g. Miscellaneous.

i. Notices. Any notice which either party hereto may be required or permitted to give to the other shall be in writing and may be delivered personally, by intraoffice mail, by fax, by electronic mail or other electronic means, or via a postal service, postage prepaid, to such electronic mail or postal address and directed to such person as the Company may notify the Grantee from time to time; and to the Grantee at the Grantee's electronic mail or postal address as shown on the records of the Company from time to time, or at such other electronic mail or postal address as the Grantee, by notice to the Company, may designate in writing from time to time.

ii. Waiver. The waiver by any party hereto of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any other or subsequent breach.

iii. Entire Agreement. This Agreement and the Plan constitute the entire agreement between the parties with respect to the subject matter hereof. Any prior agreements, commitments or negotiations concerning the Award are superseded. [For Mr. Legere only: , including without limitation, any provisions of the Employment Agreement that would otherwise apply to the Award.]

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iv. Binding Effect; Successors. This Agreement shall inure to the benefit of and be binding upon the parties hereto and to the extent not prohibited herein, their respective heirs, successors, assigns and representatives. Nothing in this Agreement, express or implied, is intended to confer on any person other than the parties hereto and as provided above, their respective heirs, successors, assigns and representatives any rights, remedies, obligations or liabilities.

v. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware without giving effect to the principles of conflicts of law, and applicable Federal law.

vi. Arbitration. The Company and the Grantee shall make a good faith attempt to resolve any and all claims and disputes regarding the Award or the Agreement in accordance with any dispute resolution adopted by the Company before resorting to any other dispute resolution procedure. If the claim or dispute is not resolved in that manner and involves any rights or obligations under the Agreement, then the claim or dispute will be determined by arbitration in accordance with the then-current American Arbitration Association ("AAA") national rules for the resolution of employment disputes by arbitration, except as modified herein. The arbitration will be conducted by a sole neutral arbitrator who has had both training and experience as an arbitrator of employee compensation matters. If the Company and the Grantee cannot agree on an arbitrator, then the arbitrator will be selected by the AAA applying the criteria in this provision. Reasonable discovery will be permitted and the arbitrator may decide any issue as to discovery. The arbitrator may decide any issue as to whether or as to the extent to which, any dispute is subject to the dispute resolution provisions of this Section 7(f). The arbitrator may award only relief at law contemplated under the Agreement and the Plan and the arbitrator may not award incidental, consequential or punitive damages, attorney's fees or any form or equitable relief, to either party. The arbitrator must base the arbitration award on the provisions of this Section 7(f) and applicable law and must render the award in writing, including an explanation of the reasons for the award. Judgment upon the award may be entered by any court having jurisdiction of the matter, and the decision of the arbitrator will be final and binding. The statute of limitations applicable to the commencement of a lawsuit will apply to the commencement of an arbitration. The arbitrator's fees will be paid in equal portions by the Company and the Grantee, unless the Company agrees to pay all such fees.

vii. Venue. Any arbitration, legal or equitable action or any proceeding arising directly, indirectly, or otherwise in connection with, out of, related to or from the Agreement, or any provision hereof, shall exclusively be filed and adjudicated in King County, Washington and no other venue.

viii. Headings. The headings contained herein are for the sole purpose of convenience of reference, and shall not in any way limit or affect the meaning or interpretation of any of the terms or provisions of this Agreement.

ix. Conflicts; Amendment. The provisions of the Plan are incorporated in this Agreement in their entirety. In the event of any conflict between the provisions of this Agreement and the Plan, the provisions of the Plan shall control. This Agreement may be amended at any time by the Committee**,** provided that no amendment may, without the consent of the Grantee, materially

impair the Grantee's rights with respect to the Award. The Committee shall have full authority and discretion, subject only to the terms of the Plan, to decide all matters relating to the administration or interpretation of the Plan, the Award, and the Agreement, and all such action by the Committee shall be final, conclusive, and binding upon the Company and the Grantee.

x. No Right to Continued Employment. Nothing in this Agreement shall confer upon the Grantee any right to continue in the employ or service of the Company or affect the right of the Company to terminate the Grantee's employment or service at any time.

xi. Further Assurances. The Grantee agrees, upon demand of the Company or the Committee, to do all acts and execute, deliver and perform all additional documents, instruments and agreements which may be reasonably required by the Company or the Committee, as the case may be, to implement the provisions and purposes of this Agreement and the Plan.

xii. Personal Data. By accepting the Award under this Agreement, the Grantee hereby consents to the Company's use, dissemination and disclosure of any information pertaining to the Grantee that the Company determines to be necessary or desirable for the implementation, administration and management of the Plan.

xiii. Recovery of Compensation. In accordance with Section 3.3 of the Plan, the Award is subject to the requirements of (i) Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (regarding recovery of erroneously awarded compensation) and any implementing rules and regulations thereunder, (ii) any policies adopted by the Company to implement such requirements, and (iii) any other compensation recovery policies as may be adopted from time to time by the Company, all to the extent determined by the Committee in its discretion to be applicable to the Grantee.

xiv. Restrictive Covenants. The Grantee has previously entered into a Restrictive Covenant and Confidentiality Agreement (or similarly titled document) ("**Restrictive Covenant Agreement**"). The vesting and receipt of benefits under this Award is specifically conditioned on the Grantee's compliance with the Restrictive Covenant Agreement. To the extent allowed by and consistent with applicable law and any applicable limitations period, if it is determined at any time that the Grantee has materially breached the Restrictive Covenant Agreement, the Company will be entitled to (i) cause any unvested portion of the Award to be immediately canceled without any payment of consideration by the Company and (ii) recover from the Grantee in its sole discretion some or all of the shares of Stock (or proceeds received by the Grantee from such shares of Stock) paid to the Grantee pursuant to this Agreement. The Grantee recognizes that if the Grantee materially breaches the Restrictive Covenant Agreement, the losses to the Company and/or its Subsidiaries may amount to the full value of any shares of Stock paid to the Grantee pursuant to this Agreement.

EXHIBIT 10.77

NOTICE OF GRANT OF RESTRICTED STOCK UNIT AWARD(PERFORMANCE-VESTING, SECTION 16 OFFICER)

T-MOBILE US, INC.2013 OMNIBUS INCENTIVE PLAN

FOR GOOD AND VALUABLE CONSIDERATION, T-Mobile US, Inc. (the "**Company**") hereby grants this Restricted Stock Unit Award (the "**Award**") of the number of Restricted Stock Units set forth in this Notice of Grant of Restricted Stock Unit Award (the "**Notice**") to the Grantee designated in this Notice, pursuant to the provisions of the Company's 2013 Omnibus Incentive Plan, as amended (the "**Plan**") and subject to certain restrictions as outlined below in this Notice and the additional provisions set forth in the attached Terms and Conditions of Restricted Stock Units Award (the "**Terms**"). Together, this Notice, the attached Terms and all Exhibits hereto constitute the "**Agreement**." The terms and conditions of the Plan are incorporated by reference in their entirety into this Agreement. When used in this Agreement, the terms which are defined in the Plan shall have the meanings given to them in the Plan, as modified herein (if applicable).

Grantee: [__________]

Grant Date: [__________]

# of Restricted Stock Units (at target performance): [________]

Vesting Schedule: Subject to the terms of the Plan and this Agreement, the Restricted Stock Units shall become earned and vested, and shares of Stock shall be issued in settlement of vested Restricted Stock Units, in accordance with the following schedule, in the event the Grantee does not have a Separation from Service prior to the applicable vesting date(s):

(a) Performance-Vesting Conditions. The number of Restricted Stock Units that become earned and vested (if any) will be determined in accordance with the performance measures, targets and methodology set forth in Exhibit A.

(b) Time-Vesting Conditions. In addition to the performance-vesting conditions stated above, and except as expressly provided in the Notice below, as applicable, or as otherwise provided pursuant to the terms of the Plan, the Grantee must remain continuously employed with the Company through the following date(s) to become earned and vested in any Restricted Stock Units (after adjustment for performance):

Vesting Date	% Vesting
[_____________]	100%

No Restricted Stock Units shall become earned and vested following Grantee's Separation from Service, except as expressly provided in the Notice below, as applicable, or as otherwise provided pursuant to the terms of the Plan.

Notwithstanding the foregoing, if the Grantee elects to defer issuance of shares of Stock in settlement of vested Restricted Stock Units pursuant to Section 1(f) of the Terms, the shares of Stock will be issued in settlement of vested Restricted Stock Units in accordance with such deferral.

Impact of Separation from Service on Vesting: See Exhibit B

Acceleration of Vesting on or following a Change in Control: See Exhibit B

The Grantee must accept this Agreement electronically pursuant to the online acceptance procedure established by the Company within 90 days after the Agreement is presented to the Grantee for review. If the Grantee fails to accept the Award within such 90-day period, the Company may, in its sole discretion, rescind the Award in its entirety. By electronically accepting the Agreement, the Grantee agrees that this Award is granted under and governed by the terms and conditions of the Plan and this Agreement.

1. EXHIBIT A

Performance-Based Vesting Conditions

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2. EXHIBIT B

Separation from Service and Change in Control

(i)Impact of Separation from Service; Change in Control. If the Grantee has a Separation from Service before the vesting date specified under "Time-Vesting Conditions" in the Notice, then the Restricted Stock Units shall become earned and vested or be canceled depending on the reason for Separation from Service as follows.

(1) Death or Disability. If the Grantee has a Separation from Service due to the Grantee's death or Disability, the Restricted Stock Units shall become immediately earned and vested at target as of the date of such Separation from Service.

(2) Workforce Reduction or Divestiture. If the Grantee has a Separation from Service as a result of a Workforce Reduction or Divestiture, then (A) the number of Performance Adjusted Units shall be determined as soon as administratively practicable following [date x], (B) such Performance Adjusted Units shall be multiplied by the Pro Rata Fraction, (C) the resulting number of Restricted Stock Units shall become earned and vested and payable to the Grantee in [date x] after the end of the Performance Period, and (D) any remaining unearned Restricted Stock Units shall be immediately canceled effective as of [date x]; provided, however, that the Grantee will not be eligible to receive any vesting of the Restricted Stock Units under this paragraph (a)(ii) unless the Grantee executes all documents required under the applicable Company severance program or otherwise, including without limitation, any required release of claims, within the applicable time frames set forth in such documents or as prescribed by the Company. In the event the Grantee fails to execute all required documents in a timely fashion, if any portion of the Award has been earned or paid to the Grantee after the Separation from Service but before the Grantee's failure to execute all required documents, the Grantee covenants and agrees that the Grantee will have no right, title or interest in such amount earned or paid and that the Grantee will cause such amount to be returned immediately to the Company upon notice.

[For Mr. Legere only, clause (ii) is replaced in its entirety by the following: (ii) Without Cause or For Good Reason. If the Grantee has a Separation from Service (other than as provided in section (a)(iii) below) either (1) by action of the Company for any reason other than Cause (including due to non-renewal of Grantee's Employment Agreement with the Company dated April 1, 2017, as may be amended from time to time, or any successor agreement (the "Employment Agreement") by notice given by the Company, but excluding due to the Grantee's death or Disability) or (2) for Good Reason, then the Performance Adjusted Units shall become immediately earned and vested as of the date of such Separation from Service at the actual pevel of performance under Exhibit A determined as if the Performance Period had ended as of the last trading day immediately preceding the date of the Grantee's Separation from Service; provided, however, that the Grantee will not be eligible to receive any vesting of the Restricted Stock Units under this paragraph (a)(ii) unless the Grantee executes all documents required under the Employment Agreement, including without limitation, any required release of claims, within the applicable time frames set forth in the Employment Agreement. In the event the Grantee fails to execute all required documents in a timely fashion, if any portion of the Award has been earned or paid to the Grantee after the Separation from Service but before the Grantee's failure to

execute all required documents, the Grantee covenants and agrees that the Grantee will have no right, title or interest in such amount earned or paid and that the Grantee will cause such amount to be returned immediately to the Company upon notice.]

(3) Change in Control. Notwithstanding anything in this Agreement to the contrary, but subject to the provisions of Section 15.3.1(i) of the Plan, if (A) a Change in Control occurs and (B) on or after the Change in Control and on or before the first anniversary of the Change in Control either (1) the Grantee has a Separation from Service by action of the Company or the Grantee's employing Subsidiary for any reason other than Cause ([For Mr. Legere only: including due to non-renewal of the Employment Agreement by notice given by the Company, but] excluding due to the Grantee's death or Disability) or (2) the Grantee has a Separation from Service for Good Reason, then the Restricted Stock Units shall become immediately earned and vested as of the date of such Separation from Service at the greater of (y) target or (z) the actual level of performance under Exhibit A determined as if the Performance Period had ended as of the last trading day immediately preceding the Change in Control.

(4) Any other Separation from Service. If the Grantee has a Separation from Service for any reason other than as specified in subparagraphs (a)(i), (ii) or (iii) above before the vesting date specified under "Time-Vesting Conditions" in the Notice, the Restricted Stock Units shall be immediately canceled as of the date of such Separation from Service.

(ii)Impact of Continuation of Service After Change in Control. Notwithstanding any provision in this Agreement to the contrary, if (i) a Change in Control occurs prior to the end of any applicable Performance Period, (ii) this Award is assumed, converted or replaced by the resulting entity in the Change in Control and (iii) Grantee remains continuously employed with the Company through the end of the Performance Period, then the Restricted Stock Units earned with respect to each Performance Period that ends after the Change in Control shall not be less than the Restricted Stock Units with respect to such Performance Period determined assuming target performance.

(iii)Definitions. For purposes of this Agreement, the following terms shall have the following meanings:

"**Cause**" shall be defined as that term is defined in the Grantee's offer letter or other applicable employment agreement; or, if there is no such definition, "Cause" means any one or more of the following: (i) the Grantee's gross neglect or willful material breach of the Grantee's principal employment responsibilities or duties; (ii) a final judicial adjudication that the Grantee is guilty of any felony (other than a law, rule or regulation relating to a traffic violation or other similar offense that has no material adverse affect on the Company or any of its Subsidiaries); (iii) the Grantee's breach of any non-competition or confidentiality covenant between the Grantee and the Company or any Subsidiary; (iv) fraudulent conduct as determined by a court of competent jurisdiction in the course of the Grantee's employment with the Company or any of its Subsidiaries; or (v) the material breach by the Grantee of any other obligation which continues uncured for a period of 30 days after notice thereof by the Company or any of its Subsidiaries.

"**Divestiture**" means a Separation from Service as the result of a divestiture or sale of a business unit as determined by the Grantee's employer based on the personnel records of the Company and its Subsidiaries. [For Mr. Legere only, this definition is omitted in its entirety.]

"**Good Reason**" shall be defined as that term is defined in the Grantee's offer letter or other applicable employment agreement; or, if there is no such definition, "Good Reason" means the occurrence of any of the following events without the Grantee's consent, provided that the Grantee has complied with the Good Reason Process: (i) a material diminution in the Grantee's responsibility, authority or duty; (ii) a material diminution in the Grantee's base salary except for across-the-board salary reductions based on the Company and its Subsidiaries' financial performance similarly affecting all or substantially all management employees of the Company and its Subsidiaries; or (iii) the relocation of the office at which the Grantee was principally employed immediately prior to a Change in Control to a location more than fifty (50) miles from the location of such office, or the Grantee being required to be based anywhere other than such office, except to the extent the Grantee was not previously assigned to a principal location and except for required travel on business to an extent substantially consistent with the Grantee's business travel obligations at the time of the Change in Control.

"**Good Reason Process**" means that (i) the Grantee reasonably determines in good faith that a Good Reason condition has occurred; (ii) the Grantee notifies the Company and its Subsidiaries in writing of the occurrence of the Good Reason condition within 60 days of such occurrence; (iii) the Grantee cooperates in good faith with the Company and its Subsidiaries' efforts, for a period of not less than 30 days following such notice (the "**Cure Period**"), to remedy the condition; (iv) notwithstanding such efforts, the Good Reason condition continues to exist following the Cure Period; and (v) the Grantee has a Separation from Service within 60 days after the end of the Cure Period. If the Company or its Subsidiaries cures the Good Reason condition during the Cure Period, and the Grantee has a Separation from Service due to such condition (notwithstanding its cure), then the Grantee will not be deemed to have had a Separation from Service for Good Reason.

"**Pro Rata Fraction**" means a fraction, the numerator of which is the number of days from the Grant Date to the date of Separation from Service and the denominator of which is the number of days from the Grant Date through [date x].

"**Workforce Reduction**" means the Grantee's Separation from Service as a result of a reduction in force, realignment or similar measure as determined by the Grantee's employer and (i) the Grantee is officially notified in writing of such Separation from Service due to a workforce reduction and eligibility for the Company's severance program under which the Grantee is covered, or (ii) if not covered by a Company severance program, the Grantee is notified in writing by an authorized officer of the Company or any Subsidiary that the Separation from Service is as a result of such action. [For Mr. Legere only, this definition is omitted in its entirety.]

3. TERMS AND CONDITIONS OF RESTRICTED STOCK UNIT AWARD

The Restricted Stock Unit Award (the "**Award**") granted by T-Mobile US, Inc. (the "**Company**") to the Grantee specified in the Notice of Grant of Restricted Stock Unit Award (the "**Notice**") to which these Terms and Conditions of Restricted Stock Unit Award (the "**Terms**") are attached, is subject to the terms and conditions of the Plan, the Notice, and these Terms. The terms and conditions of the Plan are incorporated by reference in their entirety into these Terms. Together, the Notice, all Exhibits to the Notice and these Terms constitute the "**Agreement**." A Prospectus describing the Plan has been delivered to the Grantee. The Plan itself is available upon request. When used in this Agreement, the terms which are defined in the Plan shall have the meanings given to them in the Plan, as modified herein (if applicable). For purposes this Agreement, any reference to the Company shall include a reference to any Affiliate.

a. Grant of Units.

i. As of the Grant Date set forth in the Notice, the Company grants to the Grantee the number Restricted Stock Units ("**Units**") set forth in the Notice. Each Unit represents the right to receive one share of Stock at a future date after the Unit has become earned and vested, subject to the terms and conditions of this Agreement.

ii. The Units covered by this Award shall become earned and vested in accordance with the schedule set forth in the Notice. Except as otherwise provided by a deferral election pursuant to Section 1(f) below, each earned and vested Unit shall be settled on the date(s) specified in the Notice by issuance of one share of Stock on or as soon as administratively practicable (but no more than 60 days) after the applicable vesting and/or settlement date specified in the Notice, subject to the requirements of (i) Section 4 (Withholding), Section 6 (Regulatory Restrictions on the Shares Issued Upon Settlement), and Section 7(m) (Recovery of Compensation) of this Agreement and (ii) Section 17.9 of the Plan regarding a potential six-month delay in settlement for awards to certain Grantees to the extent determined by the Company to be necessary to comply with Section 409A. If the Grantee elects to defer issuance of shares of Stock in settlement of earned and vested Units pursuant to Section 1(f) below, each earned and vested Unit shall be settled in accordance with such deferral.

iii. Units constitute an unfunded and unsecured obligation of the Company. The Grantee shall not have any rights of a stockholder of the Company with respect to the shares of Stock underlying the Units unless and until the Units become earned and vested and are settled by the issuance of shares of Stock. Upon issuance of shares of Stock in connection with the settlement of vested Units, the Grantee shall be the record owner of the shares of Stock unless and until such shares are sold or otherwise disposed of, and as record owner shall be entitled to all rights of a stockholder of the Company (including voting rights).

iv. The Grantee may designate a beneficiary to receive payment in connection with the Units in the event of the Grantee's death in accordance with the Company's beneficiary designation procedures, as in effect from time to time. If the Grantee does not designate a beneficiary, or if the Grantee's designated beneficiary does not survive the Grantee, then the Grantee's beneficiary will be the Grantee's estate.

v. The Units shall not entitle the Grantee to receive any dividend equivalents with respect to any cash dividend that is otherwise paid with respect to shares of the Stock.

(f) Subject to Section 17.9 of the Plan, the Grantee may elect to defer delivery of the shares of Stock that otherwise would be due by virtue of the satisfaction of the requirements for distribution of the shares of Stock under the Award in accordance with the terms and conditions set forth in the Company's Non-Qualified Deferred Compensation Plan (as amended and restated effective as of January 1, 2014 and as may be further amended from time to time), any successor plan or any other deferred compensation arrangement.

b. Restrictions. Subject to any exceptions set forth in this Agreement, until such time as the Units become earned and vested and are settled in shares of Stock in accordance with Section 1, the Units or the rights relating thereto may not be assigned, alienated, pledged, attached, sold or otherwise transferred or encumbered by the Grantee. Any attempt to assign, alienate, pledge, attach, sell or otherwise transfer or encumber the Units or the rights relating thereto shall be wholly ineffective and, if any such attempt is made, the Units will be forfeited by the Grantee and all of the Grantee's rights to such Units shall immediately terminate without any payment of consideration by the Company.

c. Cancellation of Rights. If any portion of the Units fail to become earned and vested (for example, because the Grantee fails to satisfy the vesting conditions specified in the Notice prior to a Separation from Service), then such Units shall be immediately forfeited as of the date of such failure and all of the Grantee's rights to such Units shall immediately terminate without any payment of consideration by the Company.

d. Withholding.

i. Regardless of any action the Company takes with respect to any or all income tax, payroll tax or other tax-related withholding ("**Tax-Related Items**"), the Grantee acknowledges that the ultimate liability for all Tax-Related Items owed by the Grantee is and remains the Grantee's responsibility and that the Company (i) makes no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Award, including the grant or vesting of the Units or the subsequent sale of shares of Stock acquired upon vesting; and (ii) does not commit to structure the terms of the grant or any aspect of the Award to reduce or eliminate the Grantee's liability for Tax-Related Items.

ii.Prior to vesting of the Units, the Grantee shall pay or make adequate arrangements satisfactory to the Company to satisfy all withholding obligations of the Company. In this regard, the Grantee authorizes the Company to withhold all applicable Tax-Related Items legally payable by the Grantee from the Grantee's wages or other cash compensation paid to the Grantee by the Company or from proceeds of the sale of the shares of Stock. Alternatively, or in addition, to the extent permissible under applicable law, the Company may (i) sell or arrange for the sale of shares of Stock that the Grantee acquires to meet the withholding obligation for Tax-Related Items, and/or (ii) withhold in shares of Stock, provided that the Company only withholds the amount of shares of Stock necessary to satisfy the minimum withholding amount. Finally, the Grantee shall pay to the Company any amount of Tax-Related Items that the Company may be required to withhold as a result of the Grantee's participation in the Plan that cannot be satisfied by the means previously described. The Company may refuse to issue and deliver shares of Stock in payment of any earned and vested Units if the Grantee fails to comply with the Grantee's obligations in connection with the Tax-Related Items as described in this Section 4.

e. Grantee Representations. The Grantee hereby represents to the Company that the Grantee has read and fully understands the provisions of this Agreement, the Prospectus and the Plan, and the Grantee's decision to participate in the Plan is completely voluntary. Further, the Grantee acknowledges that the Grantee is relying solely on his or her own advisors with respect to the tax consequences of this Award.

f. Regulatory Restrictions on the Shares Issued Upon Settlement. Notwithstanding the other provisions of this Agreement, the Committee shall have the sole discretion to impose such conditions, restrictions and limitations on the issuance of shares of Stock with respect to this Award unless and until the Committee determines that such issuance complies with (i) any applicable registration requirements under the Securities Act or the Committee has determined that an exemption therefrom is available, (ii) any applicable listing requirement of any stock exchange on which the Stock is listed, (iii) any applicable Company policy or administrative rules, and (iv) any other applicable provision of state, federal or foreign law, including foreign securities laws where applicable.

g. Miscellaneous.

i.Notices. Any notice which either party hereto may be required or permitted to give to the other shall be in writing and may be delivered personally, by intraoffice mail, by fax, by electronic mail or other electronic means, or via a postal service, postage prepaid, to such electronic mail or postal address and directed to such person as the Company may notify the Grantee from time to time; and to the Grantee at the Grantee's electronic mail or postal address as shown on the records of the Company from time to time, or at such other electronic mail or postal address as the Grantee, by notice to the Company, may designate in writing from time to time.

ii.Waiver. The waiver by any party hereto of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any other or subsequent breach.

iii.Entire Agreement. This Agreement and the Plan constitute the entire agreement between the parties with respect to the subject matter hereof. Any prior agreements, commitments or negotiations concerning the Award are superseded. [For Mr. Legere only: , including without limitation, any provisions of the Employment Agreement that would otherwise apply to the Award.]

iv. Binding Effect; Successors. This Agreement shall inure to the benefit of and be binding upon the parties hereto and to the extent not prohibited herein, their respective heirs, successors, assigns and representatives. Nothing in this Agreement, express or implied, is intended to confer on any person other than the parties hereto and as provided above, their respective heirs, successors, assigns and representatives any rights, remedies, obligations or liabilities.

v. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware without giving effect to the principles of conflicts of law, and applicable Federal law.

vi. Arbitration. The Company and the Grantee shall make a good faith attempt to resolve any and all claims and disputes regarding the Award or the Agreement in accordance with any dispute resolution adopted by the Company before resorting to any other dispute resolution procedure. If the claim or dispute is not resolved in that manner and involves any rights or obligations under the Agreement, then the claim or dispute will be determined by arbitration in accordance with the then-current American Arbitration Association ("AAA") national rules for the resolution of employment disputes by arbitration, except as modified herein. The arbitration will be conducted by a sole neutral arbitrator who has had both training and experience as an arbitrator of employee compensation matters. If the Company and the Grantee cannot agree on an arbitrator, then the arbitrator will be selected by the AAA applying the criteria in this provision. Reasonable discovery will be permitted and the arbitrator may decide any issue as to discovery. The arbitrator may decide any issue as to whether or as to the extent to which, any dispute is subject to the dispute resolution provisions of this Section 7(f). The arbitrator may award only relief at law contemplated under the Agreement and the Plan and the arbitrator may not award incidental, consequential or punitive damages, attorney's fees or any form or equitable relief, to either party. The arbitrator must base the arbitration award on the provisions of this Section 7(f) and applicable law and must render the award in writing, including an explanation of the reasons for the award. Judgment upon the award may be entered by any court having jurisdiction of the matter, and the decision of the arbitrator will be final and binding. The statute of limitations applicable to the commencement of a lawsuit will apply to the commencement of an arbitration. The arbitrator's fees will be paid in equal portions by the Company and the Grantee, unless the Company agrees to pay all such fees.

vii. Venue. Any arbitration, legal or equitable action or any proceeding arising directly, indirectly, or otherwise in connection with, out of, related to or from the Agreement, or any provision hereof, shall exclusively be filed and adjudicated in King County, Washington and no other venue.

viii. Headings. The headings contained herein are for the sole purpose of convenience of reference, and shall not in any way limit or affect the meaning or interpretation of any of the terms or provisions of this Agreement.

ix. Conflicts; Amendment. The provisions of the Plan are incorporated in this Agreement in their entirety. In the event of any conflict between the provisions of this Agreement and the Plan, the provisions of the Plan shall control. This Agreement may be amended at any time by the Committee**,** provided that no amendment may, without the consent of the Grantee, materially impair the Grantee's rights with respect to the Award. The Committee shall have full authority and discretion, subject only to the terms of the Plan, to decide all matters relating to the administration or interpretation of the Plan, the Award, and the Agreement, and all such action by the Committee shall be final, conclusive, and binding upon the Company and the Grantee.

x. No Right to Continued Employment. Nothing in this Agreement shall confer upon the Grantee any right to continue in the employ or service of the Company or affect the right of the Company to terminate the Grantee's employment or service at any time.

xi. Further Assurances. The Grantee agrees, upon demand of the Company or the Committee, to do all acts and execute, deliver and perform all additional documents, instruments and agreements which may be reasonably required by the Company or the Committee, as the case may be, to implement the provisions and purposes of this Agreement and the Plan.

xii. Personal Data. By accepting the Award under this Agreement, the Grantee hereby consents to the Company's use, dissemination and disclosure of any information pertaining to the Grantee that the Company determines to be necessary or desirable for the implementation, administration and management of the Plan.

xiii. Recovery of Compensation. In accordance with Section 3.3 of the Plan, the Award is subject to the requirements of (i) Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (regarding recovery of erroneously awarded compensation) and any implementing rules and regulations thereunder, (ii) any policies adopted by the Company to implement such requirements, and (iii) any other compensation recovery policies as may be adopted from time to time by the Company, all to the extent determined by the Committee in its discretion to be applicable to the Grantee.

xiv. Restrictive Covenants. The Grantee has previously entered into a Restrictive Covenant and Confidentiality Agreement (or similarly titled document) ("**Restrictive Covenant Agreement**"). The vesting and receipt of benefits under this Award is specifically conditioned on the Grantee's compliance with the Restrictive Covenant Agreement. To the extent allowed by and consistent with applicable law and any applicable limitations period, if it is determined at any time that the Grantee has materially breached the Restrictive Covenant Agreement, the Company will be entitled to (i) cause any unvested portion of the Award to be immediately canceled without any payment of consideration by the Company and (ii) recover from the Grantee in its sole discretion some or all of the shares of Stock (or proceeds received by the Grantee from such shares of Stock) paid to the Grantee pursuant to this Agreement. The Grantee recognizes that if the Grantee materially breaches the Restrictive Covenant Agreement, the losses to the Company and/or its Subsidiaries may amount to the full value of any shares of Stock paid to the Grantee pursuant to this Agreement.

EXHIBIT 21.1

Subsidiaries of Registrant

The following is a list of subsidiaries of T-Mobile US, Inc. as of December 31, 2019. Certain subsidiaries were omitted which, considered in the aggregate, would not constitute a significant subsidiary.

Name	State of Incorporation
IBSV LLC	Delaware
L3TV Chicagoland Cable System, LLC	Delaware
L3TV Colorado Cable System, LLC	Delaware
L3TV Dallas Cable System, LLC	Delaware
L3TV DC Cable System, LLC	Delaware
L3TV Detroit Cable System, LLC	Delaware
L3TV Los Angeles Cable System, LLC	Delaware
L3TV Minneapolis Cable System, LLC	Delaware
L3TV New York Cable System, LLC	Delaware
L3TV Philadelphia Cable System, LLC	Delaware
L3TV San Francisco Cable System, LLC	Delaware
L3TV Seattle Cable System, LLC	Delaware
Layer3 TV, Inc.	Delaware
MetroPCS California, LLC	Delaware
MetroPCS Florida, LLC	Delaware
MetroPCS Georgia, LLC	Delaware
MetroPCS Massachusetts, LLC	Delaware
MetroPCS Michigan, LLC	Delaware
MetroPCS Networks California, LLC	Delaware
MetroPCS Networks Florida, LLC	Delaware
MetroPCS Nevada, LLC	Delaware
MetroPCS New York, LLC	Delaware
MetroPCS Pennsylvania, LLC	Delaware
MetroPCS Texas, LLC	Delaware
PushSpring, Inc.	Delaware
Theory Mobile, Inc.	Delaware
T-Mobile Airtime Funding LLC	Delaware
T-Mobile Central LLC	Delaware
T-Mobile Financial LLC	Delaware
T-Mobile Handset Funding LLC	Delaware
T-Mobile Leasing LLC	Delaware
T-Mobile License LLC	Delaware
T-Mobile Northeast LLC	Delaware
T-Mobile PCS Holdings LLC	Delaware
T-Mobile Puerto Rico Holdings LLC	Delaware
T-Mobile Puerto Rico LLC	Delaware
T-Mobile Resources Corporation	Delaware
T-Mobile South LLC	Delaware
T-Mobile Subsidiary IV LLC	Delaware

T-Mobile USA Tower LLC	Delaware
T-Mobile USA, Inc.	Delaware
T-Mobile West LLC	Delaware
T-Mobile West Tower LLC	Delaware
TMUS Assurance Corporation	Hawaii

EXHIBIT 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Form S-8 (Nos. 333-189095, 333-202176, 333-225699, 333-142007 and 333-168946) of T-Mobile US, Inc. of our report dated February 6, 2020 relating to the financial statements and the effectiveness of internal control over financial reporting, which appears in this Form 10-K.

/s/ PricewaterhouseCoopers LLP
Seattle, Washington
February 6, 2020

EXHIBIT 31.1

Certifications of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, John J. Legere, certify that:

1. I have reviewed this Annual Report on Form 10-K of T-Mobile US, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

February 6, 2020

/s/ John J. Legere

John J. Legere
Chief Executive Officer

EXHIBIT 31.2

Certifications of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, J. Braxton Carter, certify that:

1. I have reviewed this Annual Report on Form 10-K of T-Mobile US, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

February 6, 2020

/s/ J. Braxton Carter

J. Braxton Carter
Executive Vice President and Chief Financial Officer

EXHIBIT 32.1

Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Annual Report of T-Mobile US, Inc. (the “Company”), on Form 10-K for the year ended December 31, 2019, as filed with the Securities and Exchange Commission (the “Report”), John J. Legere, Chief Executive Officer of the Company, does hereby certify, pursuant to § 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. § 1350), that to his knowledge:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

February 6, 2020

/s/ John J. Legere

John J. Legere
Chief Executive Officer

EXHIBIT 32.2

Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Annual Report of T-Mobile US, Inc. (the “Company”), on Form 10-K for the year ended December 31, 2019, as filed with the Securities and Exchange Commission (the “Report”), J. Braxton Carter, Executive Vice President and Chief Financial Officer of the Company, does hereby certify, pursuant to § 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. § 1350), that to his knowledge:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

February 6, 2020

/s/ J. Braxton Carter

J. Braxton Carter
Executive Vice President and Chief Financial Officer