

THE ECONOMIC CLUB

O F W A S H I N G T O N, D. C.

Signature Event

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DAVID M. RUBENSTEIN: Mike Sievert, who is the CEO of T-Mobile, is our guest. And just briefly, for those who don't know his background, he's a native of Canton, Ohio. Graduate of Wharton School at the University of Pennsylvania. Has had a series of jobs with lots of different employers after Wharton – Procter & Gamble, IBM, AT&T, among others. And then eventually he was recruited to be the chief marketing officer for T-Mobile, and quickly rose up to become the chief operating officer, the president, and in 2020 became the CEO. And since he's been the CEO, the market capitalization of the company is up 57 percent, and the stock is up 55 percent. And he's assured us this will continue, right? [Laughter, applause.]

MICHAEL SIEVERT: That's the job.

MR. RUBENSTEIN: So very impressive. He is a father of two sons, one of whom is a mountaineer. And if anyone wants to go mountain climbing, your son will arrange it for him. And I'm just curious, before we start, how many people here have a cellphone? Anybody? [Laughter.] OK. And how many people think they could live without their cellphone these days, anybody? OK. So –

MR. SIEVERT: A couple of people. That's good. All right. One or two. [Laughs.]

MR. RUBENSTEIN: So let me comment, ask you first about your outfit. [Laughter.]

MR. SIEVERT: Yeah.

MR. RUBENSTEIN: Usually people wear a coat and tie, sometimes. But you don't – you know, you have new socks, you got jeans on –

MR. SIEVERT: I put my big-boy jeans on for you, though, you know.

MR. RUBENSTEIN: OK. So what is that? Is that, like, a sport coat and then it's got a zipper? And what is that?

MR. SIEVERT: Yeah. Yeah. It's like a rebellious sport coat.

MR. RUBENSTEIN: OK. [Laughter.] So, OK. So let's talk about the company. Today there are essentially three big cellular telephone companies in the United States. And when I was doing the research for this, I was surprised to read that you actually are the second biggest. Verizon's the biggest right now. You're second. And then AT&T is third. So is your aspiration to become the biggest or the most profitable? What is your aspiration for T-Mobile?

MR. SIEVERT: Oh, it's to be the best, you know? And I think a company has got to take its mission seriously. And when we wrote ours down when we created the new company after the merger, it's very simply to be the best in the world at connecting customers to their world. And, you know, we are – we're a pure play mobile internet company. And our aspiration is to be the best. And if we're the best – and we have a long way to go – if we're the best in the world, maybe being number one in the U.S. will take care of itself.

MR. RUBENSTEIN: OK. So you're not going to go buy Time Warner or anything like that, right? [Laughter.]

MR. SIEVERT: I mean, you know, are they available? [Laughter.]

MR. RUBENSTEIN: OK. So –

MR. SIEVERT: You'd have to get – take Discovery with it these days, yeah.

MR. RUBENSTEIN: [Laughs.] OK, so on cellular telephones, you are the biggest in 5-G, I'm right?

MR. SIEVERT: Right.

MR. RUBENSTEIN: How did that happen? I mean, why do you have more spectrum from 5G than anybody else?

MR. SIEVERT: Well, part of it was that our company saw early that 5G would really unfold in what the industry calls mid-band spectrum. And these are the – these are the goldilocks airwaves right in the middle of the spectrum where it's not the real low ones, but it's also not what was called millimeter wave spectrum, which is what the whole industry had equated to 5G before. And our competitors were absolutely dedicated to the idea that 5G would unfold there, when we made a bet that it would unfold in mid-band.

Sprint had absolutely a treasure trove of mid-band spectrum but was a struggling company. Financially strained, but with incredible assets for what we knew would be the place where 5G would really unfold. And so we began pursuing a merger with Sprint. It was off and on for many years. I mean, we had merger talks in '14 and other years. But finally, in '18 we announced a merger with Sprint, under the idea that if we could complete this merger, we could transform not only our company but the American wireless industry. And we would have an absolutely incredible lead in 5G.

MR. RUBENSTEIN: OK. So the U.S. government, moving with great speed, approved it after two years, right?

MR. SIEVERT: That's right. Two full years, yeah. [Laughter.]

MR. RUBENSTEIN: So they approved it for two years. But to review the history, T-Mobile was started by what company?

MR. SIEVERT: Yeah. So T-Mobile started in the '90s as Western Wireless. John Stanton, who's the current owner of the Seattle Mariners, started the company. He was with McCaw Cellular. So most of the U.S. cellular industry that we know today stemmed from either the – Ma Bell, or from entrepreneurship in the Seattle area. McCaw Cellular started in the Seattle area. That's the corpus of what's now AT&T. And Western Wireless began in the '90s by a

McCaw guy, John Stanton. And Western spawned VoiceStream, which became T-Mobile in 2002.

MR. RUBENSTEIN: And then Deutsche Telekom ultimately bought control of the company?

MR. SIEVERT: Yeah, in 2002. That's what gave us our T-Mobile name. Deutsche Telekom fully controlled the company. It was a subsidiary until we became a U.S. public company in 2013. So we merged with MetroPCS, now Metro by T-Mobile in '13, and became, again, an American company with Deutsche Telekom as a shareholder.

MR. RUBENSTEIN: So who owned Sprint?

MR. SIEVERT: Sprint was controlled by SoftBank – big, global technology and telecom conglomerate. And SoftBank took control of Sprint in the 2000s. And this was essentially their exit. You know, they – at day one they had 20-something percent of the new T-Mobile. But then quickly, as we expected they might monetize that position. And now they own a single digit.

MR. RUBENSTEIN: So in the end, they own 4 or 5 percent now of T-Mobile, Softbank?

MR. SIEVERT: Right. Yeah.

MR. RUBENSTEIN: And who is the majority shareholder?

MR. SIEVERT: Well, Deutsche Telekom has about 48, but they also can vote those SoftBank shares. So they can vote just past 50. So they're able to consolidate the results.

MR. RUBENSTEIN: OK. So why do I want 5G? I'm happy with 4G. Why do I need 5G? What am I going to do with 5G that I can't do with 4G?

MR. SIEVERT: David, it's 25 percent more G. [Laughter.]

MR. RUBENSTEIN: Really?

MR. SIEVERT: Yeah.

MR. RUBENSTEIN: Right.

MR. SIEVERT: I mean, don't you want – you don't want that?

MR. RUBENSTEIN: But what am I going to do with it? I have to pay more for 5G than 4G?

MR. SIEVERT: [Laughs.] No, it's interesting. You know, this industry every decade or so a new technology comes about; 4G came about in about 2010. Verizon was the lead then. You saw Verizon, because of their early lead in 4G, they really led in network fame throughout the – you know, the 2010 decade. We've jumped out in the 5G era with the lead in 5G. And it really

is exciting for us as a company that 10 years ago was a distant number four and shrinking. I mean, a distant number four, with negative revenue and EBITDA¹ growth, to now be the leader in this current era of technology.

And, you know, what it basically is all about is about higher and higher capacity connections. I mean, if you just step back and you look at the broad sort of history of this industry, all content and communications of all kinds have left or are leaving their previous linear forms and landing on the internet. And the internet is going mobile. And so for us to be the country's leading pure play mobile internet company, with the best assets and a two-year lead in 5G, it's a great place to be.

And what it gives you that 4G doesn't is essentially massive throughput. So we cover two-thirds of the country today with a form of 5G we call Ultra Capacity, about 225 million Americans. That's ten times faster than your LTE connection. And what that will allow you to do is all kinds of new experiences and applications that continue to unfold across this decade. Like the Metaverse applications you're now hearing more and more about that two years ago were a twinkle in people's eye. That's because they weren't possible two years ago because 5G wasn't rapidly deployed.

The same thing happened in 4G. You know, when 4G came out, people said: How am I going to use all this? I mean, I don't need all that to send a picture on my picture phone. But Apple created the iPhone, and Android phones came, and suddenly we had Uber, and we had Snapchat, and we had TikTok, and we had social media on people's phones because of 4G technology. That same thing is now beginning to unfold in 5G.

And while it's happening, we're doing super high-capacity things like giving home internet on your 5G connection. And that's – you know, that's just mind-blowing for somebody in the mobile –

MR. RUBENSTEIN: OK, let's suppose that maybe I need 5G. I didn't know I need it, but maybe I need it. [Laughter.]

MR. SIEVERT: Yeah. I'm here to sell you, man.

MR. RUBENSTEIN: But, like, I have this thing the other day. And I have – I didn't know who I actually had. It turns out I have Verizon. So why should I convert to T-Mobile? [Laughter.]

MR. SIEVERT: Well, I mean, by the end of the day you're going to be T-Mobile, right? You know –

MR. RUBENSTEIN: But am I going to save money? Am I going to get better service? What am I going to get from you that I'm not getting from Verizon?

MR. SIEVERT: Look, we call ourselves the un-carrier, because what we try to do is change the way this industry works for customers. The carriers have sort of had fame in this industry for

¹EBITDA - Earnings Before Interest, Taxes, Depreciation, and Amortization

overpricing and underserving people. It's not – it's not been an industry – it's right up there with cable as being an industry that's not really beloved by consumers and businesses. We set out to change all that 10 years ago. And what we do is we figure out what are the pain points in this industry, and we smash them. And that's been our – that's been what has gotten us from a distant number four to a rapidly growing number two that's outgrowing everyone.

And right now, the biggest pain point in the industry's history is being solved by T-Mobile. I mean, for 30 years you have been forced to make a false choice in this industry between the best deal and the best network. Pick one. For 30 years that's been true, until now. You know, T-Mobile is now able to offer, and increasingly with each passing year, the best network experience you can have in the United States, while saving you \$900 per year for the rest of your life, because of our lower prices.

MR. RUBENSTEIN: Right. But, like, if I call up the CEO of Verizon and said, well, I just met with the CEO of T-Mobile, and he says his is better, I get the best network and everything else, what is his argument?

MR. SIEVERT: He's going to say everything Mike Sievert said is completely true. [Laughter.]

MR. RUBENSTEIN: Really?

MR. SIEVERT: Yeah. Yeah. I mean, just – you know. By the way, it's fascinating how – you know, I'm a student of marketing. And for me it's fascinating to watch, you know, sports on the weekend and see everybody's commercials say they're the best 5G. Yeah, we have 5G, and, you know, we – you know? And but what's interesting is both customers and the community of people who watch our industry sort of see through all that. Last year, despite, you know, a 10-year track record of turning this company around and growing it at historic rates.

Last year, '21, the most recently completed year, was the greatest growth year ever in our history, with 5.5 million new postpaid customers joining us, the highest number we've ever accomplished. And so that's happening because people see through all the commercials. They understand that we're able to offer a better deal and –

MR. RUBENSTEIN: Why are you able to do that? What do you have the others don't have? You have better spectrum? Is that basically what you have?

MR. SIEVERT: We have the best asset portfolio. And that's a great start. And that's why we worked so hard on the merger, because we knew we would have the incredible brand at T-Mobile, that's famous for loving its customers, and we could marry that with an asset base that allows us to have a more capital-efficient business model.

MR. RUBENSTEIN: So was it surprising you it took two years for the government to say it was OK?

MR. SIEVERT: Well, it took a long time. And it was – it was kind of tracking to take a year and a half or less when the company was sued by a group of attorneys general. And then we

thought, well, maybe we'll be able to work it out with them, et cetera. And there were lots of discussions. But in the end, we had to defeat them in federal court. So that took another six months.

MR. RUBENSTEIN: You didn't have to settle with them or any – you didn't pay them any money?

MR. SIEVERT: Tried hard to settle with them. But in the end – in the end –

MR. RUBENSTEIN: OK. So the other day I was in New York City. And I'm walking along West 57th. And I said – I saw a T-Mobile store. So I said, I'd never been in a T-Mobile store. So I walked in. And I met the young woman there. I said, guess what? I'm going to interview the CEO in a couple days. [Laughter.] And she said, you know, people say that all the time when they come in here. [Laughter.] So what I want to do is sell you something. So and she told me, the best service that they –

MR. SIEVERT: I can't believe she didn't send you out with a plan. How are you still on Verizon, if you walked into our store yesterday?

MR. RUBENSTEIN: Well, she went through the various –

MR. SIEVERT: What store was that? [Laughter.]

MR. RUBENSTEIN: I won't – I won't out her. But said for \$85 a month, I would get the best thing – is that the maximum?

MR. SIEVERT: You asked her, what's the best? You said, just tell me the best?

MR. RUBENSTEIN: I said, what's the best you have? She said, \$85 a month, you get everything you could possibly want. Is that what it basically costs?

MR. SIEVERT: For the first line, yeah. And then a lot less for each successive line. So she's talking about our most popular plan right now, which is called Magenta MAX. And it's not only our best, it's actually the one most people are signing up for. And we just did a big move a couple of weeks ago that doubles down on one of the most popular moves we ever did.

Back in 2013 we did this thing called simple global and blew people's minds. We said, you can have the whole world for free with your plan. Just nothing to sign up for even before you trip. Like, you get off the plane anywhere in the world, back then it was only 110 countries, now it's 210, and it's just going to work. All your data, your texting, et cetera, calls on wi-fi included for free, et cetera. And last month, we announced that we would double down on that with a new un-carrier move called Coverage Beyond, where now we give 210 countries on that plan with high-speed data. So you can have 5G, 4G, whatever that country offers, included with your plan with nothing to sign up for.

MR. RUBENSTEIN: For \$85 a month?

MR. SIEVERT: Yeah. And so, you know, and it –

MR. RUBENSTEIN: How come you don't say, like \$84.99, like other people? It's \$85. You don't use that? [Laughter.]

MR. SIEVERT: Because we don't –

MR. RUBENSTEIN: All right, so suppose I say I can't afford \$85 a month. I want the cheapest – I only want to make a couple calls?

MR. SIEVERT: Yeah. For family of four it's \$200. So it starts to go down as you –

MR. RUBENSTEIN: Oh. But suppose I say I'm one person. I only want the – I want the cheapest, least-expensive service you have. What does that cost?

MR. SIEVERT: \$15.

MR. RUBENSTEIN: A month?

MR. SIEVERT: Yeah.

MR. RUBENSTEIN: And what do you get for that? One call a month, or? [Laughter.] What do you get for \$15?

MR. SIEVERT: Yeah, you know, all of our plans include calls and texts because it's 2022, David. [Laughter.]

MR. RUBENSTEIN: OK. All right.

MR. SIEVERT: But it's a matter of how much data you get. And that plan offers, you know, a couple gigs or so of data. And it's at the highest speed. But even after that, it gives you unlimited data at a slower speed. And some people just want to be able to manage – they don't want to be socked with an overage. They don't want a surprise bill. But they do need wireless because right now the service that we offer – to your opening question to the audience – is an essential service that people need. And some people need it at very affordable rates. And so that's where we start the pricing.

MR. RUBENSTEIN: Now, you're not in the wired telephone business, you're in the wireless, right?

MR. SIEVERT: That's right.

MR. RUBENSTEIN: So do you think the wired business is a good business to be in? Or that's dying?

MR. SIEVERT: Well, I mean, there's massive investment in this country going into fiber. And lots of private equity are interested in fiber, as you know. Lots of big companies are interested in it. And we own a fiber asset that came from Sprint. Sprint was very famously a fiber company, and we're still in that business. But we're not in last-mile fiber. And, you know, I haven't ruled it out, but right now valuations are very high. There's lots of government interest in this area as well. And, you know, that's certainly changing the investment pieces for some companies, as that starts to move its way through the system and companies might be able to access government funding to help those last mile reaches in places that might otherwise be uneconomic.

MR. RUBENSTEIN: Now, sometimes if you drive down the Dulles Toll Road I've noticed that the signal drops. Maybe not from yours, but –

MR. SIEVERT: Well, again, you've got the Verizon, right?

MR. RUBENSTEIN: Right.

MR. SIEVERT: OK. [Laughter.]

MR. RUBENSTEIN: But is that a common – is that a common problem? Or they're fixing that?

MR. SIEVERT: Yeah. You know, honestly, it's very interesting for me to be in this position because an awful lot of people, I'm sure people in this room too, have a perception of T-Mobile's network that is outdated by some amount of essentially all of the capital that we've deployed over the last two or three years. So 2022 is the biggest capital year ever in our history, and 2021's the second-biggest. And so if you – if you heard about T-Mobile in 2020, we've spent tens of billions of dollars since then building out our network on the strength of this superior spectrum portfolio and our 5G lead.

And so it's interesting. As people – that was, like, the – people even refer to that as last year, because of the pandemic. So, quote, "last year," like before the pandemic, you might have tried T-Mobile and it was completely different than now. And that's kind of our marketing burden, is to try to make sure people have a way to perceive the advantages that we now have.

MR. RUBENSTEIN: When England – when companies in England were trying to build out their 5G, really ahead of the United States, the U.S. government said: Well, you're using Huawei equipment, which is Chinese owned and it's not going to be safe, and so forth. So where do you get your 5G equipment? Is it made by Huawei? Or is it – who makes your equipment? And you're not worried about Chinese interference or something?

MR. SIEVERT: Yeah, no, we don't have any Huawei technology in our network. Our core partners are Ericsson and Nokia.

MR. RUBENSTEIN: So they make the 5G parts? And today what about if I'm worried that somebody's going to hack into my phone? How do – like, how can I be assured you're not going to – somebody can't hack in?

MR. SIEVERT: I mean, no company's immune from, you know, cyberattacks. And, you know, they are horrible, and they're rampant. But the actual transmission of your phone technology is highly secure. And it's one of the advantages of 5G versus, let's say, legacy technologies like wi-fi.

MR. RUBENSTEIN: There's an Israeli company which seems to have perfected the idea of hacking into one's phones. You have to sell the service only to a government, or something. But how can I be sure that somebody using that technology is not hacking into my phone? I mean, there's no way to be sure, right?

MR. SIEVERT: No. There's no way to be sure. All we can do as consumers is adopt technologies that have a security-first mindset. And 5G was designed with security in mind.

MR. RUBENSTEIN: Where is the best 5G in the world? Is it China, Europe, some other place? Or is it the United States?

MR. SIEVERT: T-Mobile. [Laughter.] I'm not just here to sell my book, but T-Mobile was the first company, is the first company, in a large geographic country to cover that country coast-to-coast with 5G. Nobody had done it before at a big geography country until T-Mobile had done it. We cover – there's 330 million Americans. Right now, we cover 315 (million) of them with 5G signal. And nobody else reaches that –

MR. RUBENSTEIN: Where are the other 15 (million) living? In Washington, or somewhere?

MR. SIEVERT: Yeah, you know, hills and dales, et cetera.

MR. RUBENSTEIN: Right. OK. So –

MR. SIEVERT: And so that's – you know, that's remarkable. And so, you know, the U.S. – a lot of people point to China with lots of admiration. The U.S. has massive investment. What are we, 4 percent of the U.S. population –

MR. RUBENSTEIN: The world population, about 5 percent.

MR. SIEVERT: Yeah. CTIA² statistic. Meredith's³ here in the front row. We have about 18 percent of the investment going on, you know, against 4 percent of the population. And you can see that in results like T-Mobile's.

MR. RUBENSTEIN: Right. Suppose I say I want to sit out the 5G revolution. I'm waiting for 6G. What is 6G? When is that going to happen?

MR. SIEVERT: Don't you think 5G has been so breathlessly hyped for so long? Like, nobody wants to hear about 6G. They're still waiting for how 5G is going to change my life.

² CTIA is a trade association representing the wireless communications industry in the United States.

³ Meredith Attwell Baker is the president and CEO of CTIA.

MR. RUBENSTEIN: Is 6G coming anytime soon? Should I wait for that?

MR. SIEVERT: Of course. You know, it's hard to predict the timelines. But if you look at 4 to 5G, it was about a decade – about a decade before you saw kind of like-for-like deployments – 2010 for 4G, 2020 for 5G. So you could maybe anticipate we'd be looking at broad deployments of 6G technology by the beginning of the next decade.

MR. RUBENSTEIN: So I missed the 4G revolution a bit. And so I didn't invest in Uber, other things that were helped by 4G. What would be the kind of companies I should invest in that are going to be helped by 5G?

MR. SIEVERT: I'd say two or three things. One, anything that is about taking very high capacity, very low latency – meaning fast response times – into the mobile realm are going to be things that benefit from 5G. So right off the bat, telepresence, gaming. Gaming on mobile devices have always had a disadvantage until now. Metaverse. There's obviously tens of billions going into Metaverse. And, you know, whether this will be 3-D TVs or whether it'll be the future of how we live our lives is up for grabs. But I think it'll be somewhere in between, and it's a serious deal.

And so Metaverse, it's a massive – augmented reality is about transmitting massive amounts of data across a mobile network and then returning you an experience that improves your life somehow. And all that has to happen in real-time. Look at telepresence. We learned in COVID – thank goodness COVID happened in 2020 and not 2010. We were able to – we were able to do video and get by. But let's face it, it wasn't as good. It wasn't like being there. There's a reason we gather here and we travel for business. It's so we can have eye contact, and we can have, you know, synchronous communication. We can interrupt each other and build on each other's ideas, and we can build trust.

Those kinds of things don't happen in telephony yet, because telephony's not good enough yet. They require low latency, massive connectivity, combined with hardware and software innovation. That's what you saw on 4G. 4G – as I said, 4G came along before smartphones. And people looked at that and said: The iPhone is going to be possible, or Android phones are going to be possible. And the applications that we now take for granted all emerged on the back of 4G technology. And that innovation cycle is happening at pace right now.

MR. RUBENSTEIN: OK. So I should be happy with 5G, right?

MR. SIEVERT: Absolutely.

MR. RUBENSTEIN: OK, and not wait for 6G?

MR. SIEVERT: No, go ahead and jump in, David. I think it's – yeah. Don't – yeah.
[Laughter.]

MR. RUBENSTEIN: It's safe to jump in? So, by the way, what type of phone do you use?

MR. SIEVERT: I carry an iPhone.

MR. RUBENSTEIN: iPhone. And do you subscribe to your competitors to see how they're doing?

MR. SIEVERT: Absolutely. I'm obsessed –

MR. RUBENSTEIN: On one phone you have different – you can do that?

MR. SIEVERT: Yeah. Oh, yeah, absolutely. I mean, look, part of what I do – I go around – I try and take care of customers and I try and take care of our network. And so, like, I'm only one guy, but I'm interested in this. So everywhere I go, I'm obsessed with the signal. And if there's a place where we don't have signal that the other guys do, I want – expect something to be done about that. [Laughs.] So yeah, I look at those all the time.

MR. RUBENSTEIN: How many customers do you have?

MR. SIEVERT: A hundred and ten million.

MR. RUBENSTEIN: All right. How many of those 110 million pay each month via check?

MR. SIEVERT: Very, very few.

MR. RUBENSTEIN: Me. I'm the only one.

MR. SIEVERT: Yeah. [Laughter.] You do that at the grocery store too? You're that guy, aren't you?

MR. RUBENSTEIN: I take out cash, actually. [Laughter.] But so people actually do it online, they pay online, right?

MR. SIEVERT: Yeah. You just tap your card, David.

MR. RUBENSTEIN: And today when you get a complaint from one of your customers, what's the typical biggest – most common complaint?

MR. SIEVERT: Well, it's the same actually across the industry. People are interested in their signal. They want it to work where they want it to work. And if it doesn't work reliably in the places they need it to, that's the key source of dissatisfaction. Not at T-Mobile, but at any of the providers in the industry. And then the other is confusion over their bill. I mean, I don't think still – and we've made great strides on this particularly at T-Mobile through our un-carrier movement.

But, you know, it's – we, the industry, are still making this industry too complicated for consumers. I mean, ultimately what we do is pretty simple. We transmit a signal for you to your industry standard Samsung or iPhone, or Android phone. And we charge you by the month for

that. It shouldn't be so complicated. But it is, and people get confused about their bill, or say that the promotion wasn't right.

MR. RUBENSTEIN: But does anybody get a bill anymore that has each of your calls that you make? Because in the old days you paid for each call. Does anybody get those anymore?

MR. SIEVERT: Yeah. You're wondering if you've got call logs? Yeah. Yeah.

MR. RUBENSTEIN: I'm just wondering whether – everybody gets a monthly charge. It doesn't make a difference how many calls you make anymore?

MR. SIEVERT: No. But you can – you can access that information in our app.

MR. RUBENSTEIN: You can?

MR. SIEVERT: We don't – we don't –

MR. RUBENSTEIN: Suppose somebody says: I just want to make two or three calls a month. I don't want to pay for a whole bunch of things. Can you actually only pay by the call? Or nobody does that anymore?

MR. SIEVERT: No.

MR. RUBENSTEIN: OK.

MR. SIEVERT: Yeah.

MR. RUBENSTEIN: All right. So let's talk about your company.

MR. SIEVERT: Yeah.

MR. RUBENSTEIN: When COVID came, how were you running the company? Were you staying at home? What were you doing?

MR. SIEVERT: Well, for us it was fascinating. We had the additional complication of creating our new company on April 1 of 2020. So we received our judgment in the federal case in February. That set up a very short period. And we closed the transaction and created what's now T-Mobile on April 1 of 2020, about three weeks after sending everybody home.

And at that point, we had 80 percent of our stores were even closed. Our staff was at home. We were rapidly figuring out how to take 3 million customer care calls a week from people's homes, instead of from our customer experience centers. And, you know, it was a crazy time. But we had the additional complexity of becoming a company and welcoming the other half of our company during that, like, five minutes into it. And of course, that was my first day as CEO as well.

MR. RUBENSTEIN: Well, suppose you were – OK, let me make sure I understand. If you were a Sprint customer and you get merged with T-Mobile, how many people said: I really like Sprint. I'm not going to stay with T-Mobile. Did people drop? Or they just had no choice, they had to stay?

MR. SIEVERT: Well, this is the first merger where we've been able to separate out the migration moments and to make it way more customer friendly. So your rate plan, your network you're connected to, the brand and the offers, the devices, each one of these are a discrete decision that you don't – you can make or not make, which is so much more customer friendly than prior mergers, and better for our operations. So what we started to do was just simply give Sprint customers more and more and more network from the T-Mobile side, by redirecting their phone to the closest and best tower.

So they started seeing their signal improve, and they liked that. And then we start telling them, well, that's T-Mobile making your signal better. And they liked that. And then we said, so, you want to switch to a T-Mobile plan, and also see if we can save you some money? Well, OK, maybe. How about a new phone? And it's basically this kind of progression. And we're near the end of that process now.

And so in an industry famous for – like, rife with just disastrous mergers, I think we have a chance of showing up at the three-year point next year basically put a pin in this as the most successful telecom merger in the history of our industry. And the hardest parts are now behind us. We're doing the network shutdown of Sprint right now because substantially all the traffic is on the T-Mobile side. And it's going great. And people are really appreciating the stronger signal from the combined – the new combined footprint, as some of those towers, plus all of those towers.

MR. RUBENSTEIN: So if somebody calls up and says: I want to see my monthly calls, who I made calls to for my own records –

MR. SIEVERT: They don't. But you do. And I'm going to make sure you get that information.

MR. RUBENSTEIN: Well, like, let's suppose the government of the United States says, we're investigating people that made calls. Do you have to get a, like, say, a court order for you to give that information up, more or less?

MR. SIEVERT: Yeah. Yeah, there's a standard industry process by which we reply to subpoenas. And they happen at scale. I mean, we have an entire operation under Mark Nelson here in the front row that responds to those subpoenas and provides the data that's required.

MR. RUBENSTEIN: OK. So your company is based in Bellevue. Is that the centrally most located place you could have, or?

MR. SIEVERT: Yeah, it's on the way to everything, isn't it? [Laughter.] Yeah. Yeah.

MR. RUBENSTEIN: So why – I'm just curious, why is it in Bellevue?

MR. SIEVERT: Yeah. Yeah, when people come see us we know we matter, you know? It's great. [Laughter.]

MR. RUBENSTEIN: OK.

MR. SIEVERT: No, I mean, our – as I said, our industry was really started in the Seattle area. And so an awful lot of the – when I was CMO at AT&T wireless in 2002 it was based in Redmond, Washington back then. It eventually made its way, with the Cingular and SBC and BellSouth, and AT&T mergers to Dallas. But that was the headquarters then for the wireless operation and the wireless company. And so it's just, you know, strong roots for our industry. Clearwire was based in Seattle.

MR. RUBENSTEIN: So if you were to compare the service that you provide to your customers with the service wireless operators provide in any other country in the world, is there any country in the world you think does a better job than your company, or other – your competitors, in providing cellular telephone service to people?

MR. SIEVERT: Yeah, because some countries are very small. And so you can get the equivalent of what our service is like inside one of our – one of our metros, like in New York City, where we're number one or, you know, L.A., or Chicago, or Miami, all of which where we're number one. You've got countries that have that kind of a footprint. And so those are countries that got 5G very quickly. You know, South Korea's a great example. A very well-covered country.

MR. RUBENSTEIN: Where do you think the industry is heading? In other words, you have a lot of customers now, but are you going to get into other businesses? What's the future? Do you want to be a cellular telephone company the rest of your life? Or do you want to be a technology company that does more than cellular?

MR. SIEVERT: Well, we'll be guided by our mission – best in the world at connecting customers to their world. And that means maybe. You know, and what I like about us right now is that we are a mobile internet company at a time when the mobile internet, you know, is taking over. But we've got advantages that could allow us to smartly move into adjacencies. We just need to be smarter than, you know, others in our industry have been in the past, and make sure they're true adjacencies. But our brand is incredibly strong. Our team is highly differentiated by every measure of customer experience. We have an incredible network. We have incredible data. And so all these things can inform businesses. But for me, it's about making sure that, you know, we are in businesses where we have the competency and the permission to win. And so far, that's really working.

MR. RUBENSTEIN: And today your workforce. Approximately, you have 75,000 employees? Seventy-five thousand employees. What's the diversity in that? And how are you improving your diversity?

MR. SIEVERT: We are 59 percent diverse in terms of ethnic diversity. And like most companies, that goes down a little bit as you get to the most senior levels. But DE&I's been part of our, you know, strengths for a long time in our company. That being said, like many companies, you know, we've created a revitalized, renewed effort on it in 2020. Not just because of the big events that happened then, but also because we created a five-year what we call equity in action plan in 2020.

And hired an external advisory council of some of the best thinkers in this space in the country – people like Marc Morial of the Urban League, Rev. Al Sharpton. You know, incredible leaders from major national organizations who have committed their time to us, to meet with us several times a year, review our data, give us advice and direction. And so between that and the plans themselves of how we're operating, we're seeing our numbers move. And it's been really exciting to see.

MR. RUBENSTEIN: The average person uses his or her cellphone how many minutes or hours a day, would you say?

MR. SIEVERT: Well, it's hours.

MR. RUBENSTEIN: Hours?

MR. SIEVERT: Yeah. And it's – you know, you look at a customer like our Magenta MAX customers – our most popular plan, the one they offered you – which includes global data in 220 countries around the world. [Laughter.] You know, those customers are using now three times more than a typical customer on a typical connection – 4G connection. It's so cool. I mean, five times more gaming, you know, three times more streaming media. And so it's –

MR. RUBENSTEIN: What about people who are addicted to looking at their phone every two minutes or so? Is that a problem you can solve, or? [Laughter.]

MR. SIEVERT: It's not the highest on my list. [Laughter.] But, yeah. But one of the things that's interesting is that it's not just about your phone anymore. It's mobile technology. But what's – you know, the last two quarters in a row, the nation's fastest-growing home broadband provider of any kind is T-Mobile. So, like, you know, we're powering now your entire internet connection in your entire house. And we had more new customers join T-Mobile than cable – than any cable company, more than AT&T or Verizon, last quarter and the quarter before. And, you know, it's a brand-new service of ours. And so it's fascinating now how this technology is able to solve problems outside the traditional realms. And it's not just about your phone.

MR. RUBENSTEIN: What part of the country uses cell phones the most? In other words, is it – let's say per person, is it one hour a day in Washington, two hours a day in New York? Or do you know how that works?

MR. SIEVERT: I actually don't.

MR. RUBENSTEIN: Really? There's one thing you don't know.

MR. SIEVERT: I don't know it. [Laughter.] But I would assume, based on how much spectrum we have dedicated, it can be a proxy, that the big urbans, like New York, and L.A. –

MR. RUBENSTEIN: Let's talk about your own background for a moment. Now, you grew up in Canton, Ohio. That's where the Football Hall of Fame is. Is that what you spent a lot of doing, going to that, when you were growing up, or what?

MR. SIEVERT: Yeah, do I look like a major football athlete? Yeah. [Laughter.]

MR. RUBENSTEIN: Right. So you did well in high school. You were most likely to succeed or something like that?

MR. SIEVERT: I was. But more importantly, I was voted most likely to be a TV game show host. And that is something I have not yet made good on. So, yeah.

MR. RUBENSTEIN: All right. So you want to Wharton. Did you know you wanted to be in business?

MR. SIEVERT: I did, yeah. I think I'm one of the few people – maybe not few – but I'm one of the people doing what I dreamt of doing when I was a teenager. I read, you know, the celebrity CEO – like Lee Iacocca's book came out in the '80s, when I was a teenager. And I read that. And I was like, I want to lead a great American company one day. And here we are.

MR. RUBENSTEIN: Now, you've led – you've been in a lot of different companies. Is that because you can't hold a job, or you just get promoted up? [Laughter.]

MR. SIEVERT: Yeah. Yeah, well, that's my mom's version of it. [Laughter.] Yeah, she – my mom's version is that – yeah, he has trouble holding down a job.

MR. RUBENSTEIN: Well, you've been in a lot of companies. Why did you start at Procter –

MR. SIEVERT: They tire of me after a couple of years.

MR. RUBENSTEIN: But you started at Procter & Gamble. It's a nice company. But what were you doing there?

MR. SIEVERT: You know, I wanted to be – I looked out of school at consulting and at marketing. And I had opportunities in both. And I decided marketing would be my best path to general management, just based on what I'm good at. And so I chose a place where I could really learn marketing, Procter & Gamble. But I always knew I wanted to be in technology. And I bought my first PC, if you want to call it that, in 1977 with proceeds from my newspaper route. A TRS-80 model 1? Remember that computer? You had one of those? Yeah. And I didn't – I couldn't afford the floppy disk drive, so I had the cassette tape deck as my – as my storage.

And so I've been passionate about technology literally my whole life. And so I wanted to be in marketing, but I also wanted to make my way to technology. So my first two jobs were sort of informed by that. I learned marketing for six years at Procter & Gamble, then went to IBM to learn technology. And thought I would stay at IBM. I was really enjoying it. But the dot-com boom of the '90s started to take root, and I headed to California to lead marketing –

MR. RUBENSTEIN: So what do you do to stay in shape or exercise or relax? What do you ever do?

MR. SIEVERT: You know, Suzanne and I love to be outdoors. And it's a big part of the culture up in the northwest. But I'm not much of an exercise guy. You know, we walk. [Laughs.]

MR. RUBENSTEIN: You don't exercise much? You walk? You don't climb mountains, like your son?

MR. SIEVERT: No, not like – not a mountain climber, like Nate. I guess I have very shallow hobbies, David. My hobbies all involve operating vehicles. So, you know, whether it's, you know, boats, or cars, or airplanes. I have a seaplane and I'm a pilot, and that's kind of one of my passions.

MR. RUBENSTEIN: Is that safe for you? [Laughter.] I mean, you're the CEO of a big company. Do they mind you flying around in a seaplane? [Laughter.]

MR. SIEVERT: Yeah. I don't know, and I don't care. [Laughter.] But, no, statistically operating single-engine planes is a – is about like riding a motorcycle. Neither, statistically, are particularly safe activities. But what differentiates them is I think how much focus and dedication you put into the safety. Which, to me, is the hobby. It's about taking it seriously. And definitionally a hobby should – this does it literally – but it should figuratively transport you. It needs to transport your mental state into something other than your day-to-day concerns. And for me, when I'm operating an aircraft, there's no room in my brain for everything else, because I'm very focused on what's required to make sure –

MR. RUBENSTEIN: But do you take a co-pilot?

MR. SIEVERT: Well, my plane is really small, and it seats two of us. And Suzanne is not a pilot, but she has practiced landing it. But also, it has a – it has a full ballistic parachute system. And so if something were to happen to me, she can pull the chute and the entire aircraft comes down –

MR. RUBENSTEIN: Does that make you feel safe, that they designed it with a parachute in it? [Laughter.]

MR. SIEVERT: Yeah. Yeah, no, but importantly it makes her feel safe. And I think that's the – you know, that's the difference maybe. [Laughs.]

MR. RUBENSTEIN: OK. So you're in Washington today, I assume, for some – a lot of other things other than this. Are you seeing government regulators, legislators? Is that an uplifting experience for you when you do this? [Laughter.]

MR. SIEVERT: Yeah. Yeah. Yeah, I think, like most business leaders, you know, I find myself here reasonably regularly. And it's mainly to visit with government. And, you know, we're doing that tomorrow all day long. But, yeah.

MR. RUBENSTEIN: But, like, what are you trying to get from –

MR. SIEVERT: Time-wise, the main purpose of the trip was to come see you, and appreciate –

MR. RUBENSTEIN: So generally, what are you trying to get the government to do that they're not doing? Be efficient or something?

MR. SIEVERT: Your government at work. [Laughter.] We're interested in all kinds of issues, including the ones I talked about. As you know, legislation was passed recently that is very interested in making sure every American in this country – in this country is covered by broadband. And we're interested in that as well. So that's a topic of interest. Making sure – taxation is of big interest for us. There's –

MR. RUBENSTEIN: Higher taxation, or?

MR. SIEVERT: Well, fair taxation.

MR. RUBENSTEIN: Fair taxation.

MR. SIEVERT: You know, what's interesting is there's some – there's some real wonky stuff in the – in the proposed tax codes that could unfairly tax T-Mobile relative to our two principal competitors, AT&T and Verizon. We don't –

MR. RUBENSTEIN: Is that by accident? Or their lobbyists were better than yours, or what? [Laughter.]

MR. SIEVERT: No, I think it's – I think it's by accident, yeah. But we need to make sure it doesn't happen.

MR. RUBENSTEIN: All right. So you're going to let people know about that.

MR. SIEVERT: Yeah.

MR. RUBENSTEIN: OK. So today you've been doing – you've been the CEO for about two years, but you've been at the company for quite a while. And you're a CEO. Your predecessor was a very legendary figure, John Legere. Why did he step down? He was a relatively young guy. Did you say to him, if you don't step down I'm going elsewhere? Or why did he step down?

MR. SIEVERT: No, you know, I think – you know, it was timed with the merger. And, you know, John was just essential at conceiving of and working on this merger. And I think he viewed it as just a fantastic milestone. You know, you think about when – John and I both arrived about the same time in 2012. I came – he recruited me, but I came about four or five weeks after him. And, you know, T-Mobile was a distant number four, shrinking rapidly. We lost 2.2 million customers in 2012, just inside that year. And, you know, you think about what he was able to do with his team, it's historic. And, you know, then to culminate it in this merger and create this new company, you know, it's just an incredible run. For me, it's been a privilege to be, you know, a part of that, as –

MR. RUBENSTEIN: So you've only been CEO two years, and you're young. So you could do this another 10 years or so?

MR. SIEVERT: I heard you – you know, you were mentioning – you were suggesting maybe 30, which is – yeah, look, I don't know. It could be short, it could be long. It's –

MR. RUBENSTEIN: You'd be younger than the president of the United States in 30 years, right? [Laughter.]

MR. SIEVERT: Yeah. Yeah, look, I really like this. And I think for all of us in our careers, we should do what we're doing if we like it, if we're adding value, if people around us still want us to –

MR. RUBENSTEIN: But no interest in going into government service or anything like that?

MR. SIEVERT: I wouldn't rule anything out. You know, like you said, I'm a relatively young guy.

MR. RUBENSTEIN: OK.

MR. SIEVERT: Yeah.

MR. RUBENSTEIN: And today, what is the number of customers you're getting from those mobile stores? You have – how many stores do you have around the country?

MR. SIEVERT: A little under 15,000.

MR. RUBENSTEIN: And do they produce – how many – how many people do they sign up a day on average? Do they have quota they have to sign up or you close the store?

MR. SIEVERT: No. [Laughs.] You know, most of our traffic in our stores is taking care of our customers. So we do – it is the key place people come when they want to switch to T-Mobile. But most of the traffic is people coming in to get their new phone, or to, you know, get a problem solved, or even to pay their bill. Metro by T-Mobile, which is our flagship prepaid brand, operates several thousand of those stores. And we – an awful lot of our customers with

Metro come in every month with money to pay their bill. That's how they pay, is to come to our store.

MR. RUBENSTEIN: Do they pay in cash or something?

MR. SIEVERT: Yes.

MR. RUBENSTEIN: Wow.

MR. SIEVERT: You know, it's \$40 a month. They come with two twenties. And we don't charge taxes and fees. So you can hand us two twenties and see you next month.

MR. RUBENSTEIN: If somebody doesn't pay their bill, how long before you cut off their service?

MR. SIEVERT: Well, what's interesting about prepaid is you have this low price and predictable, but you must pay it in time, or it doesn't keep working. So that's Metro. On T-Mobile, we have a significant number of our customers that get a little behind, and then they reach out to us and we do a payment plan with them to try to give them time. Sometimes it's weeks and weeks. But almost all of them cure that eventually. So people run in – and this is a competency that I think will serve us well if a recession comes. Because we've always been great at figuring out ways to profitably serve people who have variable economic circumstances. Sometimes they've got money, and then they have a patch where they don't. And you know, what? Most of them will cure that. You give them the time and space – because this is an essential product. They don't want it cut off. You give them the time and the patience, they will find a way.

MR. RUBENSTEIN: But how much time to give – let's suppose somebody just forgets the bill, or the bill went to the wrong address, or something. How long does it take before you cut them off?

MR. SIEVERT: Well, as long as they come to the app, most of our payment arrangements are actually done in our app. So they've got the T-Mobile app in their phone. And they can just ask for more time, and we grant it. And in some cases it's – you know, it's weeks and weeks.

MR. RUBENSTEIN: But after they don't pay for a month or two or three, you finally figure out they're not going to pay.

MR. SIEVERT: Are you trying to figure out when you switch how to optimize – [laughter] – yeah. It's great. Because when we get you, we want to make sure that you understand the flexibility that's available to you.

MR. RUBENSTEIN: I just wondered how – OK. So what is the pleasure of running a cellular telephone company? I mean, why would you tell somebody who's graduating from college or business school or whatever school they should join this industry?

MR. SIEVERT: Well, part of it is the, you know, impact that we have. And, you know, to me, it's fascinating. You think about – you ask people about this product. This product that we offer, people will literally stack rank right up there with their rent and their food. I mean, it's above their personal hygiene products. Think about that in a crowded room. And so it's important. And it's important to get it right. And it's advanced technology. And so for me, what I love it, as somebody who's really interested in customers and people and marketing, and really interested in technology, is that for me the career is about marrying those two things.

And it's incredibly intellectually interesting to do that, because I get to play in technology problems that are incredibly sophisticated, and in, you know, an all-out brand war that's as epic as Coke-Pepsi of the 1980s. And, you know, I think that's – I love it. And our people love that. Our retention rates are terrific, you know.

MR. RUBENSTEIN: So the United States has roughly 330 million people. Let's say, above the age of, I don't know, 15 maybe you have, I don't know, maybe 280 million people. I'm not sure. What percentage of those adults, would you say, have a cellphone?

MR. SIEVERT: Substantially all of them. From about 11 years old up.

MR. RUBENSTEIN: What age do children get it? Is that when they get them now? And they lobby their parents and 11 years old? Do you have ads that say, kids, get your parents to get you a phone?

MR. SIEVERT: It corresponds with unsupervised play. So every parent's different, but unsupervised play starts to happen at 10, 11, 12, where I'm going down to the park. It's two blocks away. And I'll see you at dinner. And I'll be gone for two hours, with no one chaperoning me. And that tends to happen with many parents around age 11. And they're, like, you can go to the park. Here's your phone. Or here's your phone watch, or something.

MR. RUBENSTEIN: But you can monitor where your children are on your phone, right? Do you have to get their permission to do that?

MR. SIEVERT: No.

MR. RUBENSTEIN: Really?

MR. SIEVERT: Yeah.

MR. RUBENSTEIN: So you have two children. Do you know where they are all the time?

MR. SIEVERT: Yeah, but my children are adults. They're 27 years old.

MR. RUBENSTEIN: Right, OK. [Laughter.]

MR. SIEVERT: But they're also Millennials. And Millennials aren't that interested in privacy. So they don't care.

MR. RUBENSTEIN: And can the children monitor where their parents are?

MR. SIEVERT: Yeah. Oh, yeah, definitely.

MR. RUBENSTEIN: Oh, wow. OK. So the greatest pleasure you're getting is basically servicing the country and getting them this service. Is that why you like your job?

MR. SIEVERT: Yeah. I like the – I like the competitiveness. You know, when we created this new company we promised the government, that took two years to decide, we would create a more competitive market. And that's what's we've done. And, you know, I love this industry, in that, yeah, I worked at Microsoft for a few years. And I would kind of get a – I ran the global Windows business. I would get a report, like, every month. How are we doing? Almost, I'm exaggerating a little. But, like, every morning I get a report at 8:00 in the morning and it says how we did yesterday across every aspect of our operation. And two, three, four of those reports makes a trend.

And, you know, and we've just focused tenaciously on how to run this company the best it can possibly be run against scaled competitors that are some of the richest companies in the world. I love that. I just think, you know, that's –

MR. RUBENSTEIN: So you seem like a very happy person, generally speaking. You don't –

MR. SIEVERT: So do you, right? [Laughter.]

MR. RUBENSTEIN: So do you ever get depressed about anything? I mean, you seem like you're a pretty happy guy. I mean, how can you be so happy?

MR. SIEVERT: Yeah. [Laughter.] Do you know, Suzanne and I are celebrating 30 years of marriage this next month. And so that's one of the things that –

MR. RUBENSTEIN: Wow, good for you. [Applause.] You met her in –

MR. SIEVERT: Yeah, we talked about this earlier. I met her move-in day freshman year of undergrad at Penn. We had the same – we were in a co-ed dorm on the same floor. And, you know, we've been together ever since. And, you know –

MR. RUBENSTEIN: What's the odds of that?

MR. SIEVERT: Yeah. Two wonderful kids.

MR. RUBENSTEIN: Well, good for you.

MR. SIEVERT: And, you know, I can't complain.

MR. RUBENSTEIN: Look, it's a great story. Congratulations on your success. I have a little gift for you that I will give you.

MR. SIEVERT: Thank you.

MR. RUBENSTEIN: Let's see. Where is it? Right here. OK. This is a historic map of our nation's capital.

MR. SIEVERT: Oh, very nice. [Laughs.]

MR. RUBENSTEIN: Thank you. [Applause.]



Mike Sievert
Chief Executive Officer
T-Mobile

Mike Sievert is the CEO, and serves as a member of the board of directors of T-Mobile. Prior to becoming CEO, he served as President and COO, and as CMO, of T-Mobile, starting with the company in 2012.

Preceding T-Mobile, Mike had a nearly 25-year career in marketing, technology, and entrepreneurship, and has held leading executive positions in companies including serving as Chief Commercial Officer at Clearwire Corporation, a broadband and communications provider, as co-founder and Chief Executive Officer of Switchbox Labs, Inc., a consumer technologies developer, Corporate Vice President of the worldwide Windows group at Microsoft Corporation and Executive Vice President and Chief Marketing Officer at AT&T Wireless.

Mr. Sievert serves on the board of directors of Shaw Communications in Canada. He graduated with a bachelor's degree in Economics from the Wharton School at the University of Pennsylvania.

Founded in 1994, T-Mobile, together with its subsidiaries, provides mobile communications services to more than 109 million customers in the United States, Puerto Rico, the U.S. Virgin Islands, and parts of Europe. As of December 31, 2021, it operated approximately 102,000 macro cell and 41,000 small cell/distributed antenna system sites. The company's controlling stockholder is Germany's Deutsche Telekom.