



February 2, 2018

Financial Accounting Standards Board
401 Merritt 7
P.O. Box 5116
Norwalk, CT 06856-5116

Delivered Electronically

RE: File Reference No. 2018-200, Proposed Accounting Standards Update, Leases (Topic 842)– Targeted Improvements

T-Mobile US, Inc. is pleased to have the opportunity to comment on the Financial Accounting Standard Board's exposure draft issued on January 5, 2018 related to Leases (Topic 842): Targeted Improvements (the "ED"). The ED is of particular interest to us as we are a leading provider of wireless communication services in which communications data is transported over an expansive network of leased cell sites and backhaul solutions. Additionally, we lease handsets and other devices to our customers whereby T-Mobile is the lessor.

We fully support the amendments related to Issue 1 in the ED that allows for an additional adoption method in which an entity would apply the transition requirements as of the effective date of the standard instead of as of the first period presented in the financial statements. The elimination of the requirement to restate prior presented periods will help reduce the costs and complexity of transitioning to and applying the new lease standard, particularly as it relates to data gathering and implementation of new systems and processes. We have a significant portfolio of leases with complex terms that require a new system to comply with the accounting requirements under ASC 842. This amendment will allow us to focus our efforts on designing the system to support ongoing lease accounting rather than including elements that would only be utilized to support the accounting during the lookback period. Further, the proposed transition method more closely aligns with the transition method required in IFRS 16. As an entity that is required to report under both US GAAP and IFRS, this alignment would provide significant cost savings as a result of decreased transition differences between the standards.

We also support the practical expedient provided to lessors in Issue 2 in the ED which allows a lessor to make an election to not separate non-lease components from the related lease components and instead account for those components as a single lease component. Similar to the relief provided to lessees, this practical expedient would help reduce the cost and complexity that can arise from the judgement inherent in assessing the allocation between lease and nonlease components as well as the system requirements to support such allocations. Because the revenue recognition pattern is required to be similar for both

components, we do not believe this practical expedient would lead to a decrease in the quality of financial information provided to financial statement users.

We and our majority shareholder, Deutsche Telekom AG, see the proposed amendments by the FASB as a substantial relief without sacrificing the quality of the financial statements. Any alignment between U.S. GAAP and IFRS on current and future amendments will also allow for cost savings as a result of decreased accounting differences between the standards. We encourage the FASB to continue to engage with the IASB to issue a similar practical expedient for lessors under IFRS to avoid further US GAAP differences.

We appreciate the Board's consideration of some of the challenges stakeholders have faced during the implementation of ASC 842. If you have any questions concerning our comments, please contact Dan Drobac at 425-383-4957 or Sarah Sarion at 425-383-5807.

Sincerely,



Dan Drobac
VP, Controller
T-Mobile US, Inc.

Sincerely,



Sarah Sarion
Senior Manager, Accounting Policy
T-Mobile, US, Inc.