METROPCS COMMUNICATIONS INC (PCS)

10-Q

Quarterly report pursuant to sections 13 or 15(d)
Filed on 08/09/2010
Filed Period 06/30/2010

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

Form 10-Q

☑ **QUARTERLY REPORT PURSUANT TO SECTION 13 or 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2010

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

METROPCS COMMUNICATIONS, INC.
(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization)	**20-0836269** (I.R.S. Employer Identification No.)
2250 Lakeside Boulevard **Richardson, Texas** (Address of principal executive offices)	**75082-4304** (Zip Code)

(214) 570-5800
(Registrant's telephone number, including area code)

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 and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☑ No ☐

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

Large accelerated filer ☑	Accelerated filer ☐
Non-accelerated filer ☐ (Do not check if a smaller reporting company)	Smaller reporting company ☐

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

On July 30, 2010, there were 353,890,321 shares of the registrant's common stock, $0.0001 par value, outstanding.

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METROPCS COMMUNICATIONS, INC.
Quarterly Report on Form 10-Q

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* No reportable information under this item.

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PART I.
FINANCIAL INFORMATION

Item 1. Financial Statements

MetroPCS Communications, Inc. and Subsidiaries
Condensed Consolidated Balance Sheets
(in thousands, except share and per share information)
(Unaudited)

	June 30, 2010 (1)	December 31, 2009 (1)
CURRENT ASSETS:		
Cash and cash equivalents	$ 776,540	$ 929,381
Short-term investments	299,859	224,932
Inventories, net	195,363	147,401
Accounts receivable (net of allowance for uncollectible accounts of $2,396 and $2,045 at June 30, 2010 and December 31, 2009, respectively)	47,786	51,536
Prepaid expenses	65,407	48,353
Deferred charges	64,787	59,414
Deferred tax assets	5,959	1,948
Other current assets	31,824	28,426
Total current assets	1,487,525	1,491,391
Property and equipment, net	3,306,443	3,252,213
Restricted cash and investments	13,132	15,438
Long-term investments	6,319	6,319
FCC licenses	2,471,930	2,470,181
Other assets	193,773	150,475
Total assets	$ 7,479,122	$ 7,386,017
CURRENT LIABILITIES:		
Accounts payable and accrued expenses	$ 426,444	$ 558,366
Current maturities of long-term debt	19,921	19,326
Deferred revenue	196,864	187,654
Other current liabilities	34,345	32,123
Total current liabilities	677,574	797,469
Long-term debt, net	3,628,544	3,625,949
Deferred tax liabilities	583,835	512,306
Deferred rents	91,236	80,487
Other long-term liabilities	81,389	81,664
Total liabilities	5,062,578	5,097,875
COMMITMENTS AND CONTINGENCIES (See Note 11)		
STOCKHOLDERS' EQUITY:		
Preferred stock, par value $0.0001 per share, 100,000,000 shares authorized; no shares of preferred stock issued and outstanding at June 30, 2010 and December 31, 2009	0	0
Common stock, par value $0.0001 per share, 1,000,000,000 shares authorized, 353,603,839 and 352,711,263 shares issued and outstanding at June 30, 2010 and December 31, 2009, respectively	35	35
Additional paid-in capital	1,659,854	1,634,754
Retained earnings	767,269	664,693
Accumulated other comprehensive loss	(9,762)	(11,340)
Less treasury stock, at cost, 126,855 and no treasury shares at June 30, 2010 and December 31, 2009, respectively	(852)	0
Total stockholders' equity	2,416,544	2,288,142
Total liabilities and stockholders' equity	$ 7,479,122	$ 7,386,017

(1) As a result of the adoption of certain provisions of Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 810 (Topic 810, *"Consolidation"*), the Company is required to separately disclose on its condensed consolidated balance sheets the assets of its consolidated variable interest entity ("VIE") that can be used only to settle obligations of the VIE and liabilities for which creditors do not have recourse to the Company.

As of June 30, 2010, $851.7 million related to the consolidated VIE were included in the Company's total assets, which consist of $14.7 million of cash and cash equivalents, $0.1 million of accounts receivable, net, $8.0 million of prepaid expenses, $1.3 million of other current assets, $511.8 million of property and equipment, net, $0.3 million of restricted cash and investments, $293.6 million of FCC licenses and $21.9 million of other assets.

As of December 31, 2009, $807.2 million related to the consolidated VIE were included in the Company's total assets, which consist of $16.8 million of cash and cash equivalents, $0.1 million of accounts receivable, net, $7.6 million of prepaid expenses, $0.5 million of other current assets, $463.7 million of property and equipment, net, $0.3 million of restricted cash and investments, $293.6 million of FCC licenses and $24.6 million of other assets.

As of June 30, 2010, $49.3 million related to the consolidated VIE were included in the Company's total liabilities, which consist of $14.7 million of accounts payable and accrued expenses, $0.2 million of current maturities of long-term debt, $12.1 million of long-term debt, net, $13.2 million of deferred rents, and $9.1 million of other long-term liabilities.

As of December 31, 2009, $33.7 million related to the consolidated VIE were included in the Company's total liabilities, which consist of $9.4 million of accounts payable and accrued expenses, $0.1 million of current maturities of long-term debt, $4.4 million of long-term debt, net, $10.9 million of deferred rents, and $8.9 million of other long-term liabilities.

The accompanying notes are an integral part of these condensed consolidated financial statements.

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MetroPCS Communications, Inc. and Subsidiaries
Condensed Consolidated Statements of Income and Comprehensive Income
(in thousands, except share and per share information)
(Unaudited)

	For the three months ended June 30, 2010	For the three months ended June 30, 2009	For the six months ended June 30, 2010	For the six months ended June 30, 2009
REVENUES:				
Service revenues	$ 922,137	$ 766,850	$ 1,775,420	$ 1,493,548
Equipment revenues	90,399	92,762	207,619	161,393
Total revenues	1,012,536	859,612	1,983,039	1,654,941
OPERATING EXPENSES:				
Cost of service (excluding depreciation and amortization expense of $95,883, $80,253, $190,826 and $152,572, shown separately below)	308,168	268,733	592,820	514,308
Cost of equipment	235,354	227,400	549,092	452,419
Selling, general and administrative expenses (excluding depreciation and amortization expense of $13,419, $11,122, $26,276 and $20,549, shown separately below)	158,600	142,321	318,510	278,731
Depreciation and amortization	109,302	91,375	217,102	173,121
Loss (gain) on disposal of assets	2,700	14,010	1,872	(10,898)
Total operating expenses	814,124	743,839	1,679,396	1,407,681
Income from operations	198,412	115,773	303,643	247,260
OTHER EXPENSE (INCOME):				
Interest expense	65,503	70,535	132,985	128,967
Interest income	(392)	(474)	(856)	(1,265)
Other expense (income), net	479	394	934	1,010
Impairment loss on investment securities	0	532	0	1,453
Total other expense	65,590	70,987	133,063	130,165
Income before provision for income taxes	132,822	44,786	170,580	117,095
Provision for income taxes	(52,907)	(18,590)	(68,004)	(46,926)
Net income	$ 79,915	$ 26,196	$ 102,576	$ 70,169
Other comprehensive income:				
Unrealized gains (losses) on available-for-sale securities, net of tax	91	27	124	(112)
Unrealized (losses) gains on cash flow hedging derivatives, net of tax	(4,191)	3,338	(10,218)	(3,627)
Reclassification adjustment for gains on available-for-sale securities included in net income, net of tax	(53)	(19)	(133)	(19)
Reclassification adjustment for losses on cash flow hedging derivatives included in net income, net of tax	5,071	8,116	11,805	14,838
Comprehensive income	$ 80,833	$ 37,658	$ 104,154	$ 81,249
Net income per common share: (See Note 10)				
Basic	$ 0.22	$ 0.07	$ 0.29	$ 0.20
Diluted	$ 0.22	$ 0.07	$ 0.29	$ 0.20
Weighted average shares:				
Basic	353,278,423	351,912,464	353,032,030	351,503,933
Diluted	355,685,446	357,087,331	355,151,112	356,940,117

The accompanying notes are an integral part of these condensed consolidated financial statements.

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MetroPCS Communications, Inc. and Subsidiaries
Condensed Consolidated Statements of Cash Flows
(in thousands)
(Unaudited)

	For the six months ended June 30, 2010	For the six months ended June 30, 2009
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 102,576	$ 70,169
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	217,102	173,121
Provision for uncollectible accounts receivable	58	111
Deferred rent expense	10,915	11,889
Cost of abandoned cell sites	903	4,607
Stock-based compensation expense	23,333	23,341
Non-cash interest expense	6,412	5,157
Loss (gain) on disposal of assets	1,872	(10,898)
Gain on sale of investments	(217)	0
Impairment loss on investment securities	0	1,453
Accretion of asset retirement obligations	1,285	2,397
Other non-cash expense	963	772
Deferred income taxes	65,700	44,998
Changes in assets and liabilities:		
Inventories, net	(47,962)	56,078
Accounts receivable, net	3,692	(19,604)
Prepaid expenses	(17,243)	(19,400)
Deferred charges	(5,374)	796
Other assets	11,082	12,618
Accounts payable and accrued expenses	(51,936)	87,107
Deferred revenue	9,211	19,816
Other liabilities	5,079	1,465
Net cash provided by operating activities	337,451	465,993
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(315,337)	(455,110)
Change in prepaid purchases of property and equipment	(18,551)	14,608
Proceeds from sale of property and equipment	6,356	3,571
Purchase of investments	(312,225)	(261,856)
Proceeds from maturity of investments	237,500	37,500
Proceeds from sale of restricted cash and investments	1,762	0
Acquisitions of FCC licenses	(1,976)	(12,371)
Proceeds from exchange of FCC licenses	0	949
Net cash used in investing activities	(402,471)	(672,709)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Change in book overdraft	(80,337)	(99,429)
Proceeds from 9 $^{1}/_{4}$% Senior Notes	0	492,250
Debt issuance costs	0	(11,925)
Repayment of debt	(8,000)	(8,000)
Payments on capital lease obligations	(1,224)	(1,450)
Purchase of treasury stock	(852)	0
Proceeds from exercise of stock options	2,592	7,112
Net cash (used in) provided by financing activities	(87,821)	378,558
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(152,841)	171,842
CASH AND CASH EQUIVALENTS, beginning of period	929,381	697,948
CASH AND CASH EQUIVALENTS, end of period	$ 776,540	$ 869,790

The accompanying notes are an integral part of these condensed consolidated financial statements.

MetroPCS Communications, Inc. and Subsidiaries
Notes to Condensed Consolidated Interim Financial Statements
(Unaudited)

1. Basis of Presentation:

The accompanying unaudited condensed consolidated interim financial statements include the balances and results of operations of MetroPCS Communications, Inc. ("MetroPCS") and its consolidated subsidiaries (collectively, the "Company"). MetroPCS indirectly owns, through its wholly-owned subsidiaries, 85% of the limited liability company member interest in Royal Street Communications, LLC ("Royal Street Communications"). The condensed consolidated financial statements include the balances and results of operations of MetroPCS and its wholly-owned subsidiaries as well as the balances and results of operations of Royal Street Communications and its wholly-owned subsidiaries (collectively, "Royal Street"). The Company consolidates its interest in Royal Street in accordance with ASC 810 as a VIE. The Company examined specific criteria and considered factors such as design of Royal Street, risk and reward sharing, voting rights, and involvement in significant capital and operating decisions in reaching its conclusion to consolidate Royal Street. All intercompany accounts and transactions between MetroPCS and its wholly-owned subsidiaries and Royal Street have been eliminated in the consolidated financial statements. The redeemable ownership interest in Royal Street is included in other current liabilities as of June 30, 2010 due to the controlling member exercising its right to put to MetroPCS Wireless, Inc. ("Wireless") its entire membership interest in Royal Street Communications in April 2010. The purchase of the membership interest in Royal Street Communications is conditioned on receipt of Federal Communications Commission ("FCC") consent and is expected to close on or after December 22, 2010. The redeemable ownership interest in Royal Street is included in other long-term liabilities as of December 31, 2009.

The condensed consolidated balance sheets as of June 30, 2010 and December 31, 2009, the condensed consolidated statements of income and comprehensive income and cash flows for the periods ended June 30, 2010 and 2009, and the related footnotes are prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP").

The unaudited condensed consolidated financial statements included herein reflect all adjustments (consisting of normal, recurring adjustments) which are, in the opinion of management, necessary to state fairly the results for the interim periods presented. Certain amounts reported in previous periods have been reclassified to conform to the current period presentation. The results of operations for the interim periods presented are not necessarily indicative of the operating results to be expected for any subsequent interim period or for the fiscal year.

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

The Company has thirteen operating segments based on geographic region within the United States: Atlanta, Boston, Dallas/Ft. Worth, Detroit, Las Vegas, Los Angeles, Miami, New York, Orlando/Jacksonville, Philadelphia, Sacramento, San Francisco and Tampa/Sarasota. Effective January 1, 2010, in accordance with the provisions of ASC 280 (Topic 280, "*Segment Reporting*"), the Company aggregates its thirteen operating segments into one reportable segment.

Federal Universal Service Fund ("FUSF"), E-911 and various other fees are assessed by various governmental authorities in connection with the services that the Company provides to its customers. Beginning in January 2010, the Company introduced a new family of service plans, which include all applicable taxes and regulatory fees ("tax inclusive plans"). The Company reports fees for the tax inclusive plans in cost of service on the accompanying condensed consolidated statements of income and comprehensive income. When the Company separately assesses these fees on its customers for those service plans that do not include taxes or regulatory fees, the Company reports these regulatory fees on a gross basis in service revenues and cost of service on the accompanying condensed consolidated statements of income and comprehensive income. For the three months ended June 30, 2010 and 2009, the Company recorded $21.5 million and $39.3 million, respectively, of FUSF, E-911 and other fees on a gross basis. For the six months ended June 30, 2010 and 2009, the Company recorded $44.6 million and $76.6 million, respectively, of FUSF, E-911 and other fees on a gross basis. Sales, use and excise taxes for all service plans are reported on a net basis in selling, general and administrative expenses on the accompanying condensed consolidated statements of income and comprehensive income.

MetroPCS Communications, Inc. and Subsidiaries
Notes to Condensed Consolidated Interim Financial Statements
(Unaudited)

2. Share-based Payments:

In accordance with ASC 718 (Topic 718, "*Compensation – Stock Compensation*"), the Company recognizes stock-based compensation expense in an amount equal to the fair value of share-based payments, which includes stock options granted and restricted stock awards to employees. The Company records stock-based compensation expense in cost of service and selling, general and administrative expenses. Stock-based compensation expense was $11.9 million and $12.7 million for the three months ended June 30, 2010 and 2009, respectively. Cost of service for the three months ended June 30, 2010 and 2009 includes $0.7 million and $1.3 million, respectively, of stock-based compensation. For the three months ended June 30, 2010 and 2009, selling, general and administrative expenses include $11.2 million and $11.4 million, respectively, of stock-based compensation. Stock-based compensation expense was $23.3 million and $23.3 million for the six months ended June 30, 2010 and 2009, respectively. Cost of service for the six months ended June 30, 2010 and 2009 includes $1.8 million and $2.0 million, respectively, of stock-based compensation. For the six months ended June 30, 2010 and 2009, selling, general and administrative expenses include $21.5 million and $21.3 million, respectively, of stock-based compensation.

Restricted Stock Awards

Restricted stock awards are share awards that entitle the holder to receive shares of the Company's common stock which become fully tradable upon vesting. During the three and six months ended June 30, 2010, pursuant to the Amended and Restated MetroPCS Communications, Inc. 2004 Equity Incentive Compensation Plan, the Company issued 15,500 and 1,851,674 restricted stock awards, respectively, to certain employees and, in 2010, the directors of MetroPCS. During the three and six months ended June 30, 2009, pursuant to the Amended and Restated MetroPCS Communications, Inc. 2004 Equity Incentive Compensation Plan, the Company issued 44,600 and 1,355,110 restricted stock awards, respectively, to certain employees. The restricted stock awards granted to employees generally vest on a four-year vesting schedule with 25% vesting on the first anniversary date of the award and the remainder pro-rata on a monthly or quarterly basis thereafter. The Company determined the grant-date fair value of the restricted stock awards granted during the three months ended June 30, 2010 and 2009 to be $0.1 million and $0.7 million, respectively, based on the closing price of the Company's common stock on the New York Stock Exchange on the grant dates. The Company determined the grant-date fair value of the restricted stock awards granted during the six months ended June 30, 2010 and 2009 to be $11.8 million and $19.6 million, respectively, based on the closing price of the Company's common stock on the New York Stock Exchange on the grant dates. The estimated compensation cost of the restricted stock awards, which is equal to the fair value of the awards on the date of grant, will be recognized on a ratable basis over the four-year vesting period.

Vesting in the restricted stock awards triggers an income tax obligation for the employee that is required to be remitted to the relevant tax authorities. To effect the tax withholding, the Company has agreed to repurchase sufficient common shares from the employee to cover the income tax obligation. The stock repurchase is being accounted for as treasury stock. During the three and six months ended June 30, 2010, the Company repurchased 28,406 and 126,855 shares of stock, respectively, from certain employees to settle the income tax obligation associated with vesting in restricted stock awards.

3. Short-term Investments:

The Company's short-term investments consist of securities classified as available-for-sale, which are stated at fair value. The securities include U.S. Treasury securities with an original maturity of over 90 days. Unrealized gains, net of related income taxes, for available-for-sale securities are reported in accumulated other comprehensive loss, a component of stockholders' equity, until realized. The estimated fair values of investments are based on quoted market prices as of the end of the reporting period.

MetroPCS Communications, Inc. and Subsidiaries
Notes to Condensed Consolidated Interim Financial Statements
(Unaudited)

Short-term investments, with an original maturity of over 90 days, consisted of the following (in thousands):

	As of June 30, 2010			
	Amortized Cost	Unrealized Gain in Accumulated OCI	Unrealized Loss in Accumulated OCI	Aggregate Fair Value
Equity Securities	$ 7	$ 0	$ (6)	$ 1
U.S. Treasury Securities	299,731	127	0	299,858
Total short-term investments	$ 299,738	$ 127	$ (6)	$ 299,859
	As of December 31, 2009			
	Amortized Cost	Unrealized Gain in Accumulated OCI	Unrealized Loss in Accumulated OCI	Aggregate Fair Value
Equity Securities	$ 7	$ 0	$ (5)	$ 2
U.S. Treasury Securities	224,790	140	0	224,930
Total short-term investments	$ 224,797	$ 140	$ (5)	$ 224,932

The cost and aggregate fair values of short-term investments by contractual maturity at June 30, 2010 were as follows (in thousands):

	Amortized Cost	Aggregate Fair Value
Less than one year	$ 299,731	$ 299,858

4. Derivative Instruments and Hedging Activities:

On November 21, 2006, Wireless entered into a three-year interest rate protection agreement to manage the Company's interest rate risk exposure and fulfill a requirement of Wireless' senior secured credit facility, as amended, (the "Senior Secured Credit Facility"), pursuant to which Wireless may borrow up to $1.7 billion. The agreement covered a notional amount of $1.0 billion and effectively converted this portion of Wireless' variable rate debt to fixed-rate debt at an annual rate of 7.169%. The interest rate protection agreement expired on February 1, 2010.

On April 30, 2008, Wireless entered into an additional two-year interest rate protection agreement to manage the Company's interest rate risk exposure. The agreement was effective on June 30, 2008 and covered an aggregate notional amount of $500.0 million and effectively converted this portion of Wireless' variable rate debt to fixed rate debt at an annual rate of 5.464%. This interest rate protection agreement expired on June 30, 2010.

In March 2009, Wireless entered into three separate two-year interest rate protection agreements to manage the Company's interest rate risk exposure under its Senior Secured Credit Facility. These agreements were effective on February 1, 2010 and cover a notional amount of $1.0 billion and effectively convert this portion of Wireless' variable rate debt to fixed rate debt at a weighted average annual rate of 4.381%. The monthly interest settlement periods began on February 1, 2010. These agreements expire on February 1, 2012.

Interest rate protection agreements are entered into to manage interest rate risk associated with the Company's variable-rate borrowings under the Senior Secured Credit Facility. The interest rate protection agreements have been designated as cash flow hedges. If a derivative is designated as a cash flow hedge and the hedging relationship qualifies for hedge accounting under the provisions of ASC 815 (Topic 815, "*Derivatives and Hedging*"), the effective portion of the change in fair value of the derivative is recorded in accumulated other comprehensive income (loss) and reclassified to interest expense in the period in which the hedged transaction affects earnings. The ineffective portion of the change in fair value of a derivative qualifying for hedge accounting is recognized in earnings in the period of the change. For the three and six months ended June 30, 2010, the change in fair value did not result in ineffectiveness.

At the inception of the cash flow hedges and quarterly thereafter, the Company performs an assessment to determine whether changes in the fair values or cash flows of the derivatives are deemed highly effective in offsetting changes in the fair values or cash flows of the hedged transaction. If at any time subsequent to the inception of the cash flow hedges, the assessment indicates that the derivative is no longer highly effective as a hedge, the Company will discontinue hedge accounting and recognize all subsequent derivative gains and losses in results of operations. The Company estimates that approximately $15.9 million of net losses that are reported in accumulated other comprehensive loss at June 30, 2010 are expected to be reclassified into earnings within the next 12 months.

MetroPCS Communications, Inc. and Subsidiaries
Notes to Condensed Consolidated Interim Financial Statements
(Unaudited)

Cross-default Provisions

The Company's interest rate protection agreements contain cross-default provisions to the Company's Senior Secured Credit Facility. The Company's Senior Secured Credit Facility allows interest rate protection agreements to become secured if the counterparty to the agreement is a current lender under the Senior Secured Credit Facility. If the Company were to default on the Senior Secured Credit Facility, it would trigger these provisions, and the counterparties to the interest rate protection agreements could request immediate payment on interest rate protection agreements in net liability positions, similar to their existing rights as a lender. There are no collateral requirements in the interest rate protection agreements. The aggregate fair value of interest rate protection agreements with cross-default provisions that are in a net liability position on June 30, 2010 is $22.3 million.

Fair Values of Derivative Instruments

(in thousands)	Liability Derivatives			
	As of June 30, 2010		As of December 31, 2009	
	Balance Sheet Location	**Fair Value**	**Balance Sheet Location**	**Fair Value**
Derivatives designated as hedging instruments under ASC 815				
Interest rate protection agreements	Other current liabilities	$ (15,932)	Other current liabilities	$ (24,157)
Interest rate protection agreements	Other long-term liabilities	(6,341)	Other long-term liabilities	(702)
Total derivatives designated as hedging instruments under ASC 815		$ (22,273)		$ (24,859)

The Effect of Derivative Instruments on the Condensed Consolidated Statement of Income and Comprehensive Income
For the Three Months Ended June 30,

Derivatives in ASC 815 Cash Flow Hedging Relationships	**Amount of Gain (Loss) Recognized in OCI on Derivative (Effective Portion)**		**Location of Gain (Loss) Reclassified from Accumulated OCI into Income (Effective Portion)**	**Amount of Gain (Loss) Reclassified from Accumulated OCI into Income (Effective Portion)**	
	2010	**2009**		**2010**	**2009**
Interest rate protection agreements	$ (6,849)	$ 5,463	Interest expense	$ (8,285)	$ (13,253)

The Effect of Derivative Instruments on the Condensed Consolidated Statement of Income and Comprehensive Income
For the Six Months Ended June 30,

Derivatives in ASC 815 Cash Flow Hedging Relationships	**Amount of Gain (Loss) Recognized in OCI on Derivative (Effective Portion)**		**Location of Gain (Loss) Reclassified from Accumulated OCI into Income (Effective Portion)**	**Amount of Gain (Loss) Reclassified from Accumulated OCI into Income (Effective Portion)**	
	2010	**2009**		**2010**	**2009**
Interest rate protection agreements	$ (16,655)	$ (5,961)	Interest expense	$ (19,241)	$ (24,281)

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MetroPCS Communications, Inc. and Subsidiaries
Notes to Condensed Consolidated Interim Financial Statements
(Unaudited)

5. Property and Equipment:

Property and equipment, net, consisted of the following (in thousands):

	June 30, 2010	December 31, 2009
Construction-in-progress	$ 342,304	$ 283,365
Network infrastructure (1)	3,908,977	3,756,300
Office equipment and software	177,941	158,732
Leasehold improvements	56,904	55,631
Furniture and fixtures	14,787	14,033
Vehicles	401	401
	4,501,314	4,268,462
Accumulated depreciation and amortization (1)	(1,194,871)	(1,016,249)
Property and equipment, net	$ 3,306,443	$ 3,252,213

(1) As of June 30, 2010 and December 31, 2009, approximately $192.0 million and $183.4 million, respectively, of network infrastructure assets were held by the Company under capital lease arrangements. Accumulated amortization relating to these assets totaled $18.3 million and $9.8 million as of June 30, 2010 and December 31, 2009, respectively.

6. FCC Licenses:

The Company operates wireless broadband mobile networks under licenses granted by the FCC for a particular geographic area on spectrum allocated by the FCC for terrestrial wireless broadband services. The Company holds personal communications services ("PCS") licenses granted or acquired on various dates, and in November 2006, the Company acquired a number of advanced wireless services ("AWS") licenses which can be used to provide services comparable to the wireless broadband mobile services provided by the Company, and other advanced wireless services. In June 2008, the Company acquired a 700 MHz license that also can be used to provide similar services. The PCS licenses previously included, and the AWS licenses currently include, the obligation and resulting costs to relocate existing fixed microwave users of the Company's licensed spectrum if the Company's use of its spectrum interferes with their systems and/or reimburse other carriers (according to FCC rules) that relocated prior users if the relocation benefits the Company's system. Accordingly, the Company incurred costs related to microwave relocation in constructing its PCS and AWS networks.

FCC Licenses on the accompanying condensed consolidated balance sheets includes the Company's microwave relocation costs. The licenses and microwave relocation costs are recorded at cost. Although PCS, AWS and 700 MHz licenses are issued with a stated term, ten years in the case of the PCS licenses, fifteen years in the case of the AWS licenses and approximately ten years for 700 MHz licenses, the renewal of PCS, AWS and 700 MHz licenses is generally a routine matter without substantial cost and the Company has determined that no legal, regulatory, contractual, competitive, economic, or other factors currently exist that limit the useful life of its PCS, AWS and 700 MHz licenses. As such, under the provisions of ASC 350 (Topic 350, "*Intangibles-Goodwill and Other*"), the Company does not amortize PCS, AWS and 700 MHz licenses and microwave relocation costs (collectively, its "indefinite-lived intangible assets") as they are considered to have indefinite lives and together represent the cost of the Company's spectrum. The carrying value of FCC licenses and microwave relocation costs was approximately $2.5 billion as of June 30, 2010.

In accordance with the requirements of ASC 350, the Company performs its annual indefinite-lived intangible assets impairment test as of each September 30th or more frequently if events or changes in circumstances indicate that the carrying value of the indefinite-lived intangible assets might be impaired. The impairment test consists of a comparison of the estimated fair value with the carrying value. The Company estimates the fair value of its indefinite-lived intangible assets using a direct value methodology in accordance with ASC 805 (Topic 805, *"Business Combinations"*). An impairment loss would be recorded as a reduction in the carrying value of the related indefinite-lived intangible assets and charged to results of operations.

The Company's indefinite-lived intangible assets are aggregated and combined into a single unit of accounting in accordance with ASC 350 based on the management of the business on a national scope. The Company believes that utilizing its indefinite-lived intangible assets as a group represents the highest and best use of the assets, and the value of the indefinite-lived intangible assets would not be significantly impacted by a sale of one or a portion of the indefinite-lived intangible assets. Furthermore, if any of the indefinite-lived intangible assets are subsequently determined to have a finite useful life, such assets would be tested for impairment in accordance with ASC 360 (Topic 360,"*Property, Plant, and Equipment*"), and the intangible assets would then be amortized prospectively over the estimated remaining useful life. There also have been no subsequent indicators of impairment, and accordingly, no subsequent interim impairment tests were performed.

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Other Spectrum Acquisitions

During the three and six months ended June 30, 2009, the Company closed on various agreements for the acquisition and exchange of spectrum in the net aggregate amount of approximately $3.3 million and $10.3 million, respectively, in cash.

On February 2, 2010, the Company entered into a like-kind spectrum exchange agreement covering licenses in certain markets with another service provider ("Service Provider"). The Service Provider will acquire 10 MHz of AWS spectrum in Dallas/Fort Worth, Texas; Shreveport-Bossier City, Louisiana; and an additional 10 MHz of AWS spectrum in certain other Washington markets, as well as an additional 10 MHz of PCS spectrum in Sacramento, California. The Company will acquire 10 MHz of AWS spectrum in Dallas/Fort Worth, Texas and Shreveport-Bossier City, Louisiana; and an additional 10 MHz of AWS spectrum in Santa Barbara, California, and Tampa-St. Petersburg-Clearwater, Florida. Consummation of this spectrum exchange agreement is subject to customary closing conditions, including final FCC consent, which was granted on July 9, 2010, but has not yet become final. In addition, the Company entered into short-term lease agreements with the Service Provider that, subject to FCC approval, authorize the Service Provider and the Company to use the spectrum covered by the spectrum exchange agreement until the spectrum exchange is consummated. The short-term lease agreements were approved by the FCC on February 23, 2010. The interim lease payments have been deferred and are included with other current liabilities as of June 30, 2010.

On July 23, 2010, the Company entered into a like-kind spectrum exchange agreement for licenses in certain metropolitan areas with the Service Provider. Consummation of this spectrum exchange agreement is subject to customary closing conditions, including final FCC consent. The Company will acquire 10 MHz of AWS spectrum in Orlando in exchange for 10 MHz of PCS spectrum in Ft. Pierce-Vero Beach-Stuart, Florida, 20 MHz of partitioned AWS spectrum in the Salt Lake City and Portland cellular marketing areas and a cash payment. In addition, the Company entered into a short-term lease agreement with the Service Provider that, subject to FCC approval, will allow the Company to use the spectrum to be exchanged until the spectrum exchange agreement is consummated.

7. Accounts Payable and Accrued Expenses:

Accounts payable and accrued expenses consisted of the following (in thousands):

	June 30, 2010	December 31, 2009
Accounts payable	$ 139,098	$ 164,246
Book overdraft	4,101	84,438
Accrued accounts payable	112,442	131,644
Accrued liabilities	18,649	26,009
Payroll and employee benefits	34,401	30,923
Accrued interest	33,748	42,098
Taxes, other than income	76,573	71,513
Income taxes	7,432	7,495
Accounts payable and accrued expenses	$ 426,444	$ 558,366

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8. Long-term Debt:

Long-term debt consisted of the following (in thousands):

	June 30, 2010	December 31, 2009
9 1/4 % Senior Notes	$ 1,950,000	$ 1,950,000
Senior Secured Credit Facility	1,540,000	1,548,000
Capital Lease Obligations	189,830	181,194
Total long-term debt	3,679,830	3,679,194
Add: unamortized discount on debt	(31,365)	(33,919)
Total debt	3,648,465	3,645,275
Less: current maturities	(19,921)	(19,326)
Total long-term debt	$ 3,628,544	$ 3,625,949

9 1/4% Senior Notes due 2014

On November 3, 2006, Wireless completed the sale of $1.0 billion of principal amount of 9 1/4% Senior Notes due 2014 (the "Initial Notes"). On June 6, 2007, Wireless completed the sale of an additional $400.0 million of 9 1/4 % Senior Notes due 2014 (the "Additional Notes") under the existing indenture governing the Initial Notes at a price equal to 105.875% of the principal amount of such Additional Notes. On January 20, 2009, Wireless completed the sale of an additional $550.0 million of 9 1/4 % Senior Notes due 2014 (the "New 9 1/4% Senior Notes" and, together with the Initial Notes and Additional Notes, the "9 1/4% Senior Notes") under a new indenture substantially similar to the indenture governing the Initial Notes at a price equal to 89.50% of the principal amount of such New 9 1/4% Senior Notes resulting in net proceeds of approximately $480.3 million.

The 9 1/4% Senior Notes are unsecured obligations and are guaranteed by MetroPCS, MetroPCS, Inc., and all of Wireless' direct and indirect wholly-owned subsidiaries, but are not guaranteed by Royal Street and MetroPCS Finance, Inc. ("MetroPCS Finance"). Interest is payable on the 9 1/4% Senior Notes on May 1 and November 1 of each year. Wireless may, at its option, redeem some or all of the 9 1/4% Senior Notes at any time on or after November 1, 2010 for the redemption prices set forth in the indentures governing the 9 1/4% Senior Notes. Wireless may also, at its option, prior to November 1, 2010, redeem some or all of the 9 1/4% Senior Notes at the "make whole" price set forth in the indentures governing the 9 1/4% Senior Notes.

Senior Secured Credit Facility

On November 3, 2006, Wireless entered into the Senior Secured Credit Facility, which consists of a $1.6 billion term loan facility and a $100.0 million revolving credit facility. On November 3, 2006, Wireless borrowed $1.6 billion under the Senior Secured Credit Facility. The term loan facility is repayable in quarterly installments in annual aggregate amounts equal to 1% of the initial aggregate principal amount of $1.6 billion. The term loan facility will mature in November 2013 and the revolving credit facility will mature in November 2011.

The facilities under the Senior Secured Credit Facility are guaranteed by MetroPCS, MetroPCS, Inc. and each of Wireless' direct and indirect present and future wholly-owned domestic subsidiaries. The facilities are not guaranteed by Royal Street and MetroPCS Finance, but Wireless pledged the promissory note that Royal Street has given it in connection with amounts borrowed by Royal Street from Wireless and the limited liability company member interest held by Wireless in Royal Street Communications. The Senior Secured Credit Facility contains customary events of default, including cross-defaults. The obligations are also secured by the capital stock of Wireless as well as substantially all of Wireless' present and future assets and the capital stock and substantially all of the assets of each of its direct and indirect present and future wholly-owned subsidiaries (except as prohibited by law and certain permitted exceptions), but excludes Royal Street.

Under the Senior Secured Credit Facility, Wireless is subject to certain limitations, including limitations on its ability to incur additional debt, make certain restricted payments, sell assets, make certain investments or acquisitions, grant liens and pay dividends. Wireless is also subject to certain financial covenants, including maintaining a maximum senior secured consolidated leverage ratio and, under certain circumstances, maximum consolidated leverage and minimum fixed charge coverage ratios.

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The interest rate on the outstanding debt under the Senior Secured Credit Facility is variable. The rate as of June 30, 2010 was 3.765%, which includes the impact of our interest rate protection agreements (See Note 4).

Capital Lease Obligations

The Company has entered into various non-cancelable capital lease agreements, with varying expiration terms through 2025. Assets and future obligations related to capital leases are included in the accompanying condensed consolidated balance sheets in property and equipment and long-term debt, respectively. Depreciation of assets held under capital leases is included in depreciation and amortization expense. As of June 30, 2010, the Company had approximately $189.8 million of capital lease obligations, with $3.9 million and $185.9 million recorded in current maturities of long-term debt and long-term debt, respectively.

9. Fair Value Measurements:

The Company has adopted the provisions of ASC 820 (Topic 820, "*Fair Value Measurements and Disclosures*"), for financial assets and liabilities. ASC 820 became effective for financial assets and liabilities on January 1, 2008. The Company adopted the provisions of ASC 820 for non-financial assets and liabilities upon its effectiveness on January 1, 2009. ASC 820 defines fair value, thereby eliminating inconsistencies in guidance found in various prior accounting pronouncements, and increases disclosures surrounding fair value calculations.

ASC 820 establishes a three-tiered fair value hierarchy that prioritizes inputs to valuation techniques used in fair value calculations. The three levels of inputs are defined as follows:

- Level 1- Unadjusted quoted market prices for identical assets or liabilities in active markets that the Company has the ability to access.
- Level 2- Quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; or valuations based on models where the significant inputs are observable (e.g., interest rates, yield curves, prepayment speeds, default rates, loss severities, etc.) or can be corroborated by observable market data.
- Level 3- Valuations based on models where significant inputs are not observable. The unobservable inputs reflect the Company's own assumptions about the assumptions that market participants would use.

ASC 820 requires the Company to maximize the use of observable inputs and minimize the use of unobservable inputs. If a financial instrument uses inputs that fall in different levels of the hierarchy, the instrument will be categorized based upon the lowest level of input that is significant to the fair value calculation. The Company's financial assets and liabilities measured at fair value on a recurring basis include cash and cash equivalents, short and long-term investments securities and derivative financial instruments.

Included in the Company's cash and cash equivalents are cash on hand, cash in bank accounts, investments in money market funds consisting of U.S. Treasury securities with an original maturity of 90 days or less. Included in the Company's short-term investments are securities classified as available-for-sale, which are stated at fair value. The securities include U.S. Treasury securities with an original maturity of over 90 days. Fair value is determined based on observable quotes from banks and unadjusted quoted market prices from identical securities in an active market at the reporting date. Significant inputs to the valuation are observable in the active markets and are classified as Level 1 in the hierarchy.

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Included in the Company's long-term investments securities are certain auction rate securities, some of which are secured by collateralized debt obligations with a portion of the underlying collateral being mortgage securities or related to mortgage securities. Due to the lack of availability of observable market quotes on the Company's investment portfolio of auction rate securities, the fair value was estimated based on valuation models that rely exclusively on unobservable Level 3 inputs including those that are based on expected cash flow streams and collateral values, including assessments of counterparty credit quality, default risk underlying the security, discount rates and overall capital market liquidity. The valuation of the Company's investment portfolio is subject to uncertainties that are difficult to predict. Factors that may impact the Company's valuation include changes to credit ratings of the securities as well as the underlying assets supporting those securities, rates of default of the underlying assets, underlying collateral values, discount rates, counterparty risk and ongoing strength and quality of market credit and liquidity. Significant inputs to the investments valuation are unobservable in the active markets and are classified as Level 3 in the hierarchy.

Included in the Company's derivative financial instruments are interest rate swaps. Derivative financial instruments are valued in the market using discounted cash flow techniques. These techniques incorporate Level 1 and Level 2 inputs such as interest rates. These market inputs are utilized in the discounted cash flow calculation considering the instrument's term, notional amount, discount rate and credit risk. Significant inputs to the derivative valuation for interest rate swaps are observable in the active markets and are classified as Level 2 in the hierarchy.

The following table summarizes assets and liabilities measured at fair value on a recurring basis at June 30, 2010, as required by ASC 820 (in thousands):

	Fair Value Measurements			
	Level 1	Level 2	Level 3	Total
Assets				
Cash and cash equivalents	$ 776,540	$ 0	$ 0	$ 776,540
Short-term investments	299,859	0	0	299,859
Restricted cash and investments	13,132	0	0	13,132
Long-term investments	0	0	6,319	6,319
Total assets measured at fair value	$ 1,089,531	$ 0	$ 6,319	$ 1,095,850
Liabilities				
Derivative liabilities	$ 0	$ 22,273	$ 0	$ 22,273
Total liabilities measured at fair value	$ 0	$ 22,273	$ 0	$ 22,273

The following table summarizes assets and liabilities measured at fair value on a recurring basis at December 31, 2009, as required by ASC 820 (in thousands):

	Fair Value Measurements			
	Level 1	Level 2	Level 3	Total
Assets				
Cash and cash equivalents	$ 929,381	$ 0	$ 0	$ 929,381
Short-term investments	224,932	0	0	224,932
Restricted cash and investments	15,438	0	0	15,438
Long-term investments	0	0	6,319	6,319
Total assets measured at fair value	$ 1,169,751	$ 0	$ 6,319	$ 1,176,070
Liabilities				
Derivative liabilities	$ 0	$ 24,859	$ 0	$ 24,859
Total liabilities measured at fair value	$ 0	$ 24,859	$ 0	$ 24,859

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The following table summarizes the changes in fair value of the Company's derivative liabilities included in Level 2 assets, as required by ASC 820 (in thousands):

Fair Value Measurements of Derivative Liabilities Using Level 2 Inputs	Derivative Liabilities	
	Three Months Ended June 30,	
	2010	2009
Beginning balance	$ 23,709	$ 55,359
Total losses (realized or unrealized):		
Included in earnings (1)	8,285	13,253
Included in accumulated other comprehensive loss	(6,849)	5,463
Transfers in and/or out of Level 2	0	0
Purchases, sales, issuances and settlements	0	0
Ending balance	$ 22,273	$ 36,643

(1) Losses included in earnings that are attributable to the reclassification of the effective portion of those derivative liabilities still held at the reporting date as reported in interest expense in the condensed consolidated statements of income and comprehensive income.

Fair Value Measurements of Derivative Liabilities Using Level 2 Inputs	Derivative Liabilities	
	Six Months Ended June 30,	
	2010	2009
Beginning balance	$ 24,859	$ 54,963
Total losses (realized or unrealized):		
Included in earnings (2)	19,241	24,281
Included in accumulated other comprehensive loss	(16,655)	(5,961)
Transfers in and/or out of Level 2	0	0
Purchases, sales, issuances and settlements	0	0
Ending balance	$ 22,273	$ 36,643

(2) Losses included in earnings that are attributable to the reclassification of the effective portion of those derivative liabilities still held at the reporting date as reported in interest expense in the condensed consolidated statements of income and comprehensive income.

The following table summarizes the changes in fair value of the Company's Level 3 assets, as required by ASC 820 (in thousands):

Fair Value Measurements of Assets Using Level 3 Inputs	Long-Term Investments	
	Three Months Ended June 30,	
	2010	2009
Beginning balance	$ 6,319	$ 4,612
Total losses (realized or unrealized):		
Included in earnings (3)	0	532
Included in accumulated other comprehensive loss	0	243
Transfers in and/or out of Level 3	0	0
Purchases, sales, issuances and settlements	0	0
Ending balance	$ 6,319	$ 3,837

(3) Losses included in earnings that are attributable to the change in unrealized losses relating to those assets still held at the reporting date as reported in impairment loss on investment securities in the condensed consolidated statements of income and comprehensive income.

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Fair Value Measurements of Assets Using Level 3 Inputs	Long-Term Investments	
	Six Months Ended June 30,	
	2010	2009
Beginning balance	$ 6,319	$ 5,986
Total losses (realized or unrealized):		
Included in earnings (4)	0	1,453
Included in accumulated other comprehensive loss	0	696
Transfers in and/or out of Level 3	0	0
Purchases, sales, issuances and settlements	0	0
Ending balance	$ 6,319	$ 3,837

(4) Losses included in earnings that are attributable to the change in unrealized losses relating to those assets still held at the reporting date as reported in impairment loss on investment securities in the condensed consolidated statements of income and comprehensive income.

The fair value of the Company's long-term debt is estimated based on the quoted market prices for the same or similar issues or on the current rates offered to the Company for debt of the same remaining maturities.

The estimated fair values of the Company's financial instruments are as follows (in thousands):

	June 30, 2010		December 31, 2009	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Senior Secured Credit Facility	$ 1,540,000	$ 1,468,775	$ 1,548,000	$ 1,470,600
9 1/4 % Senior Notes	1,950,000	2,002,250	1,950,000	1,979,250
Cash flow hedging derivatives	22,273	22,273	24,859	24,859
Short-term investments	299,859	299,859	224,932	224,932
Long-term investments	6,319	6,319	6,319	6,319

Although the Company has determined the estimated fair value amounts using available market information and commonly accepted valuation methodologies, considerable judgment is required in interpreting market data to develop fair value estimates. The fair value estimates are based on information available at June 30, 2010 and December 31, 2009 and have not been revalued since those dates. As such, the Company's estimates are not necessarily indicative of the amount that the Company, or holders of the instruments, could realize in a current market exchange and current estimates of fair value could differ significantly.

10. Net Income Per Common Share:

The following table sets forth the computation of basic and diluted net income per common share for the periods indicated (in thousands, except share and per share data):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2010	2009	2010	2009
Basic EPS:				
Net income applicable to common stock	$ 79,915	$ 26,196	$ 102,576	$ 70,169
Amount allocable to common shareholders	99.2%	99.6%	99.2%	99.6%
Rights to undistributed earnings	$ 79,291	$ 26,098	$ 101,775	$ 69,906
Weighted average shares outstanding—basic	353,278,423	351,912,464	353,032,030	351,503,933
Net income per common share—basic	$ 0.22	$ 0.07	$ 0.29	$ 0.20
Diluted EPS:				
Rights to undistributed earnings	$ 79,291	$ 26,098	$ 101,775	$ 69,906
Weighted average shares outstanding—basic	353,278,423	351,912,464	353,032,030	351,503,933
Effect of dilutive securities:				
Stock options	2,407,023	5,174,867	2,119,082	5,436,184
Weighted average shares outstanding—diluted	355,685,446	357,087,331	355,151,112	356,940,117
Net income per common share—diluted	$ 0.22	$ 0.07	$ 0.29	$ 0.20

In accordance with ASC 260 (Topic 260, "*Earnings Per Share*"), unvested share-based payment awards that contain rights to receive non-forfeitable dividends or dividend equivalents, whether paid or unpaid, are considered a "participating security" for purposes of computing earnings or loss per common share and the two-class method of computing earnings per share is required for all periods presented. During the three and six months ended June 30, 2010 and 2009, the Company issued restricted stock awards. Unvested shares of restricted stock are participating securities such that they have rights to receive forfeitable dividends. In accordance with ASC 260, the unvested restricted stock was considered a "participating security" for purposes of computing earnings per common share and was therefore included in the computation of basic and diluted earnings per common share.

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Under the restricted stock award agreements, unvested shares of restricted stock have rights to receive non-forfeitable dividends. For the three and six months ended June 30, 2010 and 2009, the Company has calculated diluted earnings per share under both the treasury stock method and the two-class method. There was not a significant difference in the per share amounts calculated under the two methods, and the two-class method is disclosed. For the three and six months ended June 30, 2010, approximately 2.8 million of restricted common shares issued to employees have been excluded from the computation of basic net income per common share since the shares are not vested and remain subject to forfeiture. For the three and six months ended June 30, 2009, approximately 1.3 million of restricted common shares issued to employees have been excluded from the computation of basic net income per common share since the shares are not vested and remain subject to forfeiture.

For the three months ended June 30, 2010 and 2009, 25.8 million and 16.3 million, respectively, of stock options were excluded from the calculation of diluted net income per common share since the effect was anti-dilutive. For the six months ended June 30, 2010 and 2009, 25.2 million and 15.4 million, respectively, of stock options were excluded from the calculation of diluted net income per common share since the effect was anti-dilutive.

11. Commitments and Contingencies:

The Company has entered into pricing agreements with various handset manufacturers for the purchase of wireless handsets at specified prices. The terms of these agreements expire on various dates through February 28, 2011. The total aggregate commitment outstanding under these pricing agreements is approximately $143.9 million.

Litigation

The Company is involved in litigation from time to time, including litigation regarding intellectual property claims, that the Company considers to be in the normal course of business. Other than the matter listed below, the Company is not currently party to any pending legal proceedings that it believes would, individually or in the aggregate, have a material adverse effect on the Company's financial condition, results of operations or liquidity.

Legal proceedings are inherently unpredictable, and the matters in which the Company is involved often present complex legal and factual issues. The Company intends to vigorously pursue defenses in all matters in which it is involved and engage in discussions where possible to resolve these matters on terms favorable to the Company. The Company believes that any amounts alleged in the matters discussed below for which the Company is allegedly liable are not necessarily meaningful indicators of the Company's potential liability. The Company determines whether it should accrue an estimated loss for a contingency in a particular legal proceeding by assessing whether a loss is deemed probable and can be reasonably estimated. The Company reassesses its views on estimated losses on a quarterly basis to reflect the impact of any developments in the matters in which it is involved. It is possible, however, that the Company's business, financial condition and results of operations in future periods could be materially adversely affected by increased expense, significant settlement costs and/or unfavorable damage awards relating to such matters.

The Company, certain current officers and a director (collectively the "defendants") have been named as defendants in a securities class action lawsuit filed on December 15, 2009 in the United States District Court for the Northern District of Texas, Civil Action No. 3:09-CV-2392. Plaintiff, alleges that the defendants violated Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, and Section 20(a) of the Exchange Act. The complaint alleges that the defendants made false and misleading statements about the Company's business, prospects and operations. The claims are based upon various alleged public statements made during the period from February 26, 2009 through November 4, 2009. The lawsuit seeks, among other relief, a determination that the alleged claims may be asserted on a class-wide basis, unspecified compensatory damages, attorney's fees, other expenses, and costs. Pursuant to the parties' agreed schedule, defendants' motion to dismiss or answer is due on August 9, 2010. Due to the complex nature of the legal and factual issues involved in this action, the outcome is not presently determinable nor is a loss considered probable or reasonably estimatable. If this matter were to proceed beyond the pleading stage, the Company could be required to incur substantial costs and expenses to defend this matter and/or be required to pay substantial damages or settlement costs, which could materially adversely affect the Company's business, financial condition and results of operations.

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12. Supplemental Cash Flow Information:

	Six Months Ended June 30, 2010	Six Months Ended June 30, 2009
	(in thousands)	
Cash paid for interest	$ 134,690	$ 113,036
Cash paid for income taxes	2,237	2,640

Non-cash investing activities

The Company's accrued purchases of property and equipment were approximately $81.8 million and $18.2 million for the six months ended June 30, 2010 and 2009, respectively. Included within the Company's accrued purchases are estimates by management for construction services received based on a percentage of completion.

During the six months ended June 30, 2010 and 2009, the Company returned obsolete network infrastructure assets to one of its vendors in exchange for $17.8 million and $0.3 million, respectively, in credit towards the purchase of additional network infrastructure assets with the vendor.

Assets acquired under capital lease obligations were $10.4 million and $47.5 million for the six months ended June 30, 2010 and 2009, respectively.

During the six months ended June 30, 2009, the Company received $52.3 million in fair value of FCC licenses in exchanges with other parties.

13. Related-Party Transactions:

One of the Company's current directors is a managing director of various investment funds affiliated with one of the Company's greater than 5% stockholders. These funds own in the aggregate an approximate 17% interest in a company that provides services to the Company's customers, including handset insurance programs. Pursuant to the Company's agreement with this related-party, the Company bills its customers directly for these services and remits the fees collected from its customers for these services to the related-party. Transactions associated with these services are included in various line items in the accompanying condensed consolidated balance sheets and condensed consolidated statements of income and comprehensive income. The Company had the following transactions with this related-party (in millions):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2010	2009	2010	2009
Fees received by the Company as compensation for providing billing and collection services included in service revenues	$ 2.3	$ 1.9	$ 4.5	$ 3.8
Handsets sold to the related-party included in equipment revenues	6.8	3.8	9.9	7.2

	June 30, 2010	December 31, 2009
Accruals for fees collected from customers included in accounts payable and accrued expenses	$ 4.8	$ 4.2
Receivables from the related-party included in other current assets	2.2	1.2

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One of the Company's current directors is the chairman of an equity firm that holds various investment funds affiliated with one of the Company's greater than 5% stockholders. The equity firm is affiliated with a current director of a company that provides wireless caller ID with name services to the Company. Pursuant to an additional agreement with this related-party, the Company receives compensation for providing access to the Company's line information database/calling name data storage to the related-party. Transactions associated with these services are included in various line items in the accompanying condensed consolidated statements of income and comprehensive income. The Company had the following transactions with this related-party (in millions):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2010	2009	2010	2009
Fees received by the Company as compensation for providing access to the Company's line information database / calling name data storage included in service revenues	$ 0.6	$ 0	$ 0.6	$ 0
Fees paid by the Company for wireless caller ID with name services included in cost of service	2.1	0.2	3.3	0.3

One of the Company's current directors is a managing director of various investment funds affiliated with one of the Company's greater than 5% stockholders. These funds own in the aggregate an approximate 16% interest in a company that provides advertising services to the Company. The Company paid approximately $1.0 million and $1.1 million to the company for these services during the three months ended June 30, 2010 and 2009, respectively. The Company paid approximately $2.8 million and $2.5 million to the company for these services during the six months ended June 30, 2010 and 2009, respectively.

One of the Company's current directors is a managing director of various investment funds affiliated with one of the Company's greater than 5% stockholders. These funds own in the aggregate an approximate 62% interest in a company that provides DAS leases and maintenance to wireless carriers, including the Company. In addition, another of the Company's current directors is a general partner of various investment funds which own in the aggregate an approximate 13% interest in the same company. These DAS leases are accounted for as capital or operating leases in the Company's financial statements. Transactions associated with these leases are included in various line items in the accompanying condensed consolidated balance sheets, condensed consolidated statements of income and comprehensive income, and condensed consolidated statements of cash flows. The Company had the following transactions with this related-party (in millions):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2010	2009	2010	2009
Operating lease payments and related expenses included in cost of service	$ 2.6	$ 3.1	$ 5.2	$ 5.4
Capital lease maintenance expenses included in cost of service	1.2	0.4	2.3	0.7
DAS equipment depreciation included in depreciation expense	6.3	5.0	11.7	7.6
Capital lease interest included in interest expense	3.5	3.0	7.0	5.6

	June 30, 2010	December 31, 2009
Network service fees included in prepaid charges	$ 2.5	$ 2.3
DAS equipment included in property and equipment, net	297.0	257.0
Deferred network service fees included in other assets	19.1	22.1
Lease payments and related fees included in accounts payable and accrued expenses	2.6	4.9
Current portion of capital lease obligations included in current maturities of long-term debt	3.2	2.8
Non-current portion of capital lease obligations included in long-term debt, net	154.4	146.0
Deferred DAS service fees included in other long-term liabilities	1.6	1.3

MetroPCS Communications, Inc. and Subsidiaries
Notes to Condensed Consolidated Interim Financial Statements
(Unaudited)

	Six Months Ended June 30,	
	2010	**2009**
Capital lease payments included in financing activities	$ 1.0	$ 1.1

14. Guarantor Subsidiaries:

In connection with Wireless' sale of the 9 1/4% Senior Notes and the entry into the Senior Secured Credit Facility, MetroPCS, MetroPCS Inc., and each of Wireless' direct and indirect present and future wholly-owned domestic subsidiaries (the "guarantor subsidiaries"), provided guarantees on the 9 1/4% Senior Notes and Senior Secured Credit Facility. These guarantees are full and unconditional as well as joint and several. Certain provisions of the Senior Secured Credit Facility and the indentures relating to the 9 1/4% Senior Notes restrict the ability of Wireless to loan funds to MetroPCS. However, Wireless is allowed to make certain permitted payments to MetroPCS under the terms of the Senior Secured Credit Facility and the indentures relating to the 9 1/4% Senior Notes. Royal Street and MetroPCS Finance (the "non-guarantor subsidiaries") are not guarantors of the 9 1/4% Senior Notes or the Senior Secured Credit Facility.

The following information presents condensed consolidating balance sheets as of June 30, 2010 and December 31, 2009, condensed consolidating statements of income for the three and six months ended June 30, 2010 and 2009, and condensed consolidating statements of cash flows for the six months ended June 30, 2010 and 2009 of the parent company (MetroPCS), the issuer (Wireless), the guarantor subsidiaries and the non-guarantor subsidiaries (Royal Street and MetroPCS Finance). Investments in subsidiaries held by the parent company and the issuer have been presented using the equity method of accounting.

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MetroPCS Communications, Inc. and Subsidiaries
Notes to Condensed Consolidated Interim Financial Statements
(Unaudited)

Consolidated Balance Sheet
As of June 30, 2010

	Parent	Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
	(in thousands)					
CURRENT ASSETS:						
Cash and cash equivalents	$ 571,419	$ 189,772	$ 683	$ 14,666	$ 0	$ 776,540
Short-term investments	299,859	0	0	0	0	299,859
Inventories, net	0	183,226	12,137	0	0	195,363
Accounts receivable, net	0	47,689	0	97	0	47,786
Prepaid expenses	0	223	57,220	7,964	0	65,407
Deferred charges	0	64,787	0	0	0	64,787
Deferred tax assets	0	5,959	0	0	0	5,959
Current receivable from subsidiaries	0	583,339	0	17,244	(600,583)	0
Advances to subsidiaries	632,205	721,103	0	2,486	(1,355,794)	0
Other current assets	138	12,910	17,447	1,329	0	31,824
Total current assets	1,503,621	1,809,008	87,487	43,786	(1,956,377)	1,487,525
Property and equipment, net	0	26,538	2,735,263	544,642	0	3,306,443
Restricted cash and investments	0	12,807	0	325	0	13,132
Long-term investments	6,319	0	0	0	0	6,319
Investment in subsidiaries	908,187	2,385,531	0	0	(3,293,718)	0
FCC licenses	0	3,800	2,174,531	293,599	0	2,471,930
Long-term receivable from subsidiaries	0	776,435	0	0	(776,435)	0
Other assets	0	108,286	63,597	21,890	0	193,773
Total assets	$ 2,418,127	$ 5,122,405	$ 5,060,878	$ 904,242	$ (6,026,530)	$ 7,479,122
CURRENT LIABILITIES:						
Accounts payable and accrued expenses	$ 10	$ 92,105	$ 302,345	$ 31,984	$ 0	$ 426,444
Current maturities of long-term debt	0	16,000	2,923	998	0	19,921
Current payable to subsidiaries	0	0	17,244	583,339	(600,583)	0
Deferred revenue	0	42,707	154,157	0	0	196,864
Advances to subsidiaries	0	0	1,354,018	1,776	(1,355,794)	0
Other current liabilities	0	24,844	9,470	31	0	34,345
Total current liabilities	10	175,656	1,840,157	618,128	(1,956,377)	677,574
Long-term debt	0	3,442,635	140,712	45,197	0	3,628,544
Long-term payable to subsidiaries	0	0	0	776,435	(776,435)	0
Deferred tax liabilities	1,573	582,262	0	0	0	583,835
Deferred rents	0	0	78,055	13,181	0	91,236
Other long-term liabilities	0	13,665	58,615	9,109	0	81,389
Total liabilities	1,583	4,214,218	2,117,539	1,462,050	(2,732,812)	5,062,578
STOCKHOLDERS' EQUITY:						
Preferred stock	0	0	0	0	0	0
Common stock	35	0	0	0	0	35
Additional paid-in capital	1,659,854	0	0	20,000	(20,000)	1,659,854
Retained earnings (deficit)	767,269	920,097	2,943,339	(577,808)	(3,285,628)	767,269
Accumulated other comprehensive (loss) income	(9,762)	(11,910)	0	0	11,910	(9,762)
Less treasury stock, at cost	(852)	0	0	0	0	(852)
Total stockholders' equity	2,416,544	908,187	2,943,339	(557,808)	(3,293,718)	2,416,544
Total liabilities and stockholders' equity	$ 2,418,127	$ 5,122,405	$ 5,060,878	$ 904,242	$ (6,026,530)	$ 7,479,122

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MetroPCS Communications, Inc. and Subsidiaries
Notes to Condensed Consolidated Interim Financial Statements
(Unaudited)

Consolidated Balance Sheet
As of December 31, 2009

	Parent	Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
			(in thousands)			
CURRENT ASSETS:						
Cash and cash equivalents	$ 642,089	$ 269,836	$ 682	$ 16,774	$ 0	$ 929,381
Short-term investments	224,932	0	0	0	0	224,932
Inventories, net	0	131,599	15,802	0	0	147,401
Accounts receivable, net	0	51,438	0	98	0	51,536
Prepaid expenses	0	201	40,547	7,605	0	48,353
Deferred charges	0	59,414	0	0	0	59,414
Deferred tax assets	0	1,948	0	0	0	1,948
Current receivable from subsidiaries	0	423,275	0	14,574	(437,849)	0
Advances to subsidiaries	610,505	999,234	0	866	(1,610,605)	0
Other current assets	199	7,848	19,913	466	0	28,426
Total current assets	1,477,725	1,944,793	76,944	40,383	(2,048,454)	1,491,391
Property and equipment, net	0	34,128	2,722,813	495,272	0	3,252,213
Restricted cash and investments	0	15,113	0	325	0	15,438
Long-term investments	6,319	0	0	0	0	6,319
Investment in subsidiaries	804,847	2,162,686	0	0	(2,967,533)	0
FCC licenses	0	3,800	2,172,782	293,599	0	2,470,181
Long-term receivable from subsidiaries	0	829,360	0	0	(829,360)	0
Other assets	0	92,973	32,885	24,617	0	150,475
Total assets	$ 2,288,891	$ 5,082,853	$ 5,005,424	$ 854,196	$ (5,845,347)	$ 7,386,017
CURRENT LIABILITIES:						
Accounts payable and accrued expenses	$ 0	$ 223,973	$ 310,097	$ 24,296	$ 0	$ 558,366
Current maturities of long-term debt	0	16,000	2,451	875	0	19,326
Current payable to subsidiaries	0	0	14,574	423,275	(437,849)	0
Deferred revenue	0	38,502	149,152	0	0	187,654
Advances from subsidiaries	0	0	1,610,605	0	(1,610,605)	0
Other current liabilities	0	24,241	7,851	31	0	32,123
Total current liabilities	0	302,716	2,094,730	448,477	(2,048,454)	797,469
Long-term debt	0	3,448,081	142,096	35,772	0	3,625,949
Long-term payable to subsidiaries	0	0	0	829,360	(829,360)	0
Deferred tax liabilities	749	511,557	0	0	0	512,306
Deferred rents	0	0	69,574	10,913	0	80,487
Other long-term liabilities	0	15,652	57,084	8,928	0	81,664
Total liabilities	749	4,278,006	2,363,484	1,333,450	(2,877,814)	5,097,875
STOCKHOLDERS' EQUITY:						
Preferred stock	0	0	0	0	0	0
Common stock	35	0	0	0	0	35
Additional paid-in capital	1,634,754	0	0	20,000	(20,000)	1,634,754
Retained earnings (deficit)	664,693	818,343	2,641,940	(499,254)	(2,961,029)	664,693
Accumulated other comprehensive (loss) income	(11,340)	(13,496)	0	0	13,496	(11,340)
Total stockholders' equity	2,288,142	804,847	2,641,940	(479,254)	(2,967,533)	2,288,142
Total liabilities and stockholders' equity	$ 2,288,891	$ 5,082,853	$ 5,005,424	$ 854,196	$ (5,845,347)	$ 7,386,017

MetroPCS Communications, Inc. and Subsidiaries
Notes to Condensed Consolidated Interim Financial Statements
(Unaudited)

Consolidated Statement of Income
Three Months Ended June 30, 2010

	Parent	Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
			(in thousands)			
REVENUES:						
Service revenues	$ 0	$ 0	$ 924,459	$ 51,681	$ (54,003)	$ 922,137
Equipment revenues	0	6,336	84,063	0	0	90,399
Total revenues	0	6,336	1,008,522	51,681	(54,003)	1,012,536
OPERATING EXPENSES:						
Cost of service (excluding depreciation and amortization expense shown separately below)	0	0	331,389	30,782	(54,003)	308,168
Cost of equipment	0	6,004	229,350	0	0	235,354
Selling, general and administrative expenses (excluding depreciation and amortization expense shown separately below)	0	331	153,099	5,170	0	158,600
Depreciation and amortization	0	54	91,816	17,432	0	109,302
(Gain) loss on disposal of assets	0	(19)	2,527	192	0	2,700
Total operating expenses	0	6,370	808,181	53,576	(54,003)	814,124
(Loss) income from operations	0	(34)	200,341	(1,895)	0	198,412
OTHER EXPENSE (INCOME):						
Interest expense	0	63,023	2,180	38,379	(38,079)	65,503
Other expense (income), net	0	493	858	(872)	0	479
Earnings from consolidated subsidiaries	(79,548)	(157,921)	0	0	237,469	0
Interest income	(367)	(38,084)	(18)	(2)	38,079	(392)
Total other (income) expense	(79,915)	(132,489)	3,020	37,505	237,469	65,590
Income (loss) before provision for income taxes	79,915	132,455	197,321	(39,400)	(237,469)	132,822
Provision for income taxes	0	(52,907)	0	0	0	(52,907)
Net income (loss)	$ 79,915	$ 79,548	$ 197,321	$ (39,400)	$ (237,469)	$ 79,915

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MetroPCS Communications, Inc. and Subsidiaries
Notes to Condensed Consolidated Interim Financial Statements
(Unaudited)

Consolidated Statement of Income
Three Months Ended June 30, 2009

	Parent	Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
			(in thousands)			
REVENUES:						
Service revenues	$ 0	$ 0	$ 767,724	$ 40,032	$ (40,906)	$ 766,850
Equipment revenues	0	3,777	88,985	0	0	92,762
Total revenues	0	3,777	856,709	40,032	(40,906)	859,612
OPERATING EXPENSES:						
Cost of service (excluding depreciation and amortization expense shown separately below)	0	0	283,525	26,114	(40,906)	268,733
Cost of equipment	0	3,395	224,005	0	0	227,400
Selling, general and administrative expenses (excluding depreciation and amortization expense shown separately below)	0	382	136,682	5,257	0	142,321
Depreciation and amortization	0	(7)	79,645	11,737	0	91,375
Loss on disposal of assets	0	0	13,815	195	0	14,010
Total operating expenses	0	3,770	737,672	43,303	(40,906)	743,839
Income (loss) from operations	0	7	119,037	(3,271)	0	115,773
OTHER EXPENSE (INCOME):						
Interest expense	0	69,175	1,829	32,570	(33,039)	70,535
Earnings from consolidated subsidiaries	(26,282)	(81,362)	0	0	107,644	0
Other expense (income), net	0	394	0	0	0	394
Interest income	(446)	(33,072)	10	(5)	33,039	(474)
Impairment loss on investment securities	532	0	0	0	0	532
Total other (income) expense	(26,196)	(44,865)	1,839	32,565	107,644	70,987
Income (loss) before provision for income taxes	26,196	44,872	117,198	(35,836)	(107,644)	44,786
Provision for income taxes	0	(18,590)	0	0	0	(18,590)
Net income (loss)	$ 26,196	$ 26,282	$ 117,198	$ (35,836)	$ (107,644)	$ 26,196

MetroPCS Communications, Inc. and Subsidiaries
Notes to Condensed Consolidated Interim Financial Statements
(Unaudited)

Consolidated Statement of Income
Six Months Ended June 30, 2010

	Parent	Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
			(in thousands)			
REVENUES:						
Service revenues	$ 0	$ 0	$ 1,779,228	$ 98,861	$ (102,669)	$ 1,775,420
Equipment revenues	0	9,471	198,148	0	0	207,619
Total revenues	0	9,471	1,977,376	98,861	(102,669)	1,983,039
OPERATING EXPENSES:						
Cost of service (excluding depreciation and amortization expense shown separately below)	0	0	636,542	58,947	(102,669)	592,820
Cost of equipment	0	9,035	540,057	0	0	549,092
Selling, general and administrative expenses (excluding depreciation and amortization expense shown separately below)	0	436	307,956	10,118	0	318,510
Depreciation and amortization	0	85	183,205	33,812	0	217,102
(Gain) loss on disposal of assets	0	(19)	2,245	(354)	0	1,872
Total operating expenses	0	9,537	1,670,005	102,523	(102,669)	1,679,396
(Loss) income from operations	0	(66)	307,371	(3,662)	0	303,643
OTHER EXPENSE (INCOME):						
Interest expense	0	128,202	4,297	76,605	(76,119)	132,985
Other expense (income), net	0	950	1,696	(1,712)	0	934
Earnings from consolidated subsidiaries	(101,753)	(222,845)	0	0	324,598	0
Interest income	(823)	(76,130)	(20)	(2)	76,119	(856)
Total other (income) expense	(102,576)	(169,823)	5,973	74,891	324,598	133,063
Income (loss) before provision for income taxes	102,576	169,757	301,398	(78,553)	(324,598)	170,580
Provision for income taxes	0	(68,004)	0	0	0	(68,004)
Net income (loss)	$ 102,576	$ 101,753	$ 301,398	$ (78,553)	$ (324,598)	$ 102,576

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MetroPCS Communications, Inc. and Subsidiaries
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(Unaudited)

Consolidated Statement of Income
Six Months Ended June 30, 2009

	Parent	Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
			(in thousands)			
REVENUES:						
Service revenues	$ 0	$ 0	$ 1,495,316	$ 75,667	$ (77,435)	$ 1,493,548
Equipment revenues	0	7,206	154,187	0	0	161,393
Total revenues	0	7,206	1,649,503	75,667	(77,435)	1,654,941
OPERATING EXPENSES:						
Cost of service (excluding depreciation and amortization expense shown separately below)	0	0	539,904	51,839	(77,435)	514,308
Cost of equipment	0	6,721	445,698	0	0	452,419
Selling, general and administrative expenses (excluding depreciation and amortization expense shown separately below)	0	485	267,622	10,624	0	278,731
Depreciation and amortization	0	102	148,569	24,450	0	173,121
(Gain) loss on disposal of assets	0	0	(11,164)	266	0	(10,898)
Total operating expenses	0	7,308	1,390,629	87,179	(77,435)	1,407,681
(Loss) income from operations	0	(102)	258,874	(11,512)	0	247,260
OTHER EXPENSE (INCOME):						
Interest expense	0	132,031	216	61,593	(64,873)	128,967
Earnings from consolidated subsidiaries	(68,224)	(185,584)	0	0	253,808	0
Other expense (income), net	0	1,010	0	0	0	1,010
Interest income	(3,398)	(62,709)	(24)	(7)	64,873	(1,265)
Impairment loss on investment securities	1,453	0	0	0	0	1,453
Total other (income) expense	(70,169)	(115,252)	192	61,586	253,808	130,165
Income (loss) before provision for income taxes	70,169	115,150	258,682	(73,098)	(253,808)	117,095
Provision for income taxes	0	(46,926)	0	0	0	(46,926)
Net income (loss)	$ 70,169	$ 68,224	$ 258,682	$ (73,098)	$ (253,808)	$ 70,169

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MetroPCS Communications, Inc. and Subsidiaries
Notes to Condensed Consolidated Interim Financial Statements
(Unaudited)

Consolidated Statement of Cash Flows
Six Months Ended June 30, 2010

	Parent	Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
			(in thousands)			
CASH FLOWS FROM OPERATING ACTIVITIES:						
Net income (loss)	$ 102,576	$ 101,753	$ 301,398	$ (78,553)	$ (324,598)	$ 102,576
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:						
Depreciation and amortization	0	85	183,205	33,812	0	217,102
Provision for uncollectible accounts receivable	0	58	0	0	0	58
Deferred rent expense	0	0	8,519	2,397	0	10,915
Cost of abandoned cell sites	0	0	905	(2)	0	903
Stock-based compensation expense	0	0	23,333	0	0	23,333
Non-cash interest expense	0	6,412	0	0	0	6,412
(Gain) loss on disposal of assets	0	(19)	2,245	(354)	0	1,872
Gain on sale of investments	(216)	(2)	0	0	0	(217)
Accretion of asset retirement obligations	0	0	1,212	73	0	1,285
Other non-cash expense	0	963	0	0	0	963
Deferred income taxes	0	65,700	0	0	0	65,700
Changes in assets and liabilities	(101,683)	(285,932)	(32,708)	2,274	324,598	(93,451)
Net cash provided by (used in) operating activities	677	(110,982)	488,109	(40,353)	0	337,451
CASH FLOWS FROM INVESTING ACTIVITIES:						
Purchases of property and equipment	0	(49,899)	(212,548)	(52,890)	0	(315,337)
Change in prepaid purchases of property and equipment	0	(18,551)	0	0	0	(18,551)
Proceeds from sale of plant and equipment	0	0	429	5,927	0	6,356
Purchase of investments	(312,225)	0	0	0	0	(312,225)
Proceeds from maturity of investments	237,500	0	0	0	0	237,500
Proceeds from sale of restricted cash and investments	0	1,762	0	0	0	1,762
Change in advances – affiliates	1,638	285,848	0	0	(287,486)	0
Issuance of related party debt	0	(333,000)	0	0	333,000	0
Proceeds from related party debt	0	233,152	0	0	(233,152)	0
Acquisitions of FCC licenses	0	0	(1,976)	0	0	(1,976)
Net cash (used in) provided by investing activities	(73,087)	119,312	(214,095)	(46,963)	(187,638)	(402,471)
CASH FLOWS FROM FINANCING ACTIVITIES:						
Change in book overdraft	0	(80,394)	0	57	0	(80,337)
Proceeds from long-term loan	0	0	0	333,000	(333,000)	0
Change in advances – affiliates	0	0	(272,877)	(14,609)	287,486	0
Repayment of debt	0	(8,000)	0	(233,152)	233,152	(8,000)
Payments on capital lease obligations	0	0	(1,136)	(88)	0	(1,224)
Purchase of treasury stock	(852)	0	0	0	0	(852)
Proceeds from exercise of stock options	2,592	0	0	0	0	2,592
Net cash provided by (used in) financing activities	1,740	(88,394)	(274,013)	85,208	187,638	(87,821)
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(70,670)	(80,064)	1	(2,108)	0	(152,841)
CASH AND CASH EQUIVALENTS, beginning of period	642,089	269,836	682	16,774	0	929,381
CASH AND CASH EQUIVALENTS, end of period	$ 571,419	$ 189,772	$ 683	$ 14,666	$ 0	$ 776,540

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Consolidated Statement of Cash Flows
Six Months Ended June 30, 2009

	Parent	Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
			(in thousands)			
CASH FLOWS FROM OPERATING ACTIVITIES:						
Net income (loss)	$ 70,169	$ 68,224	$ 258,682	$ (73,098)	$ (253,808)	$ 70,169
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:						
Depreciation and amortization	0	102	148,569	24,450	0	173,121
Provision for uncollectible accounts receivable	0	111	0	0	0	111
Deferred rent expense	0	0	9,932	1,957	0	11,889
Cost of abandoned cell sites	0	0	2,704	1,903	0	4,607
Stock-based compensation expense	0	0	23,341	0	0	23,341
Non-cash interest expense	0	5,164	(7)	0	0	5,157
(Gain) loss on disposal of assets	0	0	(11,164)	266	0	(10,898)
Accretion of asset retirement obligations	0	0	2,059	338	0	2,397
Other non-cash expense	0	772	0	0	0	772
Impairment loss in investment securities	1,453	0	0	0	0	1,453
Deferred income taxes	0	44,998	0	0	0	44,998
Changes in assets and liabilities	185,703	(149,674)	(11,163)	(4,421)	118,431	138,876
Net cash provided by (used in) operating activities	257,325	(30,303)	422,953	(48,605)	(135,377)	465,993
CASH FLOWS FROM INVESTING ACTIVITIES:						
Purchases of property and equipment	0	(4,710)	(414,579)	(35,821)	0	(455,110)
Change in prepaid purchases of property and equipment	0	14,608	0	0	0	14,608
Proceeds from sale of plant and equipment	0	0	746	2,825	0	3,571
Purchase of investments	(261,856)	(220,000)	0	0	220,000	(261,856)
Proceeds from maturity of investments	37,500	0	0	0	0	37,500
Acquisitions of FCC licenses	0	(3,800)	(8,571)	0	0	(12,371)
Proceeds from exchange of FCC licenses	0	0	949	0	0	949
Net cash (used in) provided by investing activities	(224,356)	(213,902)	(421,455)	(32,996)	220,000	(672,709)
CASH FLOWS FROM FINANCING ACTIVITIES:						
Change in book overdraft	0	(97,227)	0	(2,202)	0	(99,429)
Proceeds from long-term loan	0	0	0	220,000	(220,000)	0
Proceeds from 9 $^{1}/4$% Senior Notes Due 2014	0	492,250	0	0	0	492,250
Debt issuance costs	0	(11,925)	0	0	0	(11,925)
Repayment of debt	0	(8,000)	0	(127,853)	127,853	(8,000)
Payments on capital lease obligations	0	0	(1,450)	(7,524)	7,524	(1,450)
Proceeds from exercise of stock options	7,112	0	0	0	0	7,112
Net cash provided by (used in) financing activities	7,112	375,098	(1,450)	82,421	(84,623)	378,558
INCREASE IN CASH AND CASH EQUIVALENTS	40,081	130,893	48	820	0	171,842
CASH AND CASH EQUIVALENTS, beginning of period	598,823	78,121	624	20,380	0	697,948
CASH AND CASH EQUIVALENTS, end of period	$ 638,904	$ 209,014	$ 672	$ 21,200	$ 0	$ 869,790

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MetroPCS Communications, Inc. and Subsidiaries
Notes to Condensed Consolidated Interim Financial Statements
(Unaudited)

15. Subsequent Events:

On July 16, 2010, Wireless entered into an Amendment and Restatement and Resignation and Appointment Agreement (the "Amendment") which amends and restates the Amended and Restated Credit Agreement, dated as of February 20, 2007 ("Original Credit Agreement"). The Amendment amends the Original Credit Agreement to, among other things, extend the maturity of $1.0 billion of existing term loans under the Original Credit Agreement to November 2016 as well as increase the interest rate to LIBOR plus 3.50% on the extended portion only. The remaining $540 million will mature in 2013 and the interest rate continues to be LIBOR plus 2.25%.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Forward-Looking Statements

Any statements made in this report that are not statements of historical fact, including statements about our beliefs, opinions and expectations, are "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act, and should be evaluated as such. Forward-looking statements include our expectations of customer growth, the effect of seasonality on our business, the difficulty of obtaining financing in the future if and when we need it, the impact of the current adverse economic and financial conditions in the credit and capital markets on our liquidity, cash flow, financial flexibility and ability to fund operations, whether existing cash, cash equivalents and short term investments and anticipated cash flows from operations will be sufficient to fully fund planned operations, our belief that increased services areas and capacity will improve our service offerings, help us to attract additional customers, retain existing customer, and increase revenues, our projections of capital expenditures for 2010, the effect of inflation on our operations, the effect of adoption of new accounting standards on us, the effect of changes in aggregate fair value of financial assets and liabilities, whether litigation may have a material adverse effect on our business, financial condition or operations, and other statements that may relate to our plans, objectives, strategies, goals, future events, future revenues or performance, capital expenditures, financing needs, outcomes of litigation and other information that is not historical information. These forward-looking statements often include words such as "anticipate," "expect," "suggests," "plan," "believe," "intend," "estimates," "targets," "views," "projects," "should," "would," "could," "may," "will," "forecast," and other similar expressions. Forward-looking statements are contained throughout this report, including the "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Legal Proceedings," and "Risk Factors."

We base the forward-looking statements made in this report on our current expectations, plans, opinions, and assumptions that have been made in light of our experience in the industry, as well as our perceptions of historical trends, current conditions, expected future developments and other factors we believe are appropriate under the circumstances and at such times. As you read and consider this report, you should understand that these forward-looking statements are not guarantees of future performance or results and no assurances can be given that such statements will be obtained. Although we believe that these forward-looking statements are based on reasonable assumptions at the time they are made, you should be aware that many of these factors are beyond our control and that many factors could affect our actual financial results, performance or results of operations and could cause actual results to differ materially from those expressed in the forward-looking statements. Factors that may materially affect such forward-looking statements include, but are not limited, to:

- the highly competitive nature of our industry;
- our ability to maintain our cost structure;
- our and our competitors' current and planned promotions, marketing and sales initiatives and our ability to respond and support them;
- our ability to negotiate and maintain acceptable roaming arrangements;
- the seasonality of our business and any failure to have strong customer growth in the first and fourth quarters;
- increases or changes in taxes and regulatory fees;
- the rapid technological changes in our industry;
- the current economic environment in the United States and the state of the capital markets in the United States;
- our exposure to counterparty risk in our financial agreements;

- our ability to meet the demands and expectations of our customers, to maintain adequate customer care and manage our churn rate;
- our ability to achieve planned growth and churn rates;
- our ability to manage our rapid growth, train additional personnel and maintain our financial and disclosure controls and procedures;
- our ability to secure the necessary products, services, spectrum, content and network infrastructure equipment;
- our ability to respond to technology changes, and to maintain and upgrade our networks and business systems;
- our deployment of new technologies, such as long term evolution, or LTE, in our networks and its success and our ability to offer new services using such new technology;
- our ability to adequately enforce or protect our intellectual property rights and defend against suits filed by others;
- governmental regulation affecting our services and the costs of compliance and our failure to comply with such regulations;
- our capital structure, including our indebtedness amounts and the limitations imposed by the covenants in our indebtedness;
- changes in consumer preferences or demand for our products;
- our inability to attract and retain key members of management;
- our reliance on third parties to provide distribution, products, software and services that are integral to our business;
- the performance of our suppliers and other third parties on whom we rely; and
- other factors described under "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2009 as updated or supplemented under "Item 1A. Risk Factors" in each of our subsequent Quarterly Reports on Form 10-Q as filed with the SEC, including this Quarterly Report on Form 10-Q for the quarter ended June 30, 2010.

These forward-looking statements speak only as to the date made and are subject to and involve risks, uncertainties and assumptions, many of which are beyond our ability to control or ability to predict. You should not place undue reliance on these forward-looking statements, which are based on current expectations and speak only as of the date of this report. The results presented for any period, including the three and six months ended June 30, 2010, may not be reflective of results for any subsequent period or for the fiscal year. All future written and oral forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by our cautionary statements. We do not intend to, and do not undertake a duty to, update any forward-looking statement in the future to reflect the occurrence of events or circumstances, except as required by law.

Company Overview

Except as expressly stated, the financial condition and results of operations discussed throughout Management's Discussion and Analysis of Financial Condition and Results of Operations are those of MetroPCS Communications, Inc. and its consolidated subsidiaries, including MetroPCS Wireless, Inc. and Royal Street Communications, LLC. References to "MetroPCS," "MetroPCS Communications," "our Company," "the Company," "we," "our," "ours" and "us" refer to MetroPCS Communications, Inc., a Delaware corporation, and its wholly-owned subsidiaries.

We are a wireless telecommunications carrier that currently offers wireless broadband mobile services primarily in the greater Atlanta, Boston, Dallas/ Ft. Worth, Detroit, Las Vegas, Los Angeles, Miami, New York, Orlando/Jacksonville, Philadelphia, Sacramento, San Francisco and Tampa/Sarasota metropolitan areas. In 2005, Royal Street Communications, LLC, or Royal Street Communications, and with its wholly-owned subsidiaries, or collectively, Royal Street, was granted licenses by the Federal Communications Commission, or FCC, in Los Angeles and various metropolitan areas throughout northern Florida. We own 85% of the limited liability company member interest in Royal Street Communications, but may only elect two of the five members of Royal Street Communications' management committee. We have a wholesale arrangement with Royal Street under which we purchase up to 85% of the engineered capacity of Royal Street's systems allowing us to sell our standard products and services under the MetroPCS brand to the public. Additionally, upon Royal Street's request, we have provided and will provide financing to Royal Street under a loan agreement. As of June 30, 2010, the maximum amount that Royal Street could borrow from us under the loan agreement was approximately $2.4 billion of which Royal Street had borrowed approximately $1.6 billion and had net outstanding borrowings of approximately $1.2 billion through June 30, 2010. Royal Street has incurred an additional $11.4 million in net borrowings through July 31, 2010. Under that certain Amended and Restated Limited Liability Company Agreement of Royal Street Communications, LLC, C9 Wireless, or C9, the controlling member of Royal Street Communications, has the right to put its member interest in Royal Street Communications to us for a return of capital plus a fixed return, or the put. The put is subject to customary closing conditions, including consent of the Federal Communications Commission, or FCC. On April 26, 2010, we received a written notice from C9 that it was exercising its put with the closing to not occur before the fifth anniversary of the grant of FCC licenses to Royal Street, or on or after December 22, 2010.

As a result of the significant growth we have experienced since we launched operations, our results of operations to date are not necessarily indicative of the results that can be expected in future periods. Moreover, we expect that our number of customers will continue to increase, which will continue to contribute to increases in our revenues and operating expenses.

We sell products and services to customers through our Company-owned retail stores as well as indirectly through relationships with independent retailers. We offer service which allows our customers to place unlimited local calls from within our local service area and to receive unlimited calls from any area while in our local service area, under simple and affordable flat-rate monthly service plans. In January 2010, we introduced a new family of service plans, which include all applicable taxes and regulatory fees, offering nationwide voice, text and web services beginning at $40 per month. For an additional $5 to $20 per month, our customers may select alternative service plans that offer additional features on an unlimited basis. For additional usage fees, we also provide certain other value-added services. All of these plans require payment in advance for one month of service. If no payment is made in advance for the following month of service, service is suspended at the end of the month that was paid for by the customer and, if the customer does not pay within 30 days, the customer is terminated. Our flat-rate plans differentiate our service from the more complex plans and long-term contract requirements of traditional wireless carriers. In addition, the above products and services are offered by us under the MetroPCS brand in the metropolitan areas where we purchase services from Royal Street.

Critical Accounting Policies and Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States, or GAAP, requires management to make estimates and assumptions that affect the reported amounts of certain assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities at the date of the financial statements. We have discussed those estimates that we believe are critical and require the use of complex judgment in their application in "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations – Critical Accounting Policies and Estimates" of our Form 10-K for the year ended December 31, 2009 filed with the United States Securities and Exchange Commission, or SEC, on March 1, 2010.

Other than the adoption of Financial Accounting Standards Board, or FASB, Accounting Standards Update, or ASU, 2009-17, "*Improvements to Financial Reporting by Enterprises Involved with Variable Interest Entities*" and ASU 2010-06, "*Improving Disclosures about Fair Value Measurements*," our accounting policies and the methodologies and assumptions we apply under them have not changed from our Form 10-K for the year ended December 31, 2009.

Revenues

We derive our revenues from the following sources:

Service. We sell wireless broadband mobile services. The various types of service revenues associated with wireless broadband mobile for our customers include monthly recurring charges for airtime, monthly recurring charges for optional features (including nationwide long distance, unlimited international long distance, unlimited text messaging, international text messaging, voicemail, downloads, ringtones, games and content applications, unlimited directory assistance, enhanced directory assistance, ring back tones, mobile Internet browsing, mobile instant messaging, push e-mail and nationwide roaming) and charges for long distance service. Service revenues also include intercarrier compensation and nonrecurring reactivation service charges to customers.

Equipment. We sell wireless broadband mobile handsets and accessories that are used by our customers in connection with our wireless services. This equipment is also sold to our independent retailers to facilitate distribution to our customers.

Costs and Expenses

Our costs and expenses include:

Cost of Service. The major components of our cost of service are:

- *Cell Site Costs.* We incur expenses for the rental of cell sites, network facilities, engineering operations, field technicians and related utility and maintenance charges.

- *Intercarrier Compensation.* We pay charges to other telecommunications companies for their transport and termination of calls originated by our customers and destined for customers of other networks. These variable charges are based on our customers' usage and generally applied at pre-negotiated rates with other carriers, although some carriers have sought to impose such charges unilaterally.

- *Variable Long Distance.* We pay charges to other telecommunications companies for long distance service provided to our customers. These variable charges are based on our customers' usage, applied at pre-negotiated rates with the long distance carriers.

- *Customer Support.* We pay charges to nationally recognized third-party providers for customer care, billing and payment processing services.

Cost of Equipment. Cost of equipment primarily includes the cost of handsets and accessories purchased from third-party vendors to resell to our customers and independent retailers in connection with our services. We do not manufacture any of this equipment.

Selling, General and Administrative Expenses. Our selling expenses include advertising and promotional costs associated with marketing and selling to new customers and fixed charges such as retail store rent and retail associates' salaries. General and administrative expenses include support functions, including technical operations, finance, accounting, human resources, information technology and legal services. We record stock-based compensation expense in cost of service and in selling, general and administrative expenses for expense associated with employee stock options and restricted stock awards, which is measured at the date of grant, based on the estimated fair value of the award.

Depreciation and Amortization. Depreciation is applied using the straight-line method over the estimated useful lives of the assets once the assets are placed in service, which are seven to ten years for network infrastructure assets, three to ten years for capitalized interest, up to fifteen years for capital leases, three to eight years for office equipment, which includes software and computer equipment, three to seven years for furniture and fixtures and five years for vehicles. Leasehold improvements are amortized over the term of the respective leases, which includes renewal periods that are reasonably assured, or the estimated useful life of the improvement, whichever is shorter.

Interest Expense and Interest Income. Interest expense includes interest incurred on our borrowings and capital lease obligations, amortization of debt issuance costs and amortization of discounts and premiums on long-term debt. Interest income is earned primarily on our cash, cash equivalents and short term investments.

Income Taxes. For the three and six months ended June 30, 2010 and 2009, we paid no federal income taxes. For the three and six months ended June 30, 2010 we paid approximately $2.2 million in state income taxes. For the three and six months ended June 30, 2009, we paid approximately $2.6 million in state income taxes.

Seasonality

Our customer activity is influenced by seasonal effects related to traditional retail selling periods and other factors that arise from our target customer base. Based on historical results, we generally expect net customer additions to be strongest in the first and fourth quarters. Softening of sales and increased customer turnover, or churn, in the second and third quarters of the year usually combine to result in fewer net customer additions. However, sales activity and churn can be strongly affected by the launch of new and surrounding metropolitan areas and promotional activity, which could reduce or outweigh certain seasonal effects.

Results of Operations

Three Months Ended June 30, 2010 Compared to Three Months Ended June 30, 2009

Operating Items

Set forth below is a summary of certain consolidated financial information for the periods indicated:

	Three Months Ended June 30, 2010	Three Months Ended June 30, 2009	Change
	(in thousands)		
REVENUES:			
Service revenues	$ 922,137	$ 766,850	20%
Equipment revenues	90,399	92,762	(3)%
Total revenues	1,012,536	859,612	18%
OPERATING EXPENSES:			
Cost of service (excluding depreciation and amortization disclosed separately below)(1)	308,168	268,733	15%
Cost of equipment	235,354	227,400	3%
Selling, general and administrative expenses (excluding depreciation and amortization disclosed separately below)(1)	158,600	142,321	11%
Depreciation and amortization	109,302	91,375	20%
Loss on disposal of assets	2,700	14,010	(81)%
Total operating expenses	814,124	743,839	9%
Income from operations	$ 198,412	$ 115,773	71%

(1) Cost of service and selling, general and administrative expenses include stock-based compensation expense. For the three months ended June 30, 2010, cost of service includes $0.7 million and selling, general and administrative expenses includes $11.2 million of stock-based compensation expense. For the three months ended June 30, 2009, cost of service includes $1.3 million and selling, general and administrative expenses includes $11.4 million of stock-based compensation expense.

Service Revenues. Service revenues increased approximately $155.3 million, or 20%, to $922.1 million for the three months ended June 30, 2010 from $766.8 million for the three months ended June 30, 2009. The increase in service revenues is primarily attributable to net customer additions of approximately 1.4 million customers for the twelve months ended June 30, 2010.

Equipment Revenues. Equipment revenues decreased approximately $2.4 million, or approximately 3%, to approximately $90.4 million for the three months ended June 30, 2010 from approximately $92.8 million for the three months ended June 30, 2009. The decrease in equipment revenue is primarily driven by $24.7 million that would have been recognized as service revenues but was classified as equipment revenues during the three months ended June 30, 2009, in accordance with FASB Accounting Standards Codification, or ASC, 605, (Topic 605, *"Revenue Recognition"*), because the consideration received from customers was less than the fair value of promotionally priced handsets. This decrease was partially offset by an increase in upgrade handset sales to existing customers accounting for approximately $15.5 million and a higher average price of handsets activated accounting for approximately $5.8 million.

Cost of Service. Cost of service increased approximately $39.5 million, or approximately 15%, to approximately $308.2 million for the three months ended June 30, 2010 from $268.7 million for the three months ended June 30, 2009. The increase in cost of service is primarily attributable to the 22% growth in our customer base during the twelve months ended June 30, 2010, the deployment of additional network infrastructure during the twelve months ended June 30, 2010 and costs associated with our unlimited international calling product. In addition, stock-based compensation expense included in cost of service decreased $0.6 million for the three months ended June 30, 2010 as compared to the same period in 2009.

Cost of Equipment. Cost of equipment increased approximately $8.0 million, or 3%, to approximately $235.4 million for the three months ended June 30, 2010 from $227.4 million for the three months ended June 30, 2009. The increase is primarily attributable to higher upgrade handset costs to existing customers which led to an approximate $55.7 million increase, partially offset by a lower average cost of handsets accounting for approximately $21.5 million, coupled with a decrease in gross customer additions accounting for an approximate $25.2 million decrease.

Selling, General and Administrative Expenses. Selling, general and administrative expenses increased approximately $16.3 million, or 11%, to $158.6 million for the three months ended June 30, 2010 from $142.3 million for the three months ended June 30, 2009. Selling expenses increased by approximately $11.9 million, or 16%, for the three months ended June 30, 2010 compared to the three months ended June 30, 2009. The increase in selling expenses is primarily attributable to an approximate $13.8 million increase in marketing and advertising expenses as well as an approximate $1.4 million increase in employee related costs to support our growth. These increases were partially offset by a $2.9 million decrease in MetroFLASH® expense. General and administrative expenses increased approximately $4.6 million, or 8%, for the three months ended June 30, 2010 as compared to the three months ended June 30, 2009 primarily due to the growth in our business. In addition, stock-based compensation expense included in selling, general and administrative expenses decreased $0.2 million for the three months ended June 30, 2010 as compared to the same period in 2009.

Depreciation and Amortization. Depreciation and amortization expense increased $17.9 million, or approximately 20%, to $109.3 million for the three months ended June 30, 2010 from approximately $91.4 million for the three months ended June 30, 2009. The increase related primarily to an increase in network infrastructure assets placed into service during the twelve months ended June 30, 2010 to support the continued growth and expansion of our network.

Loss on Disposal of Assets. Loss on disposal of assets decreased $11.3 million, or approximately 81%, to $2.7 million for the three months ended June 30, 2010 from $14.0 million for the three months ended June 30, 2009. The decrease in the loss on disposal of assets was primarily related to a significant amount of certain network technology that was retired and replaced with newer technology during the three months ended June 30, 2009.

Non-Operating Items

	Three Months Ended June 30,		
	2010	**2009**	**Change**
	(in thousands)		
Interest expense	$ 65,503	$ 70,535	(7)%
Provision for income taxes	52,907	18,590	185%
Net income	79,915	26,196	205%

Interest Expense. Interest expense decreased $5.0 million, or 7%, to $65.5 million for the three months ended June 30, 2010 from $70.5 million for the three months ended June 30, 2009. The decrease in interest expense was primarily attributable to a $7.3 million reduction in interest expense on the senior secured credit facility as a result of a lower weighted average annual interest rate due to the interest rate protection agreements that were effective on February 1, 2010, partially offset by a $2.0 million decrease in capitalized interest costs. Our weighted average interest rate decreased to 7.43% for the three months ended June 30, 2010 compared to 8.26% for the three months ended June 30, 2009. Average debt outstanding for the three months ended June 30, 2010 and 2009 was $3.5 billion.

Provision for Income Taxes. Income tax expense was $52.9 million and $18.6 million for the three months ended June 30, 2010 and 2009, respectively. The effective tax rate was approximately 39.8% and 41.5% for the three months ended June 30, 2010 and 2009, respectively. For the three months ended June 30, 2010 and 2009, our effective rate differs from the statutory federal rate of 35.0% due to net state and local taxes, tax credits, non-deductible expenses and a net change in uncertain tax positions.

Net Income. Net income increased $53.7 million, or 205%, to $79.9 million for the three months ended June 30, 2010 compared to approximately $26.2 million for the three months ended June 30, 2009. The increase was primarily attributable to a 71% increase in income from operations and a 7% decrease in interest expense, partially offset by an approximate 185% increase in provision for income taxes.

Six Months Ended June 30, 2010 Compared to Six Months Ended June 30, 2009

Operating Items

Set forth below is a summary of certain consolidated financial information for the periods indicated:

	Six Months Ended June 30,		
	2010	**2009**	**Change**
	(in thousands)		
REVENUES:			
Service revenues	$ 1,775,420	$ 1,493,548	19%
Equipment revenues	207,619	161,393	29%
Total revenues	1,983,039	1,654,941	20%
OPERATING EXPENSES:			
Cost of service (excluding depreciation and amortization disclosed separately below)(1)	592,820	514,308	15%
Cost of equipment	549,092	452,419	21%
Selling, general and administrative expenses (excluding depreciation and amortization disclosed separately below)(1)	318,510	278,731	14%
Depreciation and amortization	217,102	173,121	25%
Loss (gain) on disposal of assets	1,872	(10,898)	(117)%
Total operating expenses	1,679,396	1,407,681	19%
Income from operations	$ 303,643	$ 247,260	23%

(1) Cost of service and selling, general and administrative expenses include stock-based compensation expense. For the six months ended June 30, 2010, cost of service includes approximately $1.8 million and selling, general and administrative expenses includes $21.5 million of stock-based compensation expense. For the six months ended June 30, 2009, cost of service includes $2.0 million and selling, general and administrative expenses includes $21.3 million of stock-based compensation expense.

Service Revenues. Service revenues increased approximately $281.9 million, or approximately 19%, to approximately $1.8 billion for the six months ended June 30, 2010 from approximately $1.5 billion for the six months ended June 30, 2009. The increase in service revenues is primarily attributable to net customer additions of approximately 1.4 million customers for the twelve months ended June 30, 2010.

Equipment Revenues. Equipment revenues increased $46.2 million, or approximately 29%, to $207.6 million for the six months ended June 30, 2010 from approximately $161.4 million for the six months ended June 30, 2009. The increase is primarily attributable to an increase in upgrade handset sales to existing customers accounting for approximately $34.9 million as well as a higher average price of handsets activated accounting for approximately $33.0 million. These increases were partially offset by a decrease of $23.9 million that would have been recognized as service revenues but was classified as equipment revenues during the six months ended June 30, 2009, in accordance with ASC 605, because the consideration received from customers was less than the fair value of promotionally priced handsets.

Cost of Service. Cost of service increased $78.5 million, or 15%, to $592.8 million for the six months ended June 30, 2010 from $514.3 million for the six months ended June 30, 2009. The increase in cost of service is primarily attributable to the 22% growth in our customer base during the twelve months ended June 30, 2010, the deployment of additional network infrastructure during the twelve months ended June 30, 2010 and costs associated with our unlimited international calling product. In addition, stock-based compensation expense included in cost of service decreased $0.2 million for the six months ended June 30, 2010 as compared to the same period in 2009.

Cost of Equipment. Cost of equipment increased approximately $96.7 million, or 21%, to approximately $549.1 million for the six months ended June 30, 2010 from $452.4 million for the six months ended June 30, 2009. The increase is primarily attributable to higher upgrade handset costs to existing customers which led to an approximate $121.2 million increase, partially offset by a decrease in gross customer additions accounting for an approximate $23.0 million decrease.

Selling, General and Administrative Expenses. Selling, general and administrative expenses increased approximately $39.8 million, or 14%, to $318.5 million for the six months ended June 30, 2010 from $278.7 million for the six months ended June 30, 2009. Selling expenses increased by approximately $26.2 million, or approximately 18%, for the six months ended June 30, 2010 compared to the six months ended June 30, 2009. The increase in selling expenses is primarily attributable to a $29.0 million increase in marketing and advertising expenses as well as an approximate $3.2 million increase in employee related costs to support our growth. These increases were partially offset by a $6.3 million decrease in MetroFLASH® expense. General and administrative expenses increased $13.4 million, or 12%, for the six months ended June 30, 2010 as compared to the six months ended June 30, 2009 primarily due to the growth in our business. In addition, stock-based compensation expense included in selling, general and administrative expenses increased $0.2 million for the six months ended June 30, 2010 as compared to the same period in 2009.

Depreciation and Amortization. Depreciation and amortization expense increased approximately $44.0 million, or 25%, to $217.1 million for the six months ended June 30, 2010 from $173.1 million for the six months ended June 30, 2009. The increase related primarily to an increase in network infrastructure assets placed into service during the twelve months ended June 30, 2010 to support the continued growth and expansion of our network.

Loss (gain) on Disposal of Assets. Loss on disposal of assets was approximately $1.9 million for the six months ended June 30, 2010 compared to a gain on disposal of assets of approximately $10.9 million for the six months ended June 30, 2009. This loss was due primarily to the disposal of assets related to certain network technology that was retired and replaced with newer technology during the six months ended June 30, 2010. The gain on disposal of assets during the six months ended June 30, 2009 was due primarily to asset sales and exchanges consummated during the period, partially offset by loss on disposal of assets primarily related to a significant amount of certain network technology that was retired and replaced with newer technology.

Non-Operating Items

	Six Months Ended June 30, 2010	2009	Change
	(in thousands)		
Interest expense	$ 132,985	$ 128,967	3%
Provision for income taxes	68,004	46,926	45%
Net income	102,576	70,169	46%

Interest Expense. Interest expense increased $4.0 million, or 3%, to approximately $133.0 million for the six months ended June 30, 2010 from approximately $129.0 million for the six months ended June 30, 2009. The increase in interest expense was primarily due to an $11.7 million decrease in capitalized interest costs, interest on an additional $550.0 million of 9 1/4% senior notes due 2014, or New 9 1/4% Senior Notes, that were issued in January 2009 and a $1.9 million increase in interest on capital lease obligations that were placed into service during the twelve months ended June 30, 2010. These increases were partially offset by an approximate $12.1 million decrease in interest expense on the senior secured credit facility as a result of a lower weighted average annual interest rate due to our interest rate protection agreements that were effective on February 1, 2010. Our weighted average interest rate decreased to 7.57% for the six months ended June 30, 2010 compared to 8.21% for the six months ended June 30, 2009. Average debt outstanding for the six months ended June 30, 2010 and 2009 was $3.5 billion and $3.4 billion, respectively.

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Provision for Income Taxes. Income tax expense was $68.0 million and $46.9 million for the six months ended June 30, 2010 and 2009, respectively. The effective tax rate was approximately 39.9% and 40.1% for the six months ended June 30, 2010 and 2009, respectively. For the six months ended June 30, 2010 and 2009, our effective rate differs from the statutory federal rate of 35.0% due to net state and local taxes, tax credits, non-deductible expenses and a net change in uncertain tax positions.

Net Income. Net income increased $32.4 million, or 46%, to approximately $102.6 million for the six months ended June 30, 2010 compared to approximately $70.2 million for the six months ended June 30, 2009. The increase was primarily attributable to an approximate 23% increase in income from operations, partially offset by an approximate 45% increase in provision for income taxes as well as a 3% increase in interest expense.

Performance Measures

In managing our business and assessing our financial performance, we supplement the information provided by financial statement measures with several customer-focused performance metrics that are widely used in the wireless industry. These metrics include average revenue per user per month, or ARPU, which measures service revenue per customer; cost per gross customer addition, or CPGA, which measures the average cost of acquiring a new customer; cost per user per month, or CPU, which measures the non-selling cash cost of operating our business on a per customer basis; and churn, which measures turnover in our customer base. For a reconciliation of non-GAAP performance measures and a further discussion of the measures, please read "— Reconciliation of non-GAAP Financial Measures" below.

The following table shows metric information for the three and six months ended June 30, 2010 and 2009.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2010	2009	2010	2009
Customers:				
End of period	7,634,135	6,256,112	7,634,135	6,256,112
Net additions	303,009	205,585	994,611	889,279
Churn:				
Average monthly rate	3.3%	5.8%	3.5%	5.4%
ARPU	$ 39.84	$ 40.52	$ 39.83	$ 40.46
CPGA	$ 164.29	$ 159.87	$ 153.72	$ 145.95
CPU	$ 17.90	$ 16.82	$ 18.33	$ 16.75

Customers. Net customer additions were 303,009 for the three months ended June 30, 2010, compared to 205,585 for the three months ended June 30, 2009, an increase of 47%. Net customer additions were 994,611 for the six months ended June 30, 2010, compared to 889,279 for the six months ended June 30, 2009, an increase of approximately 12%. Total customers were 7,634,135 as of June 30, 2010, an increase of 22% over the customer total as of June 30, 2009 and approximately 15% over the customer total as of December 31, 2009. The increase in total customers is primarily attributable to the continued demand for our service offerings.

Churn. As we do not require a long-term service contract, our churn percentage is expected to be higher than traditional wireless carriers that require customers to sign a one- to two-year contract with significant early termination fees. Average monthly churn represents (a) the number of customers who have been disconnected from our system during the measurement period less the number of customers who have reactivated service, divided by (b) the sum of the average monthly number of customers during such period. We classify delinquent customers as churn after they have been delinquent for 30 days. In addition, when an existing customer establishes a new account in connection with the purchase of an upgraded or replacement phone and does not identify themselves as an existing customer, we count the phone leaving service as a churn and the new phone entering service as a gross customer addition ("false churn"). Churn for the three months ended June 30, 2010 and 2009, was 3.3% and 5.8%, respectively. Churn for the six months ended June 30, 2010 and 2009, was 3.5% and 5.4%, respectively. The decrease in churn was primarily related to the acceptance of our *Wireless for All* tax and regulatory fee inclusive service plans including a decline in false churn. Our customer activity is influenced by seasonal effects related to traditional retail selling periods and other factors that arise from our target customer base. Based on historical results, we generally expect net customer additions to be strongest in the first and fourth quarters. Softening of sales and increased churn in the second and third quarters of the year usually combine to result in fewer net customer additions during these quarters. See – "Seasonality."

Average Revenue Per User. ARPU represents (a) service revenues plus impact to service revenues of promotional activity less pass through charges for the measurement period, divided by (b) the sum of the average monthly number of customers during such period. ARPU was $39.84 and $40.52 for three months ended June 30, 2010 and 2009, respectively, a decrease of $0.68. ARPU was $39.83 and $40.46 for six months ended June 30, 2010 and 2009, respectively, a decrease of $0.63. The decrease in ARPU for the three and six months ended June 30, 2010, when compared to the same period in 2009, was primarily attributable to our new *Wireless for All* service plans that were introduced in January 2010, which include all applicable taxes and regulatory fees.

Cost Per Gross Addition. CPGA is determined by dividing (a) selling expenses plus the total cost of equipment associated with transactions with new customers less equipment revenues associated with transactions with new customers during the measurement period adjusted for impact to service revenues of promotional activity by (b) gross customer additions during such period. Retail customer service expenses and equipment margin on handsets sold to existing customers when they are identified, including handset upgrade transactions, are excluded, as these costs are incurred specifically for existing customers. CPGA costs increased to $164.29 for the three months ended June 30, 2010 from $159.87 for the three months ended June 30, 2009. CPGA costs increased to $153.72 for the six months ended June 30, 2010 from $145.95 for the six months ended June 30, 2009. This was primarily driven by lower gross additions.

Cost Per User. CPU is determined by dividing (a) cost of service and general and administrative costs (excluding applicable stock-based compensation expense included in cost of service and general and administrative expense) plus net loss on handset equipment transactions unrelated to initial customer acquisition, divided by (b) the sum of the average monthly number of customers during such period. CPU increased to $17.90 for the three months ended June 30, 2010 from $16.82 for the three months ended June 30, 2009. CPU increased to $18.33 for the six months ended June 30, 2010 from $16.75 for the six months ended June 30, 2009. This was primarily driven by the increase in handset subsidies on existing customers, the inclusion of regulatory fees in the tax-inclusive service pricing on our *Wireless for All* customers, as well as the costs associated with our unlimited international calling service.

Reconciliation of non-GAAP Financial Measures

We utilize certain financial measures and key performance indicators that are not calculated in accordance with GAAP to assess our financial and operating performance. A non-GAAP financial measure is defined as a numerical measure of a company's financial performance that (i) excludes amounts, or is subject to adjustments that have the effect of excluding amounts, that are included in the comparable measure calculated and presented in accordance with GAAP in the statement of income or statement of cash flows; or (ii) includes amounts, or is subject to adjustments that have the effect of including amounts, that are excluded from the comparable measure so calculated and presented.

ARPU, CPGA, and CPU are non-GAAP financial measures utilized by our management to judge our ability to meet our liquidity requirements and to evaluate our operating performance. We believe these measures are important in understanding the performance of our operations from period to period, and although every company in the wireless industry does not define each of these measures in precisely the same way, we believe that these measures (which are common in the wireless industry) facilitate key liquidity and operating performance comparisons with other companies in the wireless industry. The following tables reconcile our non-GAAP financial measures with our financial statements presented in accordance with GAAP.

ARPU — We utilize ARPU to evaluate our per-customer service revenue realization and to assist in forecasting our future service revenues. ARPU is calculated exclusive of pass through charges that we collect from our customers and remit to the appropriate government agencies.

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Average number of customers for any measurement period is determined by dividing (a) the sum of the average monthly number of customers for the measurement period by (b) the number of months in such period. Average monthly number of customers for any month represents the sum of the number of customers on the first day of the month and the last day of the month divided by two. ARPU for the six months ended June 30, 2010 includes approximately $0.8 million and ARPU for the three and six months ended June 30, 2009 includes $24.7 million, respectively, that would have been recognized as service revenues but were classified as equipment revenues because the consideration received from customers was less than the fair value of promotionally priced handsets. The following table shows the calculation of ARPU for the periods indicated.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2010	2009	2010	2009
	(in thousands, except average number of customers and ARPU)			
Calculation of Average Revenue Per User (ARPU):				
Service revenues	$ 922,137	$ 766,850	$ 1,775,420	$ 1,493,548
Add:				
Impact to service revenues of promotional activity	—	24,728	778	24,728
Less:				
Pass through charges	(24,189)	(39,641)	(47,934)	(77,284)
Net service revenues	$ 897,948	$ 751,937	$ 1,728,264	$ 1,440,992
Divided by: Average number of customers	7,513,202	6,185,116	7,231,177	5,935,473
ARPU	$ 39.84	$ 40.52	$ 39.83	$ 40.46

CPGA — We utilize CPGA to assess the efficiency of our distribution strategy, validate the initial capital invested in our customers and determine the number of months to recover our customer acquisition costs. This measure also allows us to compare our average acquisition costs per new customer to those of other wireless broadband mobile providers. Equipment revenues related to new customers, adjusted for the impact to service revenues of promotional activity, are deducted from selling expenses in this calculation as they represent amounts paid by customers at the time their service is activated that reduce our acquisition cost of those customers. Additionally, equipment costs associated with existing customers, net of related revenues, are excluded as this measure is intended to reflect only the acquisition costs related to new customers. The following table reconciles total costs used in the calculation of CPGA to selling expenses, which we consider to be the most directly comparable GAAP financial measure to CPGA.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2010	2009	2010	2009
	(in thousands, except gross customer additions and CPGA)			
Calculation of Cost Per Gross Addition (CPGA):				
Selling expenses	$ 86,194	$ 74,272	$ 175,341	$ 149,178
Less: Equipment revenues	(90,399)	(92,762)	(207,619)	(161,393)
Add: Impact to service revenues of promotional activity	—	24,728	778	24,728
Add: Equipment revenue not associated with new customers	54,392	41,829	117,705	83,044
Add: Cost of equipment	235,354	227,400	549,092	452,419
Less: Equipment costs not associated with new customers	(113,377)	(69,424)	(248,122)	(136,482)
Gross addition expenses	$ 172,164	$ 206,043	$ 387,175	$ 411,494
Divided by: Gross customer additions	1,047,898	1,288,818	2,518,763	2,819,383
CPGA	$ 164.29	$ 159.87	$ 153.72	$ 145.95

CPU — We utilize CPU as a tool to evaluate the non-selling cash expenses associated with ongoing business operations on a per customer basis, to track changes in these non-selling cash costs over time, and to help evaluate how changes in our business operations affect non-selling cash costs per customer. In addition, CPU provides management with a useful measure to compare our non-selling cash costs per customer with those of other wireless providers. We believe investors use CPU primarily as a tool to track changes in our non-selling cash costs over time and to compare our non-selling cash costs to those of other wireless providers, although other wireless carriers may calculate this measure differently. The following table reconciles total costs used in the calculation of CPU to cost of service, which we consider to be the most directly comparable GAAP financial measure to CPU.

	Three Months Ended June 30, 2010	Three Months Ended June 30, 2009	Six Months Ended June 30, 2010	Six Months Ended June 30, 2009
	(in thousands, except average number of customers and CPU)			
Calculation of Cost Per User (CPU):				
Cost of service	$ 308,168	$ 268,733	$ 592,820	$ 514,308
Add: General and administrative expense	72,406	68,049	143,169	129,553
Add: Net loss on equipment transactions unrelated to initial customer acquisition	58,985	27,595	130,417	53,438
Less: Stock-based compensation expense included in cost of service and general and administrative expense	(11,918)	(12,673)	(23,333)	(23,341)
Less: Pass through charges	(24,189)	(39,641)	(47,934)	(77,284)
Total costs used in the calculation of CPU	$ 403,452	$ 312,063	$ 795,139	$ 596,674
Divided by: Average number of customers	7,513,202	6,185,116	7,231,177	5,935,473
CPU	$ 17.90	$ 16.82	$ 18.33	$ 16.75

Liquidity and Capital Resources

Our principal sources of liquidity are our existing cash, cash equivalents and short-term investments, and cash generated from operations. At June 30, 2010, we had a total of approximately $1.1 billion in cash, cash equivalents and short-term investments. Over the last three years, the capital and credit markets have become increasingly volatile as a result of adverse economic and financial conditions that have triggered the failure and near failure of a number of large financial services companies and a global recession. We believe that this increased volatility and global recession may make it difficult at times to obtain additional financing, sell additional equity or debt securities, or to refinance existing indebtedness. We believe that, based on our current level of cash, cash equivalents and short-term investments, and our anticipated cash flows from operations, the current adverse economic and financial conditions in the credit and capital markets will not have a material impact on our liquidity, cash flow, financial flexibility or our ability to fund our operations in the near-term.

On January 20, 2009, Wireless completed the sale of the New 9 1/4% Senior Notes. The net proceeds from the sale of the New 9 1/4% Senior Notes were approximately $480.3 million. The net proceeds will be used for general corporate purposes which could include working capital, capital expenditures, future liquidity needs, additional opportunistic spectrum acquisitions, corporate development opportunities and future technology initiatives or the retirement of outstanding debt.

On July 16, 2010, Wireless entered into an Amendment and Restatement and Resignation and Appointment Agreement (the "Amendment") which amends and restates the Amended and Restated Credit Agreement, dated as of February 20, 2007 ("Original Credit Agreement"). The Amendment amends the Original Credit Agreement to, among other things, extend the maturity of $1.0 billion of existing term loans under the Original Credit Agreement to November 2016 as well as increase the interest rate to LIBOR plus 3.50% on the extended portion only. The remaining $540.0 million will mature in 2013 and the interest rate continues to be LIBOR plus 2.25%.

Our strategy has been to offer our services in major metropolitan areas and their surrounding areas, which we refer to as operating segments. We are seeking opportunities to enhance our current operating segments and to potentially provide service in new geographic areas. From time to time, we may purchase spectrum and related assets from third parties or the FCC. We believe that our existing cash, cash equivalents and short-term investments and our anticipated cash flows from operations will be sufficient to fully fund planned expansion.

The construction of our network and the marketing and distribution of our wireless communications products and services have required, and will continue to require, substantial capital investment. Capital outlays have included license acquisition costs, capital expenditures for construction or upgrade of our network infrastructure, costs associated with clearing and relocating non-governmental incumbent licenses, funding of operating cash flow losses incurred as we launch services in new metropolitan areas and other working capital costs, debt service and financing fees and expenses. Our capital expenditures for the six months ended June 30, 2010 were $315.3 million and capital expenditures for the year ended December 31, 2009 were approximately $831.7 million. The expenditures for the six months ended June 30, 2010 were primarily associated with our efforts to increase the service area and capacity of our existing network through the addition of cell sites, DAS, switches and the upgrade of our network to 4G LTE in select metropolitan areas. We believe the increased service area and capacity in existing markets will improve our service offerings, helping us to attract additional customers and retain existing customers and increase revenues.

As of June 30, 2010, we owed an aggregate of approximately $3.5 billion under our senior secured credit facility and 9 1/4% senior notes as well as $189.8 million under our capital lease obligations.

Our senior secured credit facility defines consolidated Adjusted EBITDA as: consolidated net income *plus* depreciation and amortization; gain (loss) on disposal of assets; non-cash expenses; gain (loss) on extinguishment of debt; provision for income taxes; interest expense; and certain expenses of MetroPCS Communications, Inc. *minus* interest and other income and non-cash items increasing consolidated net income.

We consider consolidated Adjusted EBITDA, as defined above, to be an important indicator to investors because it provides information related to our ability to provide cash flows to meet future debt service, capital expenditures and working capital requirements and fund future growth. We present consolidated Adjusted EBITDA because covenants in our senior secured credit facility contain ratios based on this measure. Other wireless carriers may calculate consolidated Adjusted EBITDA differently. If our consolidated Adjusted EBITDA were to decline below certain levels, covenants in our senior secured credit facility that are based on consolidated Adjusted EBITDA, including our maximum senior secured leverage ratio covenant, may be violated and could cause, among other things, an inability to incur further indebtedness and in certain circumstances a default or mandatory prepayment under our senior secured credit facility. Our maximum senior secured leverage ratio is required to be less than 4.5 to 1.0 based on consolidated Adjusted EBITDA plus the impact of certain new markets. The lenders under our senior secured credit facility use the senior secured leverage ratio to measure our ability to meet our obligations on our senior secured debt by comparing the total amount of such debt to our consolidated Adjusted EBITDA, which our lenders use to estimate our cash flow from operations. The senior secured leverage ratio is calculated as the ratio of senior secured indebtedness to consolidated Adjusted EBITDA, as defined by our senior secured credit facility. For the twelve months ended June 30, 2010, our senior secured leverage ratio was 1.56 to 1.0, which means for every $1.00 of consolidated Adjusted EBITDA, we had $1.56 of senior secured indebtedness. In addition, consolidated Adjusted EBITDA is also utilized, among other measures, to determine management's compensation under their annual cash performance awards. Consolidated Adjusted EBITDA is not a measure calculated in accordance with GAAP, and should not be considered a substitute for operating income, net income, or any other measure of financial performance reported in accordance with GAAP. In addition, consolidated Adjusted EBITDA should not be construed as an alternative to, or more meaningful than cash flows from operating activities, as determined in accordance with GAAP.

The following table shows the calculation of our consolidated Adjusted EBITDA, as defined in our senior secured credit facility, for the three and six months ended June 30, 2010 and 2009.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2010	2009	2010	2009
	(in thousands)			
Calculation of Consolidated Adjusted EBITDA:				
Net income	$ 79,915	$ 26,196	$ 102,576	$ 70,169
Adjustments:				
Depreciation and amortization	109,302	91,375	217,102	173,121
Loss (gain) on disposal of assets	2,700	14,010	1,872	(10,898)
Stock-based compensation expense (1)	11,918	12,673	23,333	23,341
Interest expense	65,503	70,535	132,985	128,967
Interest income	(392)	(474)	(856)	(1,265)
Other expense (income), net	479	394	934	1,010
Impairment loss on investment securities	—	532	—	1,453
Provision for income taxes	52,907	18,590	68,004	46,926
Consolidated Adjusted EBITDA	$ 322,332	$ 233,831	$ 545,950	$ 432,824

(1) Represents a non-cash expense, as defined by our senior secured credit facility.

In addition, for further information, the following table reconciles consolidated Adjusted EBITDA, as defined in our senior secured credit facility, to cash flows from operating activities for the three and six months ended June 30, 2010 and 2009.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2010	2009	2010	2009
	(in thousands)			
Reconciliation of Net Cash Provided by Operating Activities to Consolidated Adjusted EBITDA:				
Net cash provided by operating activities	$ 112,418	$ 159,394	$ 337,451	$ 465,993
Adjustments:				
Interest expense	65,503	70,535	132,985	128,967
Non-cash interest expense	(3,277)	(2,877)	(6,412)	(5,157)
Interest income	(392)	(474)	(856)	(1,265)
Other expense (income), net	479	394	934	1,010
Other non-cash expense	(492)	(395)	(963)	(772)
Provision for uncollectible accounts receivable	(86)	(45)	(58)	(111)
Deferred rent expense	(5,380)	(5,597)	(10,915)	(11,889)
Cost of abandoned cell sites	(367)	(2,405)	(903)	(4,607)
Gain on sale of investments	89	—	217	—
Accretion of asset retirement obligations	(1,399)	(1,223)	(1,285)	(2,397)
Provision for income taxes	52,907	18,590	68,004	46,926
Deferred income taxes	(51,523)	(18,061)	(65,700)	(44,998)
Changes in working capital	153,852	15,995	93,451	(138,876)
Consolidated Adjusted EBITDA	$ 322,332	$ 233,831	$ 545,950	$ 432,824

Operating Activities

Cash provided by operating activities decreased $128.5 million to approximately $337.5 million during the six months ended June 30, 2010 from approximately $466.0 million for the six months ended June 30, 2009. The decrease was primarily attributable to a decrease in cash flows from working capital changes, partially offset by a 46% increase in net income during the six months ended June 30, 2010 compared to the same period in 2009.

Investing Activities

Cash used in investing activities was approximately $402.5 million during the six months ended June 30, 2010 compared to $672.7 million during the six months ended June 30, 2009. The decrease was due primarily to an approximate $139.8 million decrease in purchases of property and equipment as well as approximate $149.6 million decrease in net purchases of short term investments.

Financing Activities

Cash used in financing activities was $87.8 million during the six months ended June 30, 2010 compared to cash provided by financing activities of approximately $378.6 million during the six months ended June 30, 2009. The difference between cash used in financing activities for the six months ended June 30, 2010 and the cash provided by financing activities for the six months ended June 30, 2009 was due primarily to $480.3 million in net proceeds from the issuance of the New 9 1/4% Senior Notes in January 2009, partially offset by an approximate $19.1 million decrease in cash used for changes in book overdraft.

Capital Lease Obligations

We have entered into various non-cancelable capital lease agreements, with expirations through 2025. Assets and future obligations related to capital leases are included in the accompanying condensed consolidated balance sheets in property and equipment and long-term debt, respectively. Depreciation of assets held under capital lease obligations is included in depreciation and amortization expense. As of June 30, 2010, we had approximately $189.8 million of capital lease obligations, with $3.9 million and $185.9 million recorded in current maturities of long-term debt and long-term debt, respectively.

Capital Expenditures and Other Asset Acquisitions and Dispositions

Capital Expenditures. We currently expect to incur capital expenditures in the range of $600.0 million to $800.0 million on a consolidated basis for the year ending December 31, 2010.

During the six months ended June 30, 2010, we incurred $315.3 million in capital expenditures. During the year ended December 31, 2009, we incurred approximately $831.7 million in capital expenditures. The capital expenditures for the six months ended June 30, 2010 were primarily associated with our efforts to increase the service area and capacity of our existing network through the addition of cell sites, DAS, switches and upgrade of our network to 4G LTE in select metropolitan areas.

Other Acquisitions and Dispositions. On February 2, 2010, we entered into a like-kind spectrum exchange agreement covering licenses in certain markets with another service provider, or Service Provider. The Service Provider will acquire 10 MHz of AWS spectrum in Dallas/Fort Worth, Texas; Shreveport-Bossier City, Louisiana; and an additional 10 MHz of AWS spectrum in certain other Washington markets, as well as an additional 10 MHz of PCS spectrum in Sacramento, California. We will acquire 10 MHz of AWS spectrum in Dallas/Fort Worth, Texas and Shreveport-Bossier City, Louisiana; and an additional 10 MHz of AWS spectrum in Santa Barbara, California, and Tampa-St. Petersburg-Clearwater, Florida. Consummation of this spectrum exchange agreement is subject to customary closing conditions, including final FCC consent, which was granted on July 9, 2010, but has not yet become final. In addition, we have entered into short-term lease agreements with the Service Provider that, subject to FCC approval, authorize the Service Provider and us to use the spectrum covered by the spectrum exchange agreement until the spectrum exchange is consummated.

On July 23, 2010, we entered into a like-kind spectrum exchange agreement for licenses in certain metropolitan areas with the Service Provider. Consummation of this spectrum exchange agreement is subject to customary closing conditions, including final FCC consent. We will acquire 10 MHz of AWS spectrum in Orlando in exchange for 10 MHz of PCS spectrum in Ft. Pierce-Vero Beach-Stuart, Florida, 20 MHz of partitioned AWS spectrum in the Salt Lake City and Portland cellular marketing areas and a cash payment. In addition, we entered into a short-term lease agreement with the Service Provider that, subject to FCC approval, will allow us to use the spectrum to be exchanged until the spectrum exchange agreement is consummated.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements.

Inflation

We believe that inflation has not materially affected our operations.

Effect of New Accounting Standards

We believe that the adoption of new accounting standards has not materially affected our results of operations.

Fair Value Measurements

We do not expect changes in the aggregate fair value of our financial assets and liabilities to have a material adverse impact on the condensed consolidated financial statements. See Note 9 to the financial statements included in this report.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Market risk is the potential loss arising from adverse changes in market prices and rates, including interest rates. We do not routinely enter into derivatives or other financial instruments for trading, speculative or hedging purposes, unless it is hedging interest rate risk exposure or is required by our senior secured credit facility. We do not currently conduct business internationally, so we are generally not subject to foreign currency exchange rate risk.

As of June 30, 2010, we had approximately $1.5 billion in outstanding indebtedness under our senior secured credit facility that bears interest at floating rates based on the London Inter Bank Offered Rate, or LIBOR, plus 2.25%. The interest rate on the outstanding debt under our senior secured credit facility as of June 30, 2010 was 3.765%, which includes the impact of our interest rate protection agreements. In March 2009, we entered into three separate two-year interest rate protection agreements to manage the Company's interest rate risk exposure. These agreements were effective on February 1, 2010 and cover a notional amount of $1.0 billion and effectively convert this portion of our variable rate debt to fixed rate debt at a weighted average annual rate of 4.381%. The monthly interest settlement periods began on February 1, 2010. These agreements expire on February 1, 2012. If market LIBOR rates increase 100 basis points over the rates in effect at June 30, 2010, annual interest expense on the approximate $540.0 million in variable rate debt that is not subject to interest rate protection agreements would increase approximately $5.4 million.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our Exchange Act reports is recorded, processed, summarized and reported as required by the SEC and that such information is accumulated and communicated to management, including our CEO and CFO, as appropriate, to allow for appropriate and timely decisions regarding required disclosure. Our management, with participation by our CEO and CFO, has designed the Company's disclosure controls and procedures to provide reasonable assurance of achieving these desired objectives. As required by SEC Rule 13a-15(b), we conducted an evaluation, with the participation of our CEO and CFO, of the effectiveness of the design and operation of our disclosure controls and procedures as of June 30, 2010, the end of the period covered by this report. In designing and evaluating the disclosure controls and procedures (as defined by SEC Rule 13a – 15(e)), our management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management is necessarily required to apply judgment in evaluating the cost-benefit relationship of possible controls and objectives. Based upon that evaluation, our CEO and CFO have concluded that our disclosure controls and procedures are effective as of June 30, 2010.

Changes in Internal Control Over Financial Reporting

There were no changes in the Company's internal control over financial reporting that occurred during the quarter ended June 30, 2010 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II

OTHER INFORMATION

Item 1. Legal Proceedings

We are involved in litigation from time to time, including litigation regarding intellectual property claims, that we consider to be in the normal course of business. Other than the matter listed below we are not currently party to any pending legal proceedings that we believe could, individually or in the aggregate, have a material adverse effect on our financial condition, results of operations or cash flows.

Legal proceedings are inherently unpredictable, and the matters in which we are involved often present complex legal and factual issues. We intend to vigorously pursue defenses in all matters in which we are involved and engage in discussions where possible to resolve these matters on terms favorable to us. We believe that any amounts alleged in the matters discussed below for which we are allegedly liable are not necessarily meaningful indicators of our potential liability. We determine whether we should accrue an estimated loss for a contingency in a particular legal proceeding by assessing whether a loss is deemed probable and can be reasonably estimated. We reassess our views on estimated losses on a quarterly basis to reflect the impact of any developments in the matters in which we are involved. It is possible, however, that our business, financial condition and results of operations in future periods could be materially adversely affected by increased expense, significant settlement costs and/or unfavorable damage awards relating to such matters.

MetroPCS, certain current officers and a director (collectively, the "defendants") have been named as defendants in a securities class action lawsuit filed on December 15, 2009 in the United States District Court for the Northern District of Texas, Civil Action No. 3:09-CV-2392. Plaintiff alleges that the defendants violated Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, and Section 20(a) of the Exchange Act. The complaint alleges that the defendants made false and misleading statements about MetroPCS' business, prospects and operations. The claims are based upon various alleged public statements made during the period from February 26, 2009 through November 4, 2009. The lawsuit seeks, among other relief, a determination that the alleged claims may be asserted on a class-wide basis, unspecified compensatory damages, attorneys' fees, other expenses, and costs. On February 16, 2010, Kevin Hopson, an alleged MetroPCS shareholder, filed a motion in the United States District Court for the Northern District of Texas seeking to be designated as the lead plaintiff in this action. On May 11, 2010, the Court appointed Kevin Hopson as lead plaintiff and Plaintiff (an individual on behalf of others similarly situated) on June 25, 2010 filed an amended complaint. Pursuant to the parties' agreed schedule, defendants' motion to dismiss or answer is due on August 9, 2010. Due to the complex nature of the legal and factual issues involved in this action, the outcome is not presently determinable. If this matter were to proceed beyond the pleading stage, MetroPCS could be required to incur substantial costs and expenses to defend this matter and/or be required to pay substantial damages or settlement costs, which could materially adversely affect our business, financial condition and results of operations.

Item 1A. Risk Factors

There have been no material changes in our risk factors from those previously disclosed in "Item 1A. Risk Factors" of our Annual Report on Form 10-K for the year ended December 31, 2009 filed with the SEC on March 1, 2010, other than the changes and additions to the Risk Factors set forth in our Quarterly Report on Form 10-Q for the quarter ended March 31, 2010 filed with the SEC on May 10, 2010 and as set forth below. You should be aware that the risk factors included in all our filings with the SEC and those as modified in this section and other information contained in our filings with the SEC may not describe every risk facing our Company. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition and operating results.

Our ability to provide service to our customers and generate revenues could be harmed by adverse regulatory action.

Our FCC licenses are major assets that we use to provide our services. Our FCC licenses are subject to revocation and we may be subject to fines, forfeitures, penalties or other sanctions, including the imposition of mandatory reporting requirements, license conditions, corporate monitors, forfeiture of existing licenses, and limitations on our ability to participate in future FCC auctions, if the FCC were to find that we are not in compliance with its rules or the requirements of the Communications Act. Many of our 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 applicable construction requirement. If the FCC finds that our construction, or the construction of prior licensees, is insufficient, the FCC could, among other things, find that we are not a qualified licensee and revoke any or all of our licenses. In addition, a failure to comply with applicable license conditions or regulatory requirements could result in revocation or termination of our licenses, in the loss of rights to serve unbuilt areas and/or fines and forfeitures. We have had inquiries from regulatory agencies regarding our compliance with regulatory requirements and we may in the future receive additional inquiries. We have responded, are in the process of responding, or will respond to such inquiries. We cannot give any assurances that the FCC will agree with our compliance efforts or that the FCC will not impose fines, fees, or forfeitures, seek a consent decree, or take other adverse action against us.

We must renew our FCC licenses periodically. Renewal applications are subject to FCC review and public comment to ensure that licensees meet their licensing requirements and comply with other applicable FCC requirements, rules and regulations. For all PCS, AWS and 700 MHz licenses, the FCC also requires that a licensee provide substantial service in order to receive a renewal expectancy. There is no guarantee that the FCC will find our completed system construction sufficient to meet the build out or renewal requirement. Additionally, while incumbent licensees enjoy a certain renewal expectancy if they provide substantial service, the substantial service standard is not well articulated and there is no guarantee that the FCC will conclude that we are providing substantial service, that we are entitled to a renewal expectancy, or will renew all or any of our licenses, without the imposition of adverse conditions. The FCC recently released a Notice of Proposed Rulemaking seeking to create consistent requirements for renewal of licenses, consistent consequences for discontinuance of service, and to clarify certain construction obligations. The proposed changes to the existing renewal and discontinuance of service requirements may be applied retroactively to existing licenses that will be renewed in the future. If the changed requirements are applied retroactively to our existing licenses, the FCC may determine that our, or the construction taken by prior licensees, or the actions taken by us, or the prior licensees, relating to discontinuance of service does not satisfy such changed requirements and determine not to renew our licenses. If we fail to file for renewal of any particular license at the appropriate time, or fail to meet any regulatory requirements for renewal, including construction and substantial service requirements, we could be denied a license renewal or be subject to a competing application. The FCC also may impose additional regulatory requirements or conditions on our licenses or our business and may impose a substantial renewal fee to allow a licensee to continue to use a particular spectrum. Such additional regulatory requirements, fees or conditions could increase the cost of doing business, could cause disruption to existing networks, and could require us to make substantial investments. Any loss or impairment of any of these licenses, failure to renew, fines and forfeitures, the imposition of conditions, or other actions by the FCC could have a material adverse effect on our business, financial condition and operating results.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. (Removed and Reserved)

None.

Item 5. Other Information

None.

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Item 6. Exhibits

Exhibit Number	Description
10.1	MetroPCS Communications, Inc. Severance Plan and Summary Plan Description
10.2	Form Change in Control Agreement
10.3	Form Amendment to the MetroPCS Communications, Inc. Nonqualified Stock Option Agreement relating to the MetroPCS Communications, Inc. 2004 Equity Incentive Compensation Plan
10.4	Form Amendment to the MetroPCS Communications, Inc. Restricted Stock Agreement relating to the MetroPCS Communications, Inc. 2004 Equity Incentive Compensation Plan
10.5	Form Amendment to the MetroPCS Communications, Inc. Notice of Grant of Stock Option relating to the Second Amended and Restated 1995 Stock Option Plan of MetroPCS , Inc.
10.6*	MetroPCS Communications Inc. 2010 Equity Incentive Compensation Plan (incorporated herein by reference to Annex A to MetroPCS Communications, Inc.'s Definitive Proxy Statement for the 2010 Annual Meeting of Stockholders filed on Schedule 14A with the Commission on April 19, 2010).
31.1	Certifications of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certifications of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
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. Pursuant to SEC Release 34-47551, this Exhibit is furnished to the SEC and shall not be deemed to be "filed."
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. Pursuant to SEC Release 34-47551, this Exhibit is furnished to the SEC and shall not be deemed to be "filed."
101	XBRL Instance Document

* Incorporated by reference

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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.

	METROPCS COMMUNICATIONS, INC.	
Date: August 9, 2010	By:	/s/ Roger D. Linquist
		Roger D. Linquist President, Chief Executive Officer and Chairman of the Board
Date: August 9, 2010	By:	/s/ J. Braxton Carter
		J. Braxton Carter Executive Vice President and Chief Financial Officer

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* Incorporated by reference

Exhibit 10.1

METROPCS COMMUNICATIONS, INC.

SEVERANCE PAY PLAN

AND

SUMMARY PLAN DESCRIPTION

Effective May 4, 2010

METROPCS COMMUNICATIONS, INC.

SEVERANCE PAY PLAN

AND

SUMMARY PLAN DESCRIPTION

This plan document describes the severance benefits provided under the MetroPCS Communications, Inc. Severance Pay Plan (the "***Plan***"). This Plan document also serves as a summary plan description.

ARTICLE I
DEFINITIONS

1.1 "***1995 Plan***" means the Second Amended and Restated 1995 Stock Option Plan of MetroPCS, Inc., as amended.

1.2 "***2004 Plan***" means the Amended and Restated MetroPCS Communications, Inc. 2004 Equity Incentive Compensation Plan, as amended.

1.3 "***2010 Plan***" means the MetroPCS Communications, Inc. 2010 Equity Incentive Compensation Plan, as amended.

1.4 "***Annual Base Salary***" means the amount Eligible Employee was entitled to receive as salary on an annualized basis immediately prior to Eligible Employee's Termination of Employment, including any amounts deferred pursuant to any deferred compensation program or contributions to the Company's 401(k) Retirement Savings Plan, but excluding all annual cash performance awards (or equivalent award for annual performance), bonuses, overtime, long-term equity incentive awards, welfare benefit premium reimbursements and incentive compensation, payable by the Company as consideration for the Eligible Employee's services.

1.5 "***Annual Bonus***" means the target payment amount under the Company's annual cash incentive award program (or equivalent award for annual performance) that was communicated to the Eligible Employee by the Board for the year in which the Eligible Employee incurs a Termination of Employment.

1.6 "***Annual Compensation***" means the Eligible Employee's aggregate Annual Base Salary and Pro-Rata Annual Bonus.

1.7 "***Board***" means the Board of Directors of the Company.

1.8 "***Cause***" shall have the same meaning as such term in any effective individual employment agreement that the Eligible Employee has entered into with the Company; provided, however, that in the event that the Eligible Employee does not have such an employment agreement or such an employment agreement does not define the term "Cause," then "Cause" shall mean the Eligible Employee's (a) engagement in any act of gross negligence, recklessness, or willful misconduct on a matter that is not inconsequential, as reasonably determined by the Plan Administrator in good faith or material violation of any duty of loyalty to the Company or its affiliates, (b) conviction by, or a plea of guilty or *nolo contendere* in, a court of competent and final jurisdiction for (i) any felony, or (ii) any crime of moral turpitude, or (c) commission of an act of fraud, embezzlement or dishonesty. For purposes hereof, no act or failure to act, on the Eligible Employee's part, shall be deemed "Cause" if the Plan Administrator, in its sole discretion, believes such acts or omissions were in the best interests of the Company.

1.9 "***Code***" means the Internal Revenue Code of 1986, as amended.

1.10 "***Company***" means MetroPCS Communications, Inc. or any successor of MetroPCS Communications, Inc.

1.11 "***Disability***" an inability to perform the Eligible Employee's material services for the Company for a period of 90 consecutive days or a total of 180 days, during any 365-day period, in either case as a result of incapacity due to mental or physical illness, which is determined to be total and permanent. A determination of Disability shall be made by a physician reasonably satisfactory to both the Eligible Employee (or his guardian) and the Company, provided that the Eligible Employee (or his guardian) and the Company do not agree on a physician, the Eligible Employee and the Company shall each select a physician and these two together shall select a third physician, whose determination as to Disability shall be final, binding and conclusive with respect to all parties. Notwithstanding the above, eligibility for disability benefits under any policy for long-term disability benefits provided to the Eligible Employee by the Company shall conclusively establish the Eligible Employee's Disability.

1.12 "***Effective Date***" means May 4, 2010.

1.13 "***Eligible Employee***" shall mean all Employees of the Company that are deemed by the Plan Administrator to be a Tier 1 Employee, a Tier 2 Employee, or a Tier 3 Employee; the Plan Administrator shall retain the sole discretion to determine an Employee's eligibility for this Plan at all times.

1.14 "***Employee***" means any individual who is employed by the Company or its parents, subsidiaries and affiliated entities.

1.15 "***Equity Plans***" means the 1995 Plan, the 2004 Plan, the 2010 Plan or any other equity incentive compensation plan adopted by the Company after the Effective Date of the Plan.

1.16 "***ERISA***" means the Employee Retirement Income Security Act of 1974, as amended.

1.17 "***Good Reason***" means, without the express written consent of the Eligible Employee, the occurrence of any of the following:

(a) the material reduction or diminution in the Eligible Employee's authority, duties or responsibilities with the Company (or any affiliate of Company or any successor thereof), including, but not limited to, the continuous assignment of Eligible Employee of any duties materially inconsistent with Eligible Employee's position with the Company (or any affiliate of Company or any successor thereof), or a material negative change in the nature or status of Eligible Employee's responsibilities or the conditions of Eligible Employee's employment with the Company (or any affiliate of Company or any successor thereof) from those in effect immediately prior to the Eligible Employee's Termination of Employment;

(b) a material reduction in Eligible Employee's annualized cash and benefits compensation opportunity, which shall include Eligible Employee's base compensation, Eligible Employee's annual target bonus opportunity and Eligible Employee's aggregate employee benefits, as in effect immediately prior to a Termination of Employment; or

(c) the relocation of the Eligible Employee to an office or location which would increase his daily commute distance by more than 50 miles (one-way) from the location at which the Eligible Employee normally performed Eligible Employee's services immediately prior to the Termination of Employment, except for travel reasonably required in the performance of the Eligible Employee's responsibilities or the Eligible Employee being required to travel away from the his office in the course of discharging the his responsibilities or duties hereunder significantly more (in terms of either consecutive days or aggregate days in any calendar year) than was required of the Eligible Employee prior to the Termination of Employment.

Notwithstanding the foregoing, in the case of the Eligible Employee's allegation that his Termination of Employment was due to a Good Reason termination: (i) Eligible Employee shall provide notice to the Company of the event alleged to constitute a Good Reason termination within 90 days of the occurrence of such event, and (ii) the Company shall be given the opportunity to remedy the alleged Good Reason termination event within 10 calendar days from receipt of notice of such allegation.

1.18 "***Nonqualified Deferred Compensation Rules***" shall mean the limitations and requirements set forth in Section 409A of the Code, the regulations promulgated thereunder, and any additional guidance issued by the Internal Revenue Service related thereto.

1.19 "***Normal Retirement***" means a Termination of Employment when the total number of years of cumulative service of such Eligible Employee with the Company and its affiliates and number of years of age of such Eligible Employee equals 55, but in no event shall an Eligible Employee be considered eligible for Normal Retirement if he or she has less than 10 years of service.

1.20 "***Plan***" means the MetroPCS Communications, Inc. Severance Pay Plan.

1.21 "***Plan Administrator***" means the Compensation Committee of the Board if such Committee is in existence, has at least two members and all members of such Committee are "outside directors" as defined under Section 162(m) of the Code, or the Board if the Compensation Committee of the Board does not exist, does not have at least two members and all member of the such Committee are not "outside directors" as defined by Section 162(m) of the Code, or the individual or individuals designated by the Board or such Committee to administer the Plan.

1.22 "***Pro-Rata Annual Bonus***" means the Eligible Employee's Annual Bonus, pro-rated for the number of days the Eligible Employee was employed by the Company or an affiliate of the Company during the calendar year in which the Eligible Employee's Termination of Employment occurred.

1.23 "***Qualifying Termination Event***" means a Termination of Employment: (a) by the Company without Cause, or (b) by the Eligible Employee for Good Reason. A Termination of Employment due to an Eligible Employee's death, Disability, or Normal Retirement shall not be deemed to be a Qualifying Termination Event.

1.24 "***Severance Period***" means for:

(a) *Tier 3 Employees*, 9 months following the date of the Eligible Employee's Qualifying Termination event;

(b) *Tier 2 Employees*, 18 months following the date of the Eligible Employee's Qualifying Termination event; and

(c) *Tier 1 Employees*, 24 months following the date of the Eligible Employee's Qualifying Termination event.

1.25 "***Termination of Employment***" means a separation from service within the meaning of Treasury Regulation § 1.409A-1(h).

1.26 "***Tier 1 Employee***" means an Eligible Employee identified as a Tier 1 Employee on Exhibit A.

1.27 "***Tier 2 Employee***" means an Eligible Employee identified as a Tier 2 Employee on Exhibit B.

1.28 "***Tier 3 Employee***" means an Eligible Employee identified as a Tier 3 Employee on Exhibit C.

ARTICLE II
GENERAL SEVERANCE BENEFIT

2.1 **Severance Benefit**. Except as otherwise provided in this Section 2.1 or as set forth in an individual employment agreement or change in control agreement with an Eligible Employee that specifically supersedes such Eligible Employee's rights to benefits pursuant to this Plan, the Plan supersedes all prior practices, policies, procedures and plans relating to severance benefits from the Company and any affiliated or predecessor entities with respect to the Eligible Employees. Unless otherwise set forth in an individual employment agreement or change in control agreement with an Eligible Employee that specifically supersedes such Eligible Employee's rights to benefits pursuant to this Plan, the Company shall provide severance benefits as set forth in Article III to Eligible Employees that incur a Termination of Employment pursuant to the terms, conditions and limitations set forth in the Plan. If an Eligible Employee has an individual employment agreement or change in control agreement and such agreement provides for the payment of severance benefits in connection with an Eligible Employee's Termination of Employment, to the extent the events giving rise to the Termination of Employment are covered by such individual employment agreement or change in control agreement, such individual employment agreement or change in control agreement and not this Plan shall govern the payment of severance benefits relating to such Termination of Employment covered by such individual employment agreement or change in control agreement.

ARTICLE III
SEVERANCE BENEFITS

3.1 **<u>Cash Severance Benefits</u>**.

(a) *<u>Tenured Employees</u>*. An Eligible Employee that has been employed by the Company or an affiliate of the Company for a continuous period of two or more years following the Eligible Employee's initial hire date (a "***Tenured***" Employee) shall be eligible to receive a severance payment from the Company upon the Eligible Employee's incurrence of a Qualifying Termination Event as follows:

(i) <u>Tenured Tier 3 Employees</u>. In the event a Tenured Tier 3 Employee incurs a Qualifying Termination Event, then the Tenured Tier 3 Employee will be entitled to receive a severance payment equal to 75% of the Eligible Employee's Annual Compensation. For example, if the Tenured Tier 3 Employee's Annual Base Salary is $100,000, and his Pro-Rata Annual Bonus was $25,000, the severance payment would equal $93,750 (.75 x ($100,000 + $25,000)).

(ii) <u>Tenured Tier 2 Employees</u>. In the event a Tenured Tier 2 Employee incurs a Qualifying Termination Event, then the Tenured Tier 2 Employee will be entitled to receive a severance payment equal to equal to 150% of the Eligible Employee's Annual Compensation. For example, if Tenured Tier 2 Employee's Annual Base Salary is $100,000, and his Pro-Rata Annual Bonus was $25,000, the severance payment would equal $187,500 (1.5 x ($100,000 + $25,000)).

(iii) <u>Tenured Tier 1 Employees</u>. In the event a Tenured Tier 1 Employee incurs a Qualifying Termination Event, then the Tenured Tier 1 Employee will be entitled to receive a severance payment equal to equal to 200% of the Eligible Employee's Annual Compensation. For example, if Tenured Tier 1 Employee's Annual Base Salary is $100,000, and his Pro-Rata Annual Bonus was $25,000, the severance payment would equal $250,000 (2.0 x ($100,000 + $25,000)).

(b) *<u>New Employees</u>*. An Eligible Employee that has been employed by the Company or an affiliate of the Company for a continuous period of less than two years following the Eligible Employee's initial hire date (a "***New***" Employee) will be eligible to receive a pro-rata severance payment from the Company upon the New Employee's incurrence of a Qualifying Termination Event. The pro-rata severance payment shall be calculated based upon the payments described in Section 3.1(a)(i) – (iii) above, multiplied by (x/y). For purposes of this Section 3.1(b), "x" shall mean the number of days the New Employee has been employed by the Company or an affiliate of the Company, and "y" shall mean 730. For example, an Eligible Employee hired on January 1, 2010 incurs a Qualifying Termination Event on September 30, 2011. If the New Employee is also a Tier 3 Employee with the same Annual Compensation as the Tier 3 Employee in Section 3.1(a)(i), and has been employed by the Company continuously from his hire date to his Termination of Employment, the New Employee's pro-rata severance payment would be calculated as follows:

(.75 x ($100,000 + $25,000)) x (638/730) = $81,935

(c) *Intermittent Employees*. An Eligible Employee that has provided services as an Eligible Employee to the Company or an affiliate of the Company for intermittent periods of time, regardless of the aggregate time period the Eligible Employee has provided services to the Company or an affiliate of the Company (an "***Intermittent***" Employee), will be eligible to receive a pro-rata severance payment from the Company upon the Intermittent Employee's incurrence of a Qualifying Termination Event. The pro-rata severance payment shall be calculated based upon the payments described in Section 3.1(a)(i) – (iii) above, multiplied by (x/y). For purposes of this Section 3.1(c), "x" shall be the number of days the Intermittent Employee has been employed by the Company or an affiliate of the Company during any continuous two year period for which "x" would be deemed to be the highest, and "y" shall be 730. For example, an Intermittent Employee has been employed by the Company during the following dates (i) January 1, 2010 to June 30, 2010; (ii) January 1, 2011 to November 30, 2012; and (iii) July 1, 2013 to September 30, 2014. The Intermittent Employee incurs a Qualifying Termination Event on September 30, 2014. If the Intermittent Employee is also a Tier 3 Employee with the same Annual Compensation as the Tier 3 Employee in Section 3.1(a)(i), the Intermittent Employee's pro-rata severance payment would be calculated as follows:

(.75 x ($100,000 + $25,000)) x (699/730) = $89,769

The number for "x" in this example was taken from the period of time the Eligible Employee was employed between January 1, 2011 and November 30, 2012, as it was the largest number of days which were worked in any continuous two year period.

(d) *Termination of Employment without a Qualifying Termination Event*. In the event that an Eligible Employee incurs a Termination of Employment that is not a Qualifying Termination Event, the Eligible Employee shall not be entitled to any cash severance benefits pursuant to this Plan.

(e) *Pro-Rata Annual Bonus*. In addition to the payment to be made under Section 3.1(a)-(d) above, an Eligible Employee, upon an incurrence of a Qualifying Termination Event, shall receive the following additional payment equal to:

(i) Tenured Employee. For a Tenured Employee, such Tenured Employee shall receive his or her Pro-Rata Annual Bonus attributable to the year in which the Qualifying Termination Event occurs;

(ii) New Employee. For a New Employee, such New Employee shall receive an amount equal to his or her Pro-Rata Annual Bonus attributable to the year in which the Qualifying Termination Event occurs multiplied by (x/y) where, for purposes of this subsection (ii), "x" shall mean the number of days the New Employee has been employed by the Company or an affiliate of the Company, and "y" shall mean 730; and

(iii) Intermittent Employees. For Intermittent Employees, such Intermittent Employee shall receive an amount equal to Pro-Rata Annual Bonus attributable to the year in which the Qualifying Termination Event occurs multiplied by (x/y) where, for purposes of this subsection (iii), "x" shall be the number of days the Intermittent Employee has been employed by the Company or an affiliate of the Company during any continuous two year period for which "x" would be deemed to be the highest, and "y" shall be 730.

3.2 **Accrued or Vested Benefits**. In the event that an Eligible Employee's employment with the Company or its successor is terminated due to the occurrence of a Qualifying Termination Event, the Company shall pay to such Eligible Employee a lump sum cash amount equal to the sum of (A) the Eligible Employee's accrued and unpaid salary as of his date of termination plus (B) reimbursement for all expenses reasonably and necessarily incurred by the Eligible Employee (in accordance with Company policy) prior to termination in connection with the business of the Company plus (C) any accrued vacation pay, to the extent not theretofore paid plus (D) any amounts vested, but unpaid, prior to termination for annual cash performance awards (or equivalent award for annual performance) plus (E) payments for any other benefits which have vested or accrued prior to such Eligible Employee's Termination of Employment. This amount shall be paid within ten (10) days of the Eligible Employee's Termination of Employment, or pursuant to the time set forth in the applicable plan document from which any vested benefits shall be paid, as applicable.

3.3 **Form and Timing of Cash Severance Benefit**. Subject to the restrictions set forth in Section 3.6 below, cash severance benefits payable pursuant to Section 3.1 shall be paid on a once-monthly basis in substantially equal increments. The first installment payment shall be made on the 60th day following the Eligible Employee's Termination of Employment, and thereafter monthly payments will continue in accordance with the Company's normal payroll practices until the completion of the Eligible Employee's applicable Severance Period. In the event that any monthly severance payments that should have been made to the Eligible Employee, but, due to the delay in payments pursuant to the Release Period (as defined in Section 3.6 below), were not paid to the Eligible Employee, such payments will be aggregated, without interest, and payable in a lump sum along with the first installment payment scheduled for the 60th day following the Eligible Employee's Termination of Employment; provided, however, that no payments due to any Eligible Employee under this Plan shall be made following the 24-month period immediately following the Eligible Employee's Termination of Employment.

3.4 **Continued Medical Benefits**. In the event an Eligible Employee incurs a Qualifying Termination Event, the Company shall reimburse the Eligible Employee an amount equal to the aggregate applicable monthly premiums required for the Eligible Employee (and the Eligible Employee's dependents, if applicable) to continue Eligible Employee's group health care coverage for a period of time equal to the applicable Severance Period for the Eligible Employee, under the applicable provisions of the Consolidated Omnibus Budget Reconciliation Act of 1985 ("***COBRA***"), provided that Eligible Employee elects to continue and remains eligible for these benefits under COBRA. Subject to the restrictions set forth in Section 3.6 below, the Company shall pay the Eligible Employee the amount required under this Section 3.4 on a monthly basis beginning on the 60th day following the Eligible Employee's Termination of Employment. In the event that any payments that should have been made to the Eligible Employee, but, due to the delay in payments pursuant to the Release Period (as defined in Section 3.6 below), were not paid to the Eligible Employee, such payments will be aggregated, without interest, and payable in a lump sum along with the first monthly payment scheduled for the 60th day following the Eligible Employee's Termination of Employment

3.5 **Awards Under Equity Plans**. Unless specifically excluded from the Plan under the award agreement, notwithstanding anything to the contrary in any applicable award agreement under the Equity Plans or other plan or arrangement maintained or sponsored by the Company, in the event that an Eligible Employee incurs a Qualifying Termination Event, the Eligible Employee's outstanding awards under the Equity Plans or other plan or arrangement maintained or sponsored by the Company will receive the following treatment:

(a) All unvested stock option awards granted pursuant to the 1995 Plan, the 2004 Plan or the 2010 Plan shall be immediately forfeited without further payment to the Eligible Employee.

(b) All vested but unexercised stock option awards granted pursuant to the 1995 Plan shall remain exercisable by the Eligible Employee for a period of three months following the Eligible Employee's Termination of Employment.

(c) All vested but unexercised stock option awards granted pursuant to the 2004 Plan or the 2010 Plan shall remain exercisable by the Eligible Employee for a period of six months following the Eligible Employee's Termination of Employment.

(d) All unvested restricted stock awards granted pursuant to the Equity Plans shall be immediately forfeited without further payment to the Eligible Employee.

(e) Any unvested annual performance awards granted pursuant to the Equity Plans shall be immediately forfeited without further payment to the Eligible Employee.

(f) All other awards under the Equity Plans shall be immediately forfeited without further payment to the Eligible Employee

3.6 **Release and Other Restrictions**.

(a) *Agreements*. Notwithstanding any other provision in the Plan to the contrary, as consideration for receiving cash severance benefits under the Plan pursuant to Sections 3.1 and 3.4, each Eligible Employee who is otherwise entitled to receive such benefits must execute a release, along with certain protection of confidential information requirements, non-competition and non-solicitation restrictions as reasonably required by the Plan Administrator, in the form and pursuant to the procedures reasonably established by the Plan Administrator. For purposes of this Plan, the general form of release and the restrictive covenants (protection of confidential information, non-competition and non-solicitation) to be executed by an Eligible Employee prior to receiving any cash severance benefits pursuant to this Plan shall be substantially in the form as the provisions attached hereto as Exhibit D (the "***Release Agreement***"). Cash severance benefits shall be conditioned upon the execution, non-revocation, and delivery of a Release Agreement by Eligible Employee within 60 days of the date of Eligible Employee's Termination of Employment (the "***Release Period***"). Notwithstanding the form and timing of payments noted within the Sections 3.1 or 3.4 above, in the event that the Company has not received a properly executed Release Agreement by the Eligible Employee during the Release Period, or the revocation period during which Eligible Employee is entitled to revoke such Release Agreement has not expired during such Release Period, the Eligible Employee shall not be entitled to receive any payments or benefits pursuant to this Plan. The Company shall deliver the final form of the Release Agreement for Eligible Employee's consideration within the three day period immediately following the Eligible Employee's Termination of Employment in order to ensure that the Eligible Employee has adequate time to complete each of the Eligible Employee's requirements set forth herein.

(b) *Violation of Agreements*. If an Eligible Employee fails to properly execute and not revoke the Release Agreement during the Release Period, or the Eligible Employee chooses not to sign such an agreement for any reason, the Eligible Employee shall not be entitled to cash severance benefits under Sections 3.1 and 3.4 of the Plan. If at any time during the Eligible Employee's Severance Period, the Plan Administrator determines that the Eligible Employee is in violation of his Release Agreement, all benefit or payment obligations of the Company under Sections 3.1 and 3.4 of the Plan shall immediately cease. The Plan Administrator, in its sole discretion, shall determine whether the Eligible Employee's applicable violation of the Release Agreement may be cured, and the severance benefits reinstated.

3.7 **Section 409A of the Code**. Notwithstanding any provision of this Plan to the contrary, if the Eligible Employee is considered a "specified employee" upon his Termination from Employment under such procedures as established by the Company in accordance with the Nonqualified Deferred Compensation Rules, any portion of a cash or benefit distribution made upon such a Termination from Employment that would cause the acceleration of, or an addition to, any taxes pursuant to the Nonqualified Deferred Compensation Rules may not commence earlier than six months after the date of such Termination from Employment; any payments or benefits that would be exempt from the Nonqualified Deferred Compensation Rules shall be paid in accordance with the original schedules noted in this Article III above. Therefore, in the event this Section 3.6 is applicable to the Eligible Employee, any distribution which would cause the acceleration of, or an addition to, any taxes pursuant to the Nonqualified Deferred Compensation Rules that would otherwise have been paid to the Eligible Employee within the first six months following the Termination from Employment shall be accumulated and paid to the Eligible Employee in a lump sum on the first day of the seventh month following the Termination from Employment. All subsequent distributions, if any, shall be paid in the manner otherwise specified herein.

ARTICLE IV
GENERAL PROVISIONS

4.1 **Funding and Cost of Plan**. The severance benefits provided herein shall be unfunded and shall be provided from the Company's general assets. The cost of providing severance benefits under the Plan shall be borne by the Company.

4.2 **Named Fiduciary**. The Plan Administrator shall be the named fiduciary for purposes of ERISA.

4.3 **Administration**. The Plan Administrator shall be responsible for the management and control of the operation and the administration of the Plan, including without limitation, interpretation of the Plan, decisions pertaining to eligibility to participate in the Plan, computation of severance benefits, granting or denial of severance benefit claims, and review of claims denials. The Plan Administrator has absolute discretion in the exercise of its powers and responsibilities. To the extent the Plan Administrator delegates its responsibilities and powers as Plan Administrator, the Plan Administrator shall, without limiting any rights that the delegate may have under the Company's charter or bylaws, applicable law or otherwise, indemnify and hold harmless each such delegate (and any other individual acting on such delegate's behalf) against any and all expenses and liabilities arising out of such person's administrative functions or fiduciary responsibilities, excepting only expenses and liabilities arising out of the delegate's own gross negligence or willful misconduct; expenses against which such delegate shall be indemnified hereunder include without limitation the amounts of any settlement, judgment, attorneys' fees, costs of court, and any other related charges reasonably incurred in connection with a claim, proceeding, settlement, or other action under the Plan.

4.4 **Plan Year**. The Plan shall be administered on a calendar year basis. Accordingly, the Plan year shall be the twelve-consecutive-month period commencing January 1 of each year, except for the first Plan year, which shall commence May 4, 2010 and terminate December 31, 2010.

4.5 **Amendment and Termination**. Notwithstanding any provision of any other communication, either oral or written, made by the Company, by the Plan Administrator, or by any other individual or entity to Eligible Employees, to any service provider, or to any other individual or entity, the Plan Administrator reserves the absolute and unconditional right to amend the Plan from time to time on behalf of the Company, including the right to reduce or eliminate benefits provided pursuant to the provisions of the Plan as such provisions currently exist or may hereafter exist, and the right to amend prospectively or retroactively; provided, however, the Plan may not be amended to decrease benefits payable or to be provided to an Eligible Employee following that Eligible Employee's Qualifying Termination Event. All amendments to the Plan shall be in writing and executed by a duly authorized representative of the Plan Administrator, and any oral statements or representations made by the Company, by the Plan Administrator, or any other individual or entity that alter, modify, amend, or are inconsistent with the written terms of the Plan shall be invalid and unenforceable and may not be relied upon by any Eligible Employee, Employee, beneficiary, service provider, or other individual or entity.

4.6 **Successors**. Any successor to the Company shall assume the Company's obligations under the Plan. The failure of any successor to assume the Plan or any termination or amendment of the Plan that does not comply with the provisions of Section 4.5 shall be deemed to be a Qualifying Termination Event for all Eligible Employees.

4.7 **Claims Procedure and Review**. Claims for severance benefits under the Plan shall be made to the Plan Administrator. If a claim for severance benefits is wholly or partially denied, the Plan Administrator shall, within a reasonable period of time but no later than 90 days after receipt of the claim (or 180 days after receipt of the claim if special circumstances require an extension of time for processing the claim), notify the claimant of the denial. Such notice shall (a) be in writing, (b) be written in a manner calculated to be understood by the claimant, (c) contain the specific reason or reasons for denial of the claim, (d) refer specifically to the pertinent Plan provisions upon which the denial is based, (e) describe any additional material or information necessary for the claimant to perfect the claim (and explain why such material or information is necessary), and (f) describe the Plan's claim review procedures and time limits applicable to such procedures, including a statement of the claimant's right to bring a civil action under section 502(a) of the ERISA, following an adverse benefit determination on review. Within 60 days of the receipt by the claimant of this notice, the claimant may file a written appeal with the Plan Administrator. In connection with the appeal, the claimant may review Plan documents and may submit written issues and comments. The Plan Administrator shall deliver to the claimant a written decision on the appeal promptly, but not later than 60 days after the receipt of the claimant's appeal (or 120 days after receipt of the claimant's appeal if there are special circumstances which require an extension of time for processing). Such decision shall (i) be in writing, (ii) be written in a manner calculated to be understood by the claimant, (iii) include specific reasons for the decision, (iv) refer specifically to the Plan provisions upon which the decision is based, (v) state that the claimant is entitled to receive, on request and free of charge, reasonable access to and copies of all documents, records, and other information relevant to the claimant's claim for benefits, and (vi) a statement of the Participant's right to bring an action under section 502(a) of ERISA. If special circumstances require an extension, up to 180 or 120 days, whichever applies, the Plan Administrator shall send written notice of the extension prior to the expiration of such time period. This notice shall indicate the special circumstances requiring the extension and state when the Plan Administrator expects to render the decision.

4.8 **Not Contract of Employment**. The adoption and maintenance of the Plan shall not be deemed to be a contract of employment between the Company and any person, to be consideration for the employment of any person, or to have any impact whatsoever on the at-will employment relationship between the Company and the Eligible Employees. Nothing in the Plan shall be deemed to give any person the right to be retained in the employ of the Company or to restrict the right of the Company to discharge any person at any time. Nothing in the Plan shall be deemed to give the Company the right to require any person to remain in the employ of the Company or to restrict any person's right to terminate employment at any time.

4.9 **Governing Law**. This Plan shall be interpreted under the laws of the State of Delaware except to the extent preempted by federal law.

4.10 **Gender; Number**. Wherever appropriate herein, the masculine, neuter, and feminine genders shall be deemed to include each other, and the plural shall be deemed to include the singular and vice versa.

4.11 **Offer to Rehire**. Notwithstanding any Plan provisions to the contrary, any installment severance benefits payable to a person under Sections 3.1 and 3.4 of the Plan shall terminate if and when the person is offered re-employment with the Company, or its subsidiaries or affiliates and:

(a) Eligible Employee's authority, duties or responsibilities with the Company (or any affiliate of Company or any successor thereof) are materially consistent with Eligible Employee's prior position with the Company (or any affiliate of Company or any successor thereof) and the nature or status of Eligible Employee's responsibilities or the conditions of Eligible Employee's employment are materially consistent with those of the Eligible Employee in effect immediately prior to the Eligible Employee's Termination of Employment;

(b) Eligible Employee's annualized cash and benefits compensation opportunity, which shall include Eligible Employee's base compensation, Eligible Employee's annual target bonus opportunity and Eligible Employee's aggregate employee benefits, shall be materially the same as in effect immediately prior to Eligible Employee's Termination of Employment; and

(c) the Eligible Employee's office or location which would not increase his daily commute distance by more than 50 miles (one-way) from the location at which the Eligible Employee normally performed Eligible Employee's services immediately prior to the Termination of Employment, except for travel reasonably required in the performance of the Eligible Employee's responsibilities or the Eligible Employee being required to travel away from the his office in the course of discharging the his responsibilities or duties hereunder significantly more (in terms of either consecutive days or aggregate days in any calendar year) than was required of the Eligible Employee prior to the Termination of Employment.

4.12 **Overpayment**. If, due to mistake or any other reason, a person receives severance benefits under this Plan in excess of what the Plan provides, that person shall repay the overpayment to the Company in a lump sum within 30 days of notice of the amount of overpayment. If that person fails to so repay the overpayment, then without limiting any other remedies available to the Company, the Company may deduct the amount of the overpayment from any other amounts which become payable to that person under the Plan or otherwise.

4.13 **Headings**. The headings of the Articles and Sections are included solely for convenience. If the headings and the text of the Plan conflict, the text shall control. All references to Articles and Sections are to the Plan unless otherwise indicated.

4.14 **Severability**. If any provision of the Plan is held to be illegal or invalid for any reason, that holding shall not affect the remaining provisions of the Plan. Instead, the Plan shall be construed and enforced as if such illegal or invalid provision had not been contained herein.

4.15 **Mitigation**. An Eligible Employee will not be required to mitigate the amount of any payment required hereunder.

4.16 **Withholding**. The Company may withhold from any amounts payable under the Plan any federal, state or local taxes as the Company is required to withhold pursuant to any law or government regulation or ruling.

4.17 **Benefits are Not Insured**. The Plan is a severance plan. The Pension Benefits Guaranty Corporation under Title IV of ERISA does not insure benefits under this Plan.

4.18 **ERISA Rights**.

As a participant in the Plan, Eligible Employees are entitled to certain rights and protections under ERISA, which provides that all Plan participants shall be entitled to:

(a) Examine without charge, at the Plan Administrator's office and at other specified locations such as worksites, all Plan documents, and copies of all documents filed by the Plan with the U.S. Department of Labor, such as detailed annual reports.

(b) Obtain copies of all Plan documents and other Plan information upon written request to the Plan Administrator. The Plan Administrator may make a reasonable charge for the copies.

(c) To the extent applicable, receive a summary of the Plan's annual financial report. The Plan Administrator is required by law to furnish each participant with a copy of this summary annual report.

In addition to creating rights for Plan participants, ERISA imposes obligations upon the people who are responsible for the operation of employee benefit plans. The people who operate the Plan, called "fiduciaries" of the Plan, have a duty to do so prudently and in the interest of Eligible Employees and beneficiaries. No one, including the Company, may fire an Eligible Employee or otherwise discriminate against the Eligible Employee in any way to prevent the Eligible Employee from obtaining benefits or exercising his or her rights under ERISA.

If a claim for a severance benefit is denied in whole or in part, an Eligible Employee has the right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules.

Under ERISA, there are steps an Eligible Employee can take to enforce the above rights. For instance, if an Eligible Employee requests materials from the Plan Administrator and does not receive them within 30 days, the Eligible Employee may file suit in a federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay the Eligible Employee up to $110 a day until the Eligible Employee receives the materials, unless the materials were not sent because of reasons beyond the control of the Plan Administrator. If an Eligible Employee's claim for severance benefits is denied or ignored, in whole or in part, the Eligible Employee may file suit in a state or federal court. If an Eligible Employee is discriminated against for asserting his or her rights, the Eligible Employee may seek assistance from the U.S. Department of Labor, or file suit in a federal court. The court will decide who should pay court costs and legal fees. If the Eligible Employee is successful, the court may order the person sued by the Eligible Employee to pay the costs and fees. If the Eligible Employee loses, the court may order the Eligible Employee to pay the costs and fees (for example, if it finds that the Eligible Employee's claim is frivolous).

If an Eligible Employee has any questions about this Plan, the Eligible Employee should contact the Plan Administrator. If an Eligible Employee has any questions about this statement or about his or her rights under ERISA, or if an Eligible Employee needs assistance in obtaining documents from the Plan Administrator, he or she should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in the telephone directory or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue N.W., Washington D.C. 20210. An Eligible Employee may also obtain certain publications about his or her rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

4.19 **Additional Information**.

Plan Name:	MetroPCS Communications, Inc. Severance Pay Plan portion of the MetroPCS Wireless, Inc. Employee Welfare Benefit Plan
Plan Year:	January 1 through December 31
Type of Plan:	Welfare Plan—Severance Plan
Plan No.:	502
Plan Sponsor:	MetroPCS Communications, Inc. 2250 Lakeside Boulevard Richardson, Texas 75082 Employer I.D. Number: 75-2694973
Plan Administrator:	MetroPCS Communications, Inc. 2250 Lakeside Boulevard Richardson, Texas 75082 Telephone Number: (214) 570-5800 The Plan is administered by the Compensation Committee of the Board.
Funding Medium:	Plan severance benefits are paid from general assets of the Company.
Agent for Legal Service of Legal Process:	The Plan Administrator. Process may be served at the address specified above.

IN WITNESS WHEREOF, MetroPCS Communications, Inc. has executed this MetroPCS Communications, Inc. Severance Pay Plan, effective as of May 4, 2010.

METROPCS COMMUNICATIONS, INC.

By: ________________________

Name: ________________________

Title: ________________________

EXHIBIT A

Tier 1 Employees

1. Roger D. Linquist, President and Chief Executive Officer

EXHIBIT B

Tier 2 Employees

All EVPs, SVPs and VP Direct Reports to the President/CEO

EXHIBIT C

Tier 3 Employees

All other VPs

EXHIBIT D

Form of Agreement and Release

This Agreement and Release ("***Release***") is entered into between the undersigned employee ("***Employee***"), and MetroPCS Communications, Inc., a Delaware corporation (the "***Company***"), in connection with the MetroPCS Communications, Inc. Severance Pay Plan (the "***Plan***"). Employee shall have sixty (60) days to consider, execute and deliver this Release to the Company; such sixty (60) day period shall also include the lapse of the revocation period noted within this Release or any other statutory revocation period for the Release provided to Employee by law. By executing this Release, Employee agrees that sixty (60) days is a reasonable amount of time to carry out and allow for each of the above-described actions. While Employee may execute and deliver this Release to the Company at any time during such sixty (60) day period, Employee acknowledges that payment shall be received or commenced, as applicable and if any, at the time set forth in Section 2 of this Release.

1. Definitions

(a) "***Released Parties***" means the Company and its past, present and future parents, subsidiaries, divisions, successors, predecessors, employee benefit plans and affiliated or related companies, and also each of the foregoing entities' past, present and future owners, officers, directors, stockholders, investors, partners, managers, principals, members, committees, administrators, sponsors, executors, trustees, fiduciaries, employees, agents, assigns, representatives and attorneys, in their personal and representative capacities. Each of the Released Parties is an intended beneficiary of this Release.

(b) "***Claims***" means all theories of recovery of whatever nature, whether known or unknown, recognized by the law or equity of any jurisdiction. It includes, but is not limited to, any and all actions, causes of action, lawsuits, claims, complaints, petitions, charges, demands, liabilities, indebtedness, losses, damages, rights and judgments in which Employee has had or may have an interest. It also includes but is not limited to any claim for wages, benefits or other compensation; *provided*, *however* that nothing in this Release will affect Employee's entitlement to benefits pursuant to the terms of any employee benefit plan (as defined in the Employee Retirement Income Security Act of 1974, as amended) sponsored by the Company in which Employee is a participant or any Plan. The term Claims also includes but is not limited to claims asserted by Employee or on Employee's behalf by some other person, entity or government agency.

(c) Other capitalized terms used herein but not defined herein shall have the meanings ascribed to such terms in the Plan.

2. Consideration and Conditions to Payment

The Company agrees to pay Employee the consideration set forth in Sections 3.1 and 3.4 of the Plan. The Company will make this payment to Employee, or commence making payments to Employee, as applicable, on the sixtieth (60th) day following Employee's Termination of Employment, provided that Employee has satisfied all requisite conditions to receive such payment as noted within this Release and the Plan. Employee acknowledges that the payment that the Company will make to Employee under this Release is in addition to anything else of value to which Employee is entitled and that the Company is not otherwise obligated to make this payment to Employee.

3. Release of Claims

(a) In consideration of the payments to be made under Sections 3.1 and 3.4 of the Plan, Employee, on behalf of himself and Employee's heirs, executors, administrators, legal representatives, successors, beneficiaries, and assigns, unconditionally release and forever discharge the Released Parties from, and waive, any and all Claims that Employee has or may have against any of the Released Parties arising from Employee's employment with the Company, the termination thereof, and any other acts or omissions occurring on or before the date Employee signs this Release.

(b) The release set forth in Paragraph 3(a) includes, but is not limited to, any and all Claims under (i) the common law (tort, contract or other) of any jurisdiction; (ii) the Rehabilitation Act of 1973, the Age Discrimination in Employment Act, the Americans with Disabilities Act, Title VII of the Civil Rights Act of 1964, and any other federal, state and local statutes, ordinances, employee orders and regulations prohibiting discrimination or retaliation upon the basis of age, race, sex, national original, religion, disability, or other unlawful factor; (iii) the National Labor Relations Act; (iv) the Employee Retirement Income Security Act; (v) the Family and Medical Leave Act; (vi) the Fair Labor Standards Act; (vii) the Equal Pay Act; (viii) the Worker Adjustment and Retraining Notification Act; and (ix) any other federal, state or local law.

(c) In furtherance of this Release, Employee promises not to bring any Claims against any of the Released Parties in or before any court or arbitral authority.

4. Acknowledgment

Employee acknowledge that, by entering into this Release, the Company does not admit to any wrongdoing in connection with Employee's employment or termination, and that this Release is intended as a compromise of any Claims Employee has or may have against the Released Parties. Employee further acknowledges that Employee has carefully read this Release and understands its final and binding effect, has had a reasonable amount of time to consider it, has been advised to seek, and has had the opportunity to seek, the advice of legal counsel of Employee's choosing, and is entering this Release voluntarily. In addition, Employee hereby certifies his understanding that Employee may revoke the Release by providing written notice thereof to the Company within seven (7) days following execution of the Release and that, upon such revocation, this Release will not have any further legal effect.

5. Covenant Not to Compete

(a) In consideration of the payment to be made to Employee pursuant to Sections 3.1 and 3.4 of the Plan, for a period commencing on the Termination Event and terminating at the end of the Severance Period following the Termination Event, Employee shall refrain from providing any form of consulting, employment or assistance to the entities or persons set forth on Schedule 1 to this Agreement (or their successors)("***MetroPCS Competitors***"); provided, however, that Employee may consult with, or provide services or assistance to, an entity or person set forth on Schedule 1 to this Agreement (or their successors) other than as an employee, officer, or director of such entity or person so long as such services or assistance does not involve, and will not result in, the use or disclosure of Confidential Information.

(b) If Employee materially breaches Section 5(a), the parties agree that it would be difficult to calculate the damages associated with such breach. Accordingly, if Employee materially breaches Section 5(a), as liquidated damages and not as a penalty and as Company's sole and exclusive damages for such breach, the Company shall be entitled to cease providing any future cash severance benefits pursuant to Sections 3.1 and 3.4 of the Plan.

(c) Employee may terminate his obligations under Section 5(a) at any time upon prior written notice to the Company and the Company shall be entitled to immediately cease providing the cash severance benefits to Employee pursuant to Sections 3.1 and 3.4 of the Plan.

6. Certain Covenants by the Employee

(a) *Protection of Confidential Information*. The Employee acknowledges that in the course of his employment with the Company, the Employee has obtained confidential, proprietary and/or trade secret information of the Company, relating to, among other things, (i) programs, strategies, information or materials related to the business, services, manner of operation and activities of the Company, (ii) customers, suppliers, dealers, distributors, clients or prospects of the Company, (iii) computer hardware or software used in the course of the Company business, (iv) marketing strategies or other activities of the Company from or on behalf of any of its clients, (v) business plans, business strategies, and employee names and information, (vi) trade secrets, patent applications, and other intellectual property of the Company, and (vii) customer proprietary network information and personal information of directors, officers, employees, customers, agents, suppliers or contractors (hereinafter collectively referred to as "***Confidential Information***")**;** *provided*, *however*, that, for purposes of this Agreement, the term Confidential Information shall not include any information that (i) was publicly known at the time of disclosure to Employee, (ii) becomes publicly known or available thereafter other than by any means in violation of this Agreement or any other duty owed to the Company or any of its Affiliates by any person or entity; or (iii) is lawfully disclosed to Employee by a third party. The Employee recognizes that such Confidential Information has been developed by the Company at great expense; is a valuable, special and unique asset of the Company which it uses in its business to obtain competitive advantage over its competitors; is and shall be proprietary to the Company; is and shall remain the exclusive property of the Company; is not to be transmitted to any other person, entity or thing; and, is not to be used by Employee except in the course of carrying our Employee's duties and responsibilities of employment with the Company or its Affiliates. Accordingly, as a material inducement to the Company to enter into this Agreement with the Employee and in partial consideration for the compensation payable hereunder to the Employee, the Employee hereby:

(i) warrants and represents that he has not disclosed, copied, disseminated, shared or transmitted any Confidential Information to any person, firm, corporation or entity for any reason or purpose whatsoever, except in the course of carrying out the Employee's duties and responsibilities of employment with the Company or its Affiliates;

(ii) agrees to not disclose, copy, disseminate, share or transmit any Confidential Information in the future using the same degree of care Employee uses for his own confidential information of similar importance, but in no event less than a reasonable standard of care;

(iii) agrees not to make use of any Confidential Information for his own purposes or for the benefit of any person, firm, corporation or other entity, except that, in the course of carrying out the Employee's duties and responsibilities of employment, the Employee may use Confidential Information for the benefit of any Affiliate of the Company;

(iv) warrants and represents that all Confidential Information in his possession, custody or control that is or was a property of the Company has been or shall be returned to the Company by or on the date of the Employee's termination; and

(v) agrees that he will not reveal, or cause to be revealed, this Agreement or its terms to any third party (other than the Employee's attorney, tax advisor, or spouse), except as required by law.

The Employee's covenants in this Section 6(a) of this Agreement are in addition to, and do not supercede, the Employee's obligations under any confidentiality, invention or trade secret agreements executed by the Employee, or any laws protecting the Company's Confidential Information and, unless a longer period of time is required under applicable law, Employee's obligations under this Section 6(a) shall terminate two (2) years after a Change in Control.

(b) _Non-Solicitation_. For a period commencing on the Termination Event and terminating at the end of the Severance Period, Employee shall not, either on Employee's own account or jointly with or as a manager, agent, employee, consultant, general partner, joint venture, majority owner or controlling shareholder or otherwise on behalf of any other person, firm or corporation, directly or indirectly solicit for employment any person who is an employee or officer of the Company or its Affiliates and successors at the time of solicitation; *provided*, *however*, that a general advertisement to which an employee or officer of the Company, its Affiliates of their successors responds shall in no event be deemed to result in a breach of this Section 6(b).

(c) _Breach of Covenants_. The Employee acknowledges that the restrictions contained in Sections 6(a) and 6(b) of this Agreement correctly set forth the understanding of the parties at the time this Agreement is entered into, are reasonable and necessary to protect the legitimate interests of the Company. The Employee also acknowledges that any breach of Sections 6(a) and 6(b) of this Agreement will cause substantial injury to the Company for which money damages will not be an adequate remedy. In the event of any such breach, the Company shall be entitled, in addition to any other remedy, to seek a preliminary or permanent injunctive relief without the requirement to post a bond. If any court having jurisdiction shall find that any part of the restrictions set forth in this Agreement are unreasonable in any respect, it is the intent of the parties that the restrictions set forth herein shall not be terminated, but that this Agreement shall remain in full force and effect to the extent (as to time periods and other relevant factors) that the court shall find reasonable.

7. Applicable Law

This Release shall be construed and interpreted pursuant to the laws of the State of Delaware without regard to its choice of law rules.

8. Severability

Each part, term, or provision of this Release is severable from the others. Notwithstanding any possible future finding by a duly constituted authority that a particular part, term, or provision is invalid, void, or unenforceable, this Release has been made with the clear intention that the validity and enforceability of the remaining parts, terms and provisions shall not be affected thereby. If any part, term, or provision is so found invalid, void or unenforceable, the applicability of any such part, term, or provision shall be modified to the minimum extent necessary to make it or its application valid and enforceable.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year set forth below.

METROPCS COMMUNICATIONS, INC.		**EMPLOYEE**	
By:	____________________	By:	
Name:	____________________	Name:	______
Title:	____________________	Date:	
Date:			

Schedule 1
to
Agreement and Release

- AT&T Wireless
- Boost Mobile
- Leap Wireless International, Inc.
- Sprint Nextel
- T-Mobile USA
- Tracfone
- Verizon Wireless

Exhibit 10.2

Form Document

CHANGE IN CONTROL AGREEMENT

THIS CHANGE IN CONTROL AGREEMENT (this "***Agreement***") is entered into effective as of __________, 2010 (the "***Effective Date***"), by and between MetroPCS Communications, Inc., a Delaware corporation (the "***Company***") and __________ (the "***Employee***").

W I T N E S S E T H:

WHEREAS, the Employee is currently employed as the [__________] of the Company and is an integral part of its management;

WHEREAS, the Company considers it essential to the best interests of its stockholders to foster the continuous employment of key management personnel such as Employee;

WHEREAS, the Company recognizes that the possibility of a change in control of the Company will cause uncertainty and distract the Employee from his assigned duties to the detriment of the Company and its stockholders;

WHEREAS, the Company is concerned that without an agreement relating to Employee's severance in the event of a change in control Employee may not be incented to stay and fulfill Employee's assigned duties during the period prior to or after a change in control; and

WHEREAS, the Board of Directors of the Company (the "***Board***") has determined that appropriate steps should be taken to reinforce and encourage the Employee's continued attention and dedication to the Employee's assigned duties in the event of a change in control of the Company.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained in this Agreement and other good and valuable consideration, the Employee and the Company, intending to be legally bound, hereby agree as follows:

Section 1: Definitions

The following terms shall have the meanings set forth below whenever used herein:

(a) "***Affiliate***" shall mean a person that directly, or indirectly through one (1) or more intermediaries, controls, or is controlled by, or is under common control with, a specified person.

(b) "***Base Salary***" shall mean the greater of: (i) the amount Employee was entitled to receive as salary on an annualized basis immediately prior to termination of Employee's employment, and (ii) the amount Employee was entitled to receive as salary on an annualized basis immediately prior to a Change in Control (except that if the Change in Control occurs in a different calendar year than when such Change in Control is announced, such amount shall be the greater of (A) the amount Employee was entitled to receive as salary on an annualized basis immediately prior to a Change in Control and (B) the amount Employee was entitled to receive as salary on an annualized basis immediately prior to the announcement of a Change in Control), but in either case (x) including any amounts deferred pursuant to any deferred compensation program or contributions to the Company's 401(k) Retirement Savings Plan and (y) excluding all annual cash performance awards (or equivalent award for annual performance), bonuses, overtime, long-term equity incentive awards, welfare benefit premium reimbursements and incentive compensation, payable by the Company as consideration for the Employee's services.

(c) "***Beneficial Owner***" shall mean the beneficial owner of a security as determined pursuant to Rule 13d-3 promulgated under the Securities Exchange Act of 1934, as amended.

(d) "***Bonus***" shall mean the greater of: (i) the target payment amount under the Company's annual cash incentive award program (or equivalent award for annual performance) that was communicated to the Employee by the Board for the year in which the Employee's employment is terminated, and (ii) the target payment amount under the Company's annual cash incentive award program (or equivalent award for annual performance) that was communicated to the Employee by the Board for the year in which the Change in Control occurs (except that if the Change in Control occurs in a different calendar year than when such Change in Control is announced, such amount shall be the greater of (A) the target payment amount under the Company's annual cash incentive award program (or equivalent award for annual performance) that was communicated to the Employee by the Board for the year in which the Change in Control occurs and (B) the target payment amount under the Company's annual cash incentive award program (or equivalent award for annual performance) that was communicated to the Employee by the Board for the year in which the Change in Control was executed).

(e) "***Cause***" shall have the same meaning as such term in any effective individual employment agreement that the Employee has entered into with the Company; *provided*, *however*, that in the event that the Employee does not have such an employment agreement or such an employment agreement does not define the term "Cause," then "Cause" shall mean the Employee's (i) engagement in any act of gross negligence, recklessness, or willful misconduct on a matter that is not inconsequential, as reasonably determined by the Board in good faith or material violation of any duty of loyalty to the Company or its Affiliates, (ii) conviction by, or a plea of guilty or *nolo contendere* in, a court of competent and final jurisdiction for (A) any felony, or (B) any crime of moral turpitude, or (iii) commission of an act of fraud, embezzlement or dishonesty. For purposes hereof, no act or failure to act, on the Employee's part, shall be deemed "Cause" if the Employee reasonably believed such acts or omissions were in the best interests of the Company.

(f) "***Change in Control***" shall mean the occurrence of one (1) of the following:

(i) A "change in the ownership of the Company" which shall occur on the date that any one (1) Person, or more than one (1) Person acting as a group, becomes the Beneficial Owner of stock in the Company that, together with stock held by such Person or group, constitutes more than 50% of the total fair market value or total voting power of the stock of the Company; *provided*, *however*, if any one (1) Person or more than one (1) Person acting as a group, is considered to own more than 50% of the total fair market value or total voting power of the stock of the Company, the acquisition of additional stock by the same person or persons will not be considered a "change in the ownership of the Company" (or to cause a "change in the effective control of the Company" within the meaning of clause (ii) below) and an increase of the effective percentage of stock owned by any one (1) Person, or Persons acting as a group, as a result of a transaction in which the Company acquires its stock in exchange for property will be treated as an acquisition of stock for purposes of this paragraph; *provided*, *further*, *however*, that for purposes of this definition, the following acquisitions shall not constitute a Change in Control: (A) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any entity controlled by the Company, (B) any acquisition by investors (immediately prior to such acquisition) in the Company for financing purposes, as determined by the Board in its sole discretion, (C) any acquisition or merger with an entity owned, directly or indirectly, by stockholders of the Company in substantially the same proportions as their ownership of the Company, or (D) an underwriter temporarily holding securities pursuant to an offering of such securities. This clause (i) applies only when there is a transfer of the stock of the Company (or issuance of stock) and stock in the Company remains outstanding after the transaction;

(ii) A "merger of the Company" which shall occur on the date any merger, organization, business combination or consolidation of the Company or one (1) of its subsidiaries with or into any other company is consummated, other than a merger, reorganization, business combination or consolidation which would result in the holders of the voting securities of the Company outstanding immediately prior thereto holding securities which represent immediately after such merger, reorganization, business combination or consolidation more than 50% of the combined voting power of the voting securities of the Company or the surviving company or the parent of such surviving company;

(iii) A "change in the effective control of the Company" which shall occur on the date that either (A) any one (1) Person, or more than one (1) Person acting as a group, acquires (or has acquired during the twelve (12) month period ending on the date of the most recent acquisition by such Person or Persons) ownership of stock of the Company possessing 35% or more of the total voting power of the stock of the Company, except for (1) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any entity controlled by the Company, or (2) any acquisition by investors (immediately prior to such acquisition) in the Company for financing purposes, as determined by the Board in its sole discretion, (3) any acquisition or merger with an entity owned, directly or indirectly, by stockholders of the Company in substantially the same proportions as their ownership of the Company, or (4) an underwriter temporarily holding securities pursuant to an offering of such securities; or (B) a majority of the members of the Board are replaced during any twelve (12) month period by directors whose appointment or election is not endorsed by a majority of the members of the Board prior to the date of the appointment or election. For purposes of a "change in the effective control of the Company," if any one (1) Person, or more than one (1) Person acting as a group, is considered to effectively control the Company within the meaning of this clause (ii), the acquisition of additional control of the Company by the same Person or Persons is not considered a "change in the effective control of the Company," or to cause a "change in the ownership of the Company" within the meaning of clause (i) above; or

(iv) A "change in the ownership of a substantial portion of the Company's assets" which shall occur on the date that any one (1) Person, or more than one (1) Person acting as a group, acquires (or has acquired during the twelve (12) month period ending on the date of the most recent acquisition by such Person or Persons) assets of the Company that have a total gross fair market value equal to or more than 40% of the total gross fair market value of all the assets of the Company immediately prior to such acquisition or acquisitions. For this purpose, gross fair market value means the value of the assets of the Company, or the value of the assets being disposed of, determined without regard to any liabilities associated with such assets. Any transfer of assets to an entity that is controlled by the shareholders of the Company immediately after the transfer, as provided in guidance issued pursuant to the Non-Qualified Deferred Compensation Rules, shall not constitute a Change in Control;

provided, *however*, that in the event any payment due to Employee under this Agreement would also constitute "deferred compensation" within the meaning of the Nonqualified Deferred Compensation Rules, either by design or due to a subsequent modification in the terms of such payment or as a result in a change in the law occurring after the Effective Date, then to the extent such payment is not exempt from the Nonqualified Deferred Compensation Rules by an applicable exemption, the term "Change in Control" shall mean an event that constitutes not only one (1) of the Change in Control events described in subsections (i) through (iv) above, but also constitutes a "change in control" within the meaning of the Nonqualified Deferred Compensation Rules. For purposes of the definition of a "Change in Control" under this Agreement, the provisions of section 318(a) of the Code regarding the constructive ownership of stock will apply to determine stock ownership; *provided*, *that*, Company stock underlying unvested stock options (including options exercisable for stock that is not substantially vested) will not be treated as owned by the individual who holds such stock options. In addition, for purposes of the definition of a "Change in Control" under this Agreement, "Company" includes (x) the Company, (y) the entity for whom the Employee performs services, and (z) an entity that is a stockholder owning more than 50% of the total fair market value and total voting power (a "***Majority Shareholder***") of the Company or the entity identified in (y) above, or any entity in a chain of entities in which each entity is a Majority Shareholder of another entity in the chain, ending in the Company or the entity identified in (y) above.

(g) "***Code***" shall mean the Internal Revenue Code of 1986, as amended.

(h) "***Disability***" shall mean an inability to perform the Employee's material services for the Company for a period of ninety (90) consecutive days or a total of one hundred eighty (180) days, during any three hundred sixty five (365) day period, in either case as a result of incapacity due to mental or physical illness, which is determined to be total and permanent. A determination of Disability shall be made by a physician reasonably satisfactory to both the Employee (or his guardian) and the Company, provided that the Employee (or his guardian) and the Company do not agree on a physician, the Employee and the Company shall each select a physician and these two together shall select a third physician, whose determination as to Disability shall be final, binding and conclusive with respect to all parties. Notwithstanding the above, eligibility for disability benefits under any policy for long-term disability benefits provided to the Employee by the Company shall conclusively establish the Employee's Disability.

(i) "***Good Reason***" shall mean, without the express written consent of the Employee, the occurrence of any of the following:

(i) the material reduction or diminution in the Employee's authority, duties or responsibilities with the Company (or any Affiliate of Company or any successor thereof), including, but not limited to, the continuous assignment of Employee of any duties materially inconsistent with Employee's position with the Company (or any Affiliate of Company or any successor thereof), or a material negative change in the nature or status of Employee's responsibilities or the conditions of Employee's employment with the Company (or any Affiliate of Company or any successor thereof) from those in effect immediately prior to the Change in Control;

(ii) a material reduction in Employee's annualized cash and benefits compensation opportunity, which shall include Employee's base compensation, Employee's annual target bonus opportunity and Employee's aggregate employee benefits, as in effect immediately prior to a Change in Control; or

(iii) the relocation of the Employee to an office or location which would increase his daily commute distance by more than fifty (50) miles (one-way) from the location at which the Employee normally performed Employee's services immediately prior to the occurrence of a Change in Control, except for travel reasonably required in the performance of the Employee's responsibilities or the Employee being required to travel away from his office in the course of discharging the his responsibilities or duties hereunder significantly more (in terms of either consecutive days or aggregate days in any calendar year) than was required of the Employee prior to the Change in Control.

Notwithstanding the foregoing, in the case of the Employee's allegation that his Employment was terminated for Good Reason: (A) Employee shall provide notice to the Company of the event alleged to constitute a Good Reason termination within ninety (90) days of the occurrence of such event, and (B) the Company shall be given the opportunity to remedy the alleged Good Reason termination event within ten (10) calendar days from receipt of notice of such allegation.

(j) "***Nonqualified Deferred Compensation Rules***" shall mean the limitations and requirements set forth in section 409A of the Code, the regulations promulgated thereunder, and any additional guidance issued by the Internal Revenue Service related thereto.

(k) "***Person***" shall mean any individual, group, partnership, corporation, association, trust, or other entity or organization.

(l) "***Plans***" shall mean the MetroPCS Communications, Inc. 2010 Equity Incentive Compensation Plan, as amended, the Amended and Restated MetroPCS Communications, Inc. 2004 Equity Incentive Compensation Plan, as amended, the Second Amended and Restated 1995 Stock Option Plan of MetroPCS, Inc., as amended, and any other equity incentive compensation plans adopted by the Company following the Effective Date of this Agreement.

(m) "***Protection Period***" shall mean the eighteen (18) month period commencing on the date that the Change in Control occurs.

(n) "***Termination Event***" shall mean the Employee's Termination of Employment either:

(i) by the Company or its successor without Cause, excluding terminations due to the Employee's death or Disability;

(ii) by the Company or its successor as a condition to the consummation of (or entry into, provided the transaction is consummated) the Change in Control transaction; or

(iii) by the Employee for Good Reason.

(o) "***Termination of Employment***" shall mean the Employee's "separation from service" with the Company within the meaning of Treas. Reg. § 1.409A-1(h)(1)(ii).

Section 2: Term of Agreement

(a) Term. This Agreement is effective on the Effective Date and, unless sooner terminated by Employee pursuant to Section 2(b) of this Agreement, shall remain in full force and effect until (a) Employee's Termination of Employment, if such Termination of Employment (i) occurs prior to a Change in Control, (ii) is by Employee without Good Reason, or (iii) is by the Company for Cause; (b) the end of the Protection Period following a Change in Control, if the Employee has not had a Termination of Employment prior to the end of such Protection Period unless extended by mutual agreement; and (c) the date that the Company has fully performed its obligations under Section 3 and 4 of this Agreement, if Employee suffers or experiences a Termination Event during the Protection Period following the Change in Control (the "***Term***").

(b) Employee Termination. Upon written notice at any time prior to the expiration of this Agreement, Employee may terminate this Agreement without any further liability to, or by, the Company.

(c) Survival. Notwithstanding the expiration of the Term or other termination of this Agreement, (i) Sections 5(a), 5(c), 6(d) and 6(k) of this Agreement shall survive any expiration or termination of this Agreement, (ii) unless this Agreement is terminated by Employee pursuant to Section 2(b) of this Agreement, Section 5(b) of this Agreement shall survive any expiration or termination of this Agreement, and (iii) if a Change in Control shall occur prior to the expiration of the Term or other termination of this Agreement, the terms of this Agreement shall survive to the extent necessary to enable Employee to enforce his rights under Sections 3 and 4 of this Agreement.

Section 3: Severance Benefits

(a) Termination due to a Termination Event. In the event that the Employee's employment with the Company or its successor is terminated due to the occurrence of a Termination Event during the Protection Period following a Change in Control, the Employee shall be entitled to the following payments and other benefits:

(i) The Company shall pay to the Employee a lump sum cash amount equal to the sum of (A) the Employee's accrued and unpaid salary as of his date of termination plus (B) reimbursement for all expenses reasonably and necessarily incurred by the Employee (in accordance with Company policy) prior to termination in connection with the business of the Company plus (C) any accrued vacation pay, to the extent not theretofore paid plus (D) any amounts vested, but unpaid, prior to termination for annual cash performance awards (or equivalent award for annual performance) plus (E) the Employee's annual cash incentive award or (or equivalent award for annual performance) pro-rated of the number of days the Employee was employed by the Company or its Affiliates during the calendar year in which the Employee's Termination of Employment occurs plus (F) payments for any other benefits which have vested or accrued prior to Employee's Termination of Employment. This amount shall be paid within ten (10) days of the Employee's Termination of Employment, or pursuant to the time set forth in the applicable plan document from which any vested benefits shall be paid, as applicable.

(ii) Subject to the Company's receipt of the Release in accordance with Section 3(c), the Company shall pay to the Employee an additional lump sum cash amount equal to [__________ (____)] times the sum of (A) Employee's Base Salary plus (B) Employee's Bonus (collectively, "***Severance Payment***"). This amount shall be paid in accordance with the timing set forth in Section 3(c) below.

(iii) Subject to the Company's receipt of the Release in accordance with Section 3(c), the Company shall provide the Employee (and the Employee's dependents, if applicable), for a period of __________ (____) years (__________ (____) months) following his Termination of Employment, with a similar level of medical and dental insurance benefits upon substantially the same terms and conditions as existed immediately prior to the Employee's termination with co-payments to be made by the Employee not to exceed the amount that the Employee was obligated to pay prior to his Termination of Employment. This benefit shall commence to be provided to Employee in accordance with the timing set forth in Section 3(c) below.

(A) To the extent that any such medical or dental benefits are self-funded or provided pursuant to an insured plan, and during the period Employee would, but for the continued coverage provided pursuant to this Section 3(a)(iii), be entitled to continuation coverage with respect to such benefits pursuant to the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("***COBRA***"), if Employee elected such coverage and paid the applicable premiums (the "***COBRA Continuation Period***"), the costs of the continued benefit coverage provided under this Section 3(a)(iii) will be imputed as income to the Employee and reported on Form W-2. Following the COBRA Continuation Period, to the extent Employee is still entitled to continued coverage pursuant to this Section 3(a)(iii), the medical and dental coverage to be continued under such self-funded arrangement shall be provided in accordance with the provisions of Treas. Reg. § 1.409A-3(i)(1)(iv)(A) as it applies to the provision of in-kind benefits.

(B) Notwithstanding the foregoing provisions of this Section 3(a)(iii), in the event the Company is unable to provide any of the promised medical or dental benefits under its benefit plans, the Company will reimburse Employee for amounts necessary to enable the Employee to obtain medical and dental benefits substantially equal to what was provided to the Employee immediately prior to the Employee's termination taking into account the amount of co-payment required by the Employee; provided, that any such reimbursement will be made in accordance with the provisions of Treas. Reg. § 1.409A-3(i)(1)(iv), including but not limited to the requirements that (I) the expenses eligible for reimbursement will be determined by reference to the objective and nondiscretionary criteria set forth in the Company's medical and dental benefit plans, (II) the expenses eligible for reimbursement during one (1) taxable year of the Employee will not affect the expenses eligible for reimbursement in any other taxable year (provided, that a limit imposed on the amount of expenses that may be reimbursed over some or all of the continuation period described in this Section 3(a)(iii) shall not in and of itself cause the reimbursement arrangement described herein to fail to satisfy the requirements of Treas. Reg. § 1.409A-3(i)(1)(iv)), (III) the reimbursement of an eligible expense will be made on or before the last day of the Employee's taxable year following the taxable year in which the expense was incurred, and (IV) the right to reimbursement will not be subject to liquidation or exchange for another benefit.

(C) Notwithstanding the foregoing provisions of this Section 3(a)(iii), in the event the Employee becomes reemployed with another employer and becomes eligible to receive medical and dental benefits similar to the benefits described herein from such employer, including co-payment amounts, the medical and dental benefit coverage provided for herein shall terminate. Benefit continuation provided pursuant to this Section 3(a)(iii) will be applied towards any continuation coverage to which the Employee is entitled pursuant to the Company provided medical and dental benefits plan.

(b) Other Severance Pay. The Employee shall not be entitled to receive payment under any severance plan, policy or arrangement maintained by the Company (other than this Agreement). If the Employee is entitled to any notice or payment in lieu of any notice of termination of employment required by Federal, state or local law, including but not limited to the Worker Adjustment and Retraining Notification Act, the amounts to which the Employee would otherwise be entitled under this Agreement shall be reduced by the amount of any such payment in lieu of notice. Except as provided herein, if the Employee is entitled to any severance or termination payments under any employment or other agreement (other than amounts payable under Sections 3(a)(i) and 4) with, or any plan or arrangement of, the Company, the payments to which the Employee would otherwise be entitled under this Agreement shall be reduced by the amount of such payment actually made. Except as set forth above, the foregoing payments and benefits shall be in addition to and not in lieu of any payments or benefits to which the Employee and his dependents may otherwise be entitled to under the Company's compensation and employee benefit plans. Nothing herein shall be deemed to restrict the right of the Company to amend or terminate any such plan in a manner generally applicable to similarly situated active employees of the Company, in which event the Employee shall be entitled to participate on the same basis (including payment of applicable contributions) as similarly situated active employees of the Company.

(c) Release and Payment. Payments under Sections 3(a)(ii) and (iii) of this Agreement shall be conditioned upon the execution, non-revocation, and delivery of a Release Agreement in the form attached hereto as Exhibit A (the "***Release***") by Employee within sixty (60) days of the date of Employee's Termination of Employment. The payments due under Sections 3(a)(ii) and (iii) of this Agreement shall be made (or commenced, in the case of the payments due under Section 3(a)(iii) of this Agreement) to the Employee on the sixtieth (60th) day following the Employee's Termination of Employment, provided that the Company has received a properly executed Release by the Employee during such sixty (60) day period and the revocation period during which Employee is entitled to revoke such Release has expired on or prior to the sixtieth (60th) day following the Employee's Termination of Employment. If the Employee fails to properly execute and deliver the Release (or the proper revocation period has not expired during the allowed sixty (60) day period following the Employee's Termination of Employment), the Employee agrees that he shall not be entitled to receive the benefits described in Sections 3(a)(ii) and (iii) of this Agreement. Notwithstanding anything contained herein to the contrary, Employee has no obligation to execute the Release and a failure to execute (or revoke) the Release by Employee shall only result in a failure to receive the payments under Sections 3(a)(ii) and 3(a)(iii) of this Agreement and shall not form the basis for a breach of this Agreement by the Employee. The Company shall deliver the final form of the Release for Employee's consideration within the three day period immediately following the Employee's Termination of Employment in order to ensure that the Employee has adequate time to complete each of the Employee's requirements set forth herein.

(d) Insurance Policies. In the event of the Employee's Termination of Employment or in the event the Company intends to discontinue maintaining certain life insurance policies, if any, the Company shall, at the request of the Employee, assign and transfer to the Employee (or his nominee) each insurance policy insuring the life of the Employee and owned by the Company which has no cash surrender value, to the extent that the Company is permitted to do so by the terms of such insurance policy.

Section 4: Change in Control Benefits

Notwithstanding anything to the contrary in any individual award agreement or employment agreement entered into by and between the Employee and the Company, all outstanding equity-based and/or incentive compensation awards the Employee holds at the time of the Change in Control pursuant to the Company's Plans shall become 100% vested or exercisable, as applicable, and nonforfeitable, as follows:

(a) With respect to all stock options, stock appreciation rights, restricted stock units or other similar award then outstanding and held by the Employee, the award shall become immediately vested and fully exercisable as of the date of the Change in Control, notwithstanding any provision within an individual award agreement or employment agreement for exercise in installments.

(b) With respect to restricted stock, phantom stock or other similar awards then outstanding and held by the Employee, all restrictions and conditions of the award shall be deemed satisfied, and the restriction period or other limitations on payment in full with respect thereto shall be deemed to have expired, as of the date of the Change in Control.

(c) With respect to awards under the Plans then outstanding and held by the Employee, the award shall become fully vested, deemed earned in full and, subject to Section 6(l), promptly paid to the Employee as of the date of the Change in Control, without regard to payment schedules and notwithstanding that the applicable performance cycle, retention cycle or other restrictions and conditions shall not have been completed or satisfied as of the date of the Change in Control.

Section 5: Certain Covenants by the Employee

(a) Protection of Confidential Information. The Employee acknowledges that in the course of his employment with the Company, the Employee has obtained confidential, proprietary and/or trade secret information of the Company, relating to, among other things, (i) programs, strategies, information or materials related to the business, services, manner of operation and activities of the Company, (ii) customers, suppliers, dealers, distributors, clients or prospects of the Company, (iii) computer hardware or software used in the course of the Company business, (iv) marketing strategies or other activities of the Company from or on behalf of any of its clients, (v) business plans, business strategies, and employee names and information, (vi) trade secrets, patent applications, and other intellectual property of the Company, and (vii) customer proprietary network information and personal information of directors, officers, employees, customers, agents, suppliers or contractors (hereinafter collectively referred to as "***Confidential Information***")**;** *provided*, *however*, that, for purposes of this Agreement, the term Confidential Information shall not include any information that (i) was publicly known at the time of disclosure to Employee, (ii) becomes publicly known or available thereafter other than by any means in violation of this Agreement or any other duty owed to the Company or any of its Affiliates by any person or entity; or (iii) is lawfully disclosed to Employee by a third party. The Employee recognizes that such Confidential Information has been developed by the Company at great expense; is a valuable, special and unique asset of the Company which it uses in its business to obtain competitive advantage over its competitors; is and shall be proprietary to the Company; is and shall remain the exclusive property of the Company; is not to be transmitted to any other person, entity or thing; and, is not to be used by Employee except in the course of carrying our Employee's duties and responsibilities of employment with the Company or its Affiliates. Accordingly, as a material inducement to the Company to enter into this Agreement with the Employee and in partial consideration for the compensation payable hereunder to the Employee, the Employee hereby:

(i) warrants and represents that he has not disclosed, copied, disseminated, shared or transmitted any Confidential Information to any person, firm, corporation or entity for any reason or purpose whatsoever, except in the course of carrying out the Employee's duties and responsibilities of employment with the Company or its Affiliates;

(ii) agrees to not disclose, copy, disseminate, share or transmit any Confidential Information in the future using the same degree of care Employee uses for his own confidential information of similar importance, but in no event less than a reasonable standard of care;

(iii) agrees not to make use of any Confidential Information for his own purposes or for the benefit of any person, firm, corporation or other entity, except that, in the course of carrying out the Employee's duties and responsibilities of employment, the Employee may use Confidential Information for the benefit of any Affiliate of the Company;

(iv) warrants and represents that all Confidential Information in his possession, custody or control that is or was a property of the Company has been or shall be returned to the Company by or on the date of the Employee's termination; and

(v) agrees that he will not reveal, or cause to be revealed, this Agreement or its terms to any third party (other than the Employee's attorney, tax advisor, or spouse), except as required by law.

The Employee's covenants in this Section 5(a) of this Agreement are in addition to, and do not supercede, the Employee's obligations under any confidentiality, invention or trade secret agreements executed by the Employee, or any laws protecting the Company's Confidential Information and, unless a longer period of time is required under applicable law, Employee's obligations under this Section 5(a) shall terminate two (2) years after a Change in Control.

(b) Non-Solicitation. For a period commencing on the Termination Event and terminating on the [__________ (____)] month anniversary thereof, Employee shall not, either on Employee's own account or jointly with or as a manager, agent, employee, consultant, general partner, joint venture, majority owner or controlling shareholder or otherwise on behalf of any other person, firm or corporation, directly or indirectly solicit for employment any person who is an employee or officer of the Company or its Affiliates and successors at the time of solicitation; *provided, however,* that a general advertisement to which an employee or officer of the Company, its Affiliates of their successors responds shall in no event be deemed to result in a breach of this Section 5(b).

(c) Breach of Covenants. The Employee acknowledges that the restrictions contained in Sections 5(a) and 5(b) of this Agreement correctly set forth the understanding of the parties at the time this Agreement is entered into, are reasonable and necessary to protect the legitimate interests of the Company. The Employee also acknowledges that any breach of Sections 5(a) and 5(b) of this Agreement will cause substantial injury to the Company for which money damages will not be an adequate remedy. In the event of any such breach, the Company shall be entitled, in addition to any other remedy, to seek a preliminary or permanent injunctive relief without the requirement to post a bond. If any court having jurisdiction shall find that any part of the restrictions set forth in this Agreement are unreasonable in any respect, it is the intent of the parties that the restrictions set forth herein shall not be terminated, but that this Agreement shall remain in full force and effect to the extent (as to time periods and other relevant factors) that the court shall find reasonable.

Section 6: Miscellaneous

(a) Tax Withholding. All payments required to be made to the Employee under this Agreement shall be subject to withholding of amounts relating to income tax, excise tax, employment tax and other payroll taxes to the extent required to be withheld pursuant to applicable law or regulation.

(b) No Mitigation; Offset. The Employee shall be under no obligation to minimize or mitigate damages by seeking other employment, and the obtaining of any such other employment shall in no event effect any reduction of obligations hereunder for the payments or benefits required to be provided to the Employee, except as specifically provided in Section 3(a)(iii) of this Agreement with respect to medical and dental benefits coverage. The obligations of the Company hereunder shall not be affected by any set-off or counterclaim rights which any party may have against the Employee; *provided*, *however*, that the Company may offset any amounts owed to the Company by the Employee against any amounts owed to the Employee by the Company hereunder.

(c) Overpayment. If, due to mistake or any other reason, the Employee receives benefits under this Agreement in excess of what this Agreement provides, the Employee shall repay the overpayment to the Company in a lump sum within thirty (30) days of notice of the amount of overpayment. If the Employee fails to so repay the overpayment, then without limiting any other remedies available to the Company, the Company may deduct the amount of the overpayment from any other benefits which become payable to the Employee under this Agreement or otherwise.

(d) Severability. In the event that any provision of this Agreement is determined to be partially or wholly invalid, illegal or unenforceable, then such provision shall be modified or restricted to the extent necessary to make such provision valid, binding and enforceable, or if such provision cannot be modified or restricted, then such provision shall be deemed to be excised from this Agreement, provided that the binding effect and enforceability of the remaining provisions of this Agreement shall not be affected or impaired in any manner. No waiver by a party of any provisions or conditions of this Agreement shall be deemed a waiver of similar or dissimilar provisions and conditions at the same time or any prior or subsequent time.

(e) Successors and Assigns. This Agreement and all rights hereunder are personal to the Employee and shall not be assignable by the Employee; *provided*, *however*, that any amounts that shall have become payable under this Agreement prior to the Employee's death shall inure to the benefit of the Employee's heirs or other legal representatives, as the case may be. This Agreement shall be binding upon and inure to the benefit of the Company and any successor of the Company. The Company shall require any successor to all or substantially all of the business and/or assets of the Company to expressly assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform if no succession had taken place. Upon such assumption by the successor, the Company automatically shall be released from all liability hereunder (and all references to the Company herein shall be deemed to refer to such successor). In the event a successor does not assume this Agreement, the benefits payable or to be provided pursuant to Sections 3 and 4 of this Agreement will be paid or provided immediately prior to the Change in Control.

(f) Entire Agreement. Except as otherwise specifically provided herein, this Agreement constitutes the entire agreement between the parties respecting the subject matter hereof and supersedes any prior and contemporaneous agreements respecting severance benefits upon a Change in Control. No amendment to this Agreement shall be deemed valid unless in writing and signed by the parties. A waiver of any term, covenant, agreement or condition contained in this Agreement shall not be deemed a waiver of any other term, covenant, agreement or condition, and any waiver of any default in any such term, covenant, agreement or condition shall not be deemed a waiver of any later default thereof or of any other term, covenant, agreement or condition.

(g) Notices. Any notice required or permitted to be given by this Agreement shall be effective only if in writing, delivered personally or by courier or by facsimile transmission or sent by express, registered or certified mail, postage prepaid, to the parties at the addresses hereinafter set forth, or at such other places that either party may designate by notice to the other. Notice to the Employee shall be addressed to the last known address in the Company's records.

Notice to the Company shall be addressed to:

MetroPCS Communications, Inc.
2250 Lakeside Boulevard
Richardson, Texas 75082
Attn: Vice President, Human Resources

(h) Governing Law. Notwithstanding any conflicts of law or choice of law provision to the contrary, this Agreement shall be construed and interpreted according to the laws of the State of Delaware.

(i) No Right to Continued Employment. Nothing in this Agreement shall confer on the Employee any right to continue in the employ of the Company or interfere in any way (other than by virtue of requiring payments or benefits as expressly provided herein) with the right of the Company to terminate the Employee's employment at any time.

(j) Unfunded Obligation. Any payments hereunder shall be made out of the general assets of the Company. The Employee shall have the status of general unsecured creditor of the Company, and the Agreement constitutes a mere promise by the Company to make payments under this Agreement in the future as and to the extent provided herein.

(k) Arbitration. All claims, demands, causes of action, disputes, controversies or other matters in question ("***Claims***"), arising solely out of this Agreement, whether arising in contract, tort or otherwise and whether provided by statute, equity or common law, that the Company may have against the Employee or that the Employee may have against the Company or its parents, Subsidiaries or Affiliates, or against each of the foregoing entities' respective officers, directors, employees or agents in their capacity as such or otherwise, shall be submitted to binding arbitration, if such Claim is not resolved by the mutual written agreement of the Employee and the Company, or otherwise, within thirty (30) days after notice of the dispute is first given. Any arbitration shall be conducted in accordance with the Federal Arbitration Act ("***FAA***") and, to the extent an issue is not addressed by the FAA, with the then-current National Rules for the Resolution of Employment Disputes of the American Arbitration Association ("***AAA***") or such other rules of the AAA as are applicable to the claims asserted. If a party refuses to honor its obligations under this Section 6(k), the other party may compel arbitration in either federal or state court. The arbitrator shall apply the substantive law of Delaware (excluding choice-of-law principles that might call for the application of some other jurisdiction's law) or federal law, or both as applicable to the claims asserted. The arbitrator shall have exclusive authority to resolve any dispute relating to the interpretation, applicability or enforceability or formation of this Agreement (including this Section 6(k)), including any claim that all or part of the Agreement is void or voidable and any claim that an issue is not subject to arbitration. The results of arbitration will be binding and conclusive on the parties hereto. Any arbitrator's award or finding or any judgment or verdict thereon will be final and unappealable. All parties agree that venue for arbitration will be in the major metropolitan area in which Employee's office with the Company was located immediately prior to the Employee's Termination of Employment, or, if Employee has not incurred a Termination of Employment, the major metropolitan area in which Employee's office with the Company was located at the time the Claim arose (the "***Arbitration Venue***"), and that any arbitration commenced in any other venue will be transferred to the Arbitration Venue upon the written request of any party to this Agreement. In the event that an arbitration is actually conducted pursuant to this Section 6(k), the party in whose favor the arbitrator renders the award shall be entitled to have and recover from the other party all costs and expenses incurred, including reasonable attorneys' fees, reasonable costs and other reasonable expenses pertaining to the arbitration and the enforcement thereof and such attorneys fees, costs and other expenses shall become a part of any award, judgment or verdict. Any and all of the arbitrator's orders, decisions and awards may be enforceable in, and judgment upon any award rendered by the arbitrator may be confirmed and entered by any federal or state court having jurisdiction. All privileges under state and federal law, including attorney-client, work product and party communication privileges, shall be preserved and protected. The decision of the arbitrator will be binding on all parties. Arbitrations will be conducted in such a manner that the final decision of the arbitrator will be made and provided to the Employee and the Company no later than one hundred twenty (120) days after a matter is submitted to arbitration. All proceedings conducted pursuant to this agreement to arbitrate, including any order, decision or award of the arbitrators, shall be kept confidential by all parties. **EMPLOYEE ACKNOWLEDGES THAT, BY SIGNING THIS AGREEMENT, EMPLOYEE IS WAIVING ANY RIGHT THAT EMPLOYEE MAY HAVE TO A JURY TRIAL OR A COURT TRIAL OF ANY SERVICE RELATED CLAIM ALLEGED BY EMPLOYEE.**

(l) Section 409A of the Code. Notwithstanding any provision of this Agreement to the contrary, if the Employee is considered a "specified employee" upon his Termination from Employment under such procedures as established by the Company in accordance with the Nonqualified Deferred Compensation Rules, any portion of a cash or benefit distribution made upon such a Termination from Employment that would cause the acceleration of, or an addition to, any taxes pursuant to the Nonqualified Deferred Compensation Rules may not commence earlier than six (6) months after the date of such Termination from Employment; any payments or benefits that would be exempt from the Nonqualified Deferred Compensation Rules shall be paid in accordance with the original schedules noted in other sections of this Agreement. Therefore, in the event this Section 6(l) is applicable to the Employee, any distribution which would cause the acceleration of, or an addition to, any taxes pursuant to the Nonqualified Deferred Compensation Rules that would otherwise have been paid to the Employee within the first six (6) months following the Termination from Employment shall be accumulated and paid to the Employee in a lump sum on the first day of the seventh (7th) month following the Termination from Employment. All subsequent distributions, if any, shall be paid in the manner otherwise specified herein.

(m) Captions and Headings. Captions and paragraph headings are for convenience only, are not a part of this Agreement and shall not be used to construe any provision of this Agreement.

(n) Counterparts. This Agreement may be executed in counterparts, each of which shall constitute an original, but both of which when taken together shall constitute one (1) Agreement.

(o) Attorneys Fees. If the Employee shall be the prevailing party in any dispute, claim or litigation relating to an alleged breach of this Agreement, the Employee shall be entitled to reimbursement of all of his costs and expenses, including reasonable attorneys' fees, incurred in connection with such dispute, claim or litigation, including any appeal therefrom. For purposes of this Section 6(o), the determination of which party is to be considered the prevailing party shall be decided by the court of competent jurisdiction or independent party (*i.e.*, mediator or arbitrator) that resolves such dispute, claim or litigation.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

METROPCS COMMUNICATIONS, INC.

By:	
Name:	
Its:	

EMPLOYEE

Name:	

EXHIBIT A

Agreement and Release

This Agreement and Release ("***Release***") is entered into between the undersigned employee ("***Employee***"), and MetroPCS Communications, Inc., a Delaware corporation (the "***Company***"), in connection with the Change in Control Agreement between Employee and the Company dated __________, 2010 (the "***Change in Control Agreement***"). Employee shall have sixty (60) days to consider, execute and deliver this Release to the Company; such sixty (60) day period shall also include the lapse of the revocation period noted within this Release or any other statutory revocation period for the Release provided to Employee by law. By executing this Release, Employee agrees that sixty (60) days is a reasonable amount of time to carry out and allow for each of the above-described actions. While Employee may execute and deliver this Release to the Company at any time during such sixty (60) day period, Employee acknowledges that payment shall be received or commenced, as applicable and if any, at the time set forth in Section 2 of this Release.

Section 1: Definitions

(a) "***Released Parties***" means the Company and its past, present and future parents, subsidiaries, divisions, successors, predecessors, employee benefit plans and affiliated or related companies, and also each of the foregoing entities' past, present and future owners, officers, directors, stockholders, investors, partners, managers, principals, members, committees, administrators, sponsors, executors, trustees, fiduciaries, employees, agents, assigns, representatives and attorneys, in their personal and representative capacities. Each of the Released Parties is an intended beneficiary of this Release.

(b) "***Claims***" means all theories of recovery of whatever nature, whether known or unknown, recognized by the law or equity of any jurisdiction. It includes, but is not limited to, any and all actions, causes of action, lawsuits, claims, complaints, petitions, charges, demands, liabilities, indebtedness, losses, damages, rights and judgments in which Employee has had or may have an interest. It also includes but is not limited to any claim for wages, benefits or other compensation; *provided, however* that nothing in this Release will affect Employee's entitlement to benefits pursuant to the terms of any employee benefit plan (as defined in the Employee Retirement Income Security Act of 1974, as amended) sponsored by the Company in which Employee is a participant or any Plan. The term Claims also includes but is not limited to claims asserted by Employee or on Employee's behalf by some other person, entity or government agency.

(c) Other capitalized terms used herein but not defined herein shall have the meanings ascribed to such terms in the Change of Control Agreement.

Section 2: Consideration and Conditions to Payment

The Company agrees to pay Employee the consideration set forth in Sections 3(a)(ii) and (iii) of the Change in Control Agreement. The Company will make this payment to Employee, or commence making payments to Employee, as applicable, on the sixtieth (60th) day following Employee's Termination of Employment, provided that Employee has satisfied all requisite conditions to receive such payment as noted within this Release and the Change in Control Agreement. Employee acknowledges that the payment that the Company will make to Employee under this Release is in addition to anything else of value to which Employee is entitled and that the Company is not otherwise obligated to make this payment to Employee.

Section 3: Release of Claims

(a) In consideration of the payments to be made under Section 3(a)(ii) and (iii) of the Change in Control Agreement, Employee, on behalf of himself and Employee's heirs, executors, administrators, legal representatives, successors, beneficiaries, and assigns, unconditionally release and forever discharge the Released Parties from, and waive, any and all Claims that Employee has or may have against any of the Released Parties arising from Employee's employment with the Company, the termination thereof, and any other acts or omissions occurring on or before the date Employee signs this Release.

(b) The release set forth in Paragraph 3(a) includes, but is not limited to, any and all Claims under (i) the common law (tort, contract or other) of any jurisdiction; (ii) the Rehabilitation Act of 1973, the Age Discrimination in Employment Act, the Americans with Disabilities Act, Title VII of the Civil Rights Act of 1964, and any other federal, state and local statutes, ordinances, employee orders and regulations prohibiting discrimination or retaliation upon the basis of age, race, sex, national original, religion, disability, or other unlawful factor; (iii) the National Labor Relations Act; (iv) the Employee Retirement Income Security Act; (v) the Family and Medical Leave Act; (vi) the Fair Labor Standards Act; (vii) the Equal Pay Act; (viii) the Worker Adjustment and Retraining Notification Act; and (ix) any other federal, state or local law.

(c) In furtherance of this Release, Employee promises not to bring any Claims against any of the Released Parties in or before any court or arbitral authority.

Section 4: Acknowledgment

Employee acknowledge that, by entering into this Release, the Company does not admit to any wrongdoing in connection with Employee's employment or termination, and that this Release is intended as a compromise of any Claims Employee has or may have against the Released Parties. Employee further acknowledges that Employee has carefully read this Release and understands its final and binding effect, has had a reasonable amount of time to consider it, has been advised to seek, and has had the opportunity to seek, the advice of legal counsel of Employee's choosing, and is entering this Release voluntarily. In addition, Employee hereby certifies his understanding that Employee may revoke the Release by providing written notice thereof to the Company within seven (7) days following execution of the Release and that, upon such revocation, this Release will not have any further legal effect.

Section 5: Covenant Not to Compete

(a) In consideration of the payment to be made to Employee pursuant to Sections 3(a)(ii) and (iii) of the Change in Control Agreement, for a period commencing on the Termination Event and terminating on the [__________ (____)] month anniversary thereof, Employee shall refrain from providing any form of consulting, employment or assistance to the entities or persons set forth on Schedule 1 to this Agreement (or their successors)("*MetroPCS Competitors*"); provided, however, that Employee may consult with, or provide services or assistance to, an entity or person set forth on Schedule 1 to this Agreement (or their successors) other than as an employee, officer, or director of such entity or person so long as such services or assistance does not involve, and will not result in, the use or disclosure of Confidential Information.

(b) If Employee materially breaches Section 5(a), the parties agree that it would be difficult to calculate the damages associated with such breach. Accordingly, if Employee materially breaches Section 5(a), as liquidated damages and not as a penalty and as Company's sole and exclusive damages for such breach, (i) Employee shall promptly pay to the Company (or its successor) an amount equal to the Severance Payment Employee has received at the time of Employee's breach, multiplied by the fraction (x/y), where (x) shall mean the difference between [__________ (____)] and the number of full months between the event of Employee's breach and the Termination Event, and where (y) shall equal [__________ (____)] (the "***Recoupment Payment***"), and (ii) the Company shall be entitled to cease providing the benefits provided to the Employee by the Company pursuant to Section 3(a)(iii) of the Change in Control Agreement. To illustrate the potential calculation of this Section 5(b), if the Severance Payment received was $100,000, and Employee breaches the covenant in Section 5(a) six (6) full months following the Termination Event, Employee shall promptly pay the Company $__________ ($100,000 multiplied by (([____]-6)/[____])). Upon the Employee's payment of the Recoupment Payment, the Employee shall have no further obligations or liabilities under this Section 5.

(c) Employee may terminate his obligations under Section 5(a) at any time upon prior written notice to the Company and payment of an amount equal to the Recoupment Payment, calculated as of the effective date of such written notice. If Employee intentionally terminates his obligations under Section 5(a), the Company shall be entitled to immediately cease providing the benefits provided to Employee by the Company pursuant to Section 3(a)(iii) of the Change in Control Agreement.

Section 6: Applicable Law

This Release shall be construed and interpreted pursuant to the laws of the State of Delaware without regard to its choice of law rules and shall be subject to the arbitration clause set forth in Section 6(k) of the Change in Control Agreement.

Section 7: Severability

Each part, term, or provision of this Release is severable from the others. Notwithstanding any possible future finding by a duly constituted authority that a particular part, term, or provision is invalid, void, or unenforceable, this Release has been made with the clear intention that the validity and enforceability of the remaining parts, terms and provisions shall not be affected thereby. If any part, term, or provision is so found invalid, void or unenforceable, the applicability of any such part, term, or provision shall be modified to the minimum extent necessary to make it or its application valid and enforceable.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year set forth below.

METROPCS COMMUNICATIONS, INC.		**EMPLOYEE**	
By:	______________________	By:	______
Name:	______________________	Name:	______
Title:	______________________	Date:	______
Date:	______________________		

Schedule 1
to
Agreement and Release

- AT&T Wireless
- Boost Mobile
- Leap Wireless International, Inc.
- Sprint Nextel
- T-Mobile USA
- Tracfone
- Verizon Wireless

Exhibit 10.3

Execution Form

**AMENDMENT TO THE
METROPCS COMMUNICATIONS, INC. NONQUALIFIED STOCK OPTION
AGREEMENT**

This Amendment (the "***Amendment***") effective as of , 2010, is by and between MetroPCS Communications, Inc., a Delaware corporation (the "***Company***"), and the undersigned individual (the "***Optionee***").

W I T N E S S E T H:

WHEREAS, the Company has adopted the Amended and Restated MetroPCS Communications, Inc. 2004 Equity Incentive Compensation Plan (the "***Plan***");

WHEREAS, the Company has made one or more awards of options to purchase common stock of the Company, par value $0.0001 per share (the "***Stock Options***"), to Grantee under the Plan ("***Awards***") subject to certain vesting restrictions that lapse in installments over time;

WHEREAS, in connection with such Awards, the Company and Grantee have entered into one or more Notices of Grant of Stock Option prior to the Effective Date hereof (collectively, the "***Agreements***").

WHEREAS, the Agreements currently state that such vesting restrictions on the Stock Options shall lapse in full upon the occurrence of a Change of Control as defined solely in clauses (ii), (iii) and (iv) of the Change of Control definition found in Section 1.2 of the Plan;

WHEREAS, the Company has determined that it would be in the best interest of the Company, its stockholders and the Optionee to amend the Agreements in order to provide for the immediate and full vesting of the Stock Options upon any of the events that may constitute a Change of Control as defined in Section 1.2 of the Plan (which, for purposes of clarity, means any event described in clauses (i), (ii), (iii), (iv), or (v) of the Change of Control definition);

WHEREAS, the Company and the Optionee desire to amend the Agreements to reflect the amendment described above; and

WHEREAS, the Agreements may be amended by a written agreement executed by a duly authorized representative of the Company and the Optionee.

NOW, THEREFORE, in consideration of the foregoing, the Company and the Optionee, intending to be legally bound, hereby amend the Agreements as follows:

1. Any capitalized term used herein, and not otherwise defined herein, shall have the meaning set forth in the Agreements or the Plan.

2. Any provision in the Agreements relating to vesting in connection with a Change of Control of the Company shall be deleted in its entirety and the following new provision is substituted therefore:

Change of Control. Notwithstanding the vesting schedule provided in this Agreement, in the event that a Change of Control occurs, as defined in Section 1.2 of the 2004 Plan, this Award shall become fully vested and exercisable, provided that the Optionee has been in continuous Service since the Grant Date, except where the Optionee shall be on a temporary leave of absence approved by the Board, but during such period no portion of the Award shall vest. If approved by the Board prior to or within thirty (30) days after such time as a Change of Control shall be deemed to have occurred, the Board shall have the right for a forty-five (45) day period immediately following the date that the Change of Control is deemed to have occurred to require Optionee to transfer and deliver to the Company this Award in exchange for an amount equal to the "cash value" (defined below) of the Award. Such right shall be exercised by written notice to Optionee. The cash value of the Award shall equal the excess of the "market value" (defined below) per share of the Common Stock over the Exercise Price, if any, multiplied by the number of Option Shares subject to this Award that have not been previously exercised by the Optionee. For purposes of the preceding sentence, "market value" per share shall mean the higher of (i) the average of the Fair Market Value per share of Common Stock on each of the five (5) trading days immediately following the date a Change of Control is deemed to have occurred or (ii) the highest price, if any, offered in connection with the Change of Control, as determined by the Board. The amount payable to Optionee by the Company pursuant to this Section shall be in cash or by certified check and shall be reduced by any taxes required to be withheld.

3. Except as expressly modified herein, the Agreement shall remain unmodified.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of __________, 2010.

METROPCS COMMUNICATIONS, INC., a Delaware corporation

By: ______________________________

J. Braxton Carter
Executive Vice President and Chief Financial Officer

OPTIONEE

Signature: ______________________________

Print Name: ______________________________

Exhibit 10.4

Execution Form

AMENDMENT TO THE
METROPCS COMMUNICATIONS, INC. RESTRICTED STOCK AGREEMENT

This Amendment (the "***Amendment***") effective as of __________, 2010, is by and between MetroPCS Communications, Inc., a Delaware corporation (the "***Company***"), and the undersigned individual (the "***Grantee***").

W I T N E S S E T H:

WHEREAS, the Company has adopted the Amended and Restated MetroPCS Communications, Inc. 2004 Equity Incentive Compensation Plan (the "***Plan***");

WHEREAS, the Company has made one or more awards of restricted common stock of the Company, par value $0.0001 per share (the "***Restricted Stock***"), to Grantee under the Plan ("***Awards***") subject to certain vesting restrictions that lapse in installments over time;

WHEREAS, in connection with such Awards, the Company and Grantee have entered into one or more MetroPCS Communications, Inc. [Employee] [Non-Employee Director] Restricted Stock Agreements prior to the Effective Date hereof (collectively, the "***Agreements***").

WHEREAS, the Agreements currently state that such vesting restrictions on the Restricted Stock shall lapse in full upon the occurrence of a Change of Control as defined solely in clauses (ii), (iii) and (iv) of the Change of Control definition found in Section 1.2 of the Plan;

WHEREAS, the Company has determined that it would be in the best interest of the Company, its' stockholders and the Grantee to amend the Agreements in order to provide for the immediate and full vesting of the Restricted Stock upon any of the events that may constitute a Change of Control as defined in Section 1.2 of the Plan (which, for purposes of clarity, means any event described in clauses (i), (ii), (iii), (iv), or (v) of the Change of Control definition);

WHEREAS, the Company and the Grantee desire to amend the Agreements to reflect the amendment described above; and

WHEREAS, the Agreements may be amended by a written agreement executed by a duly authorized representative of the Company and the Grantee.

NOW, THEREFORE, in consideration of the foregoing, the Company and the Grantee, intending to be legally bound, hereby amend the Agreements as follows:

1. Any capitalized term used herein, and not otherwise defined herein, shall have the meaning set forth in the Agreements or the Plan.

2. Any provision in the Agreements relating to vesting in connection with a Change of Control of the Company shall be deleted in its entirety and the following new provision is substituted therefore:

> **Change of Control**. Notwithstanding the vesting schedule noted above in Section 2 and Section 10.12(a) of the Plan, in the event that a Change of Control occurs, as defined in Section 1.2 of the Plan, all restrictions and conditions on the Restricted Stock then outstanding shall be deemed satisfied, and restriction period or other limitations on payment in full with respect to the Restricted Stock shall be deemed to have expired as of the date of the Change of Control, and the Restricted Stock shall become fully vested, transferable, and saleable. If approved by the Board prior to or within thirty (30) days after such time as a Change of Control shall be deemed to have occurred, the Board shall have the right for a forty-five (45) day period immediately following the date that the Change of Control is deemed to have occurred to require Grantee to transfer and deliver to the Company the Restricted Stock in exchange for an amount equal to the "cash value" (defined below) of the Restricted Stock. Such right shall be exercised by written notice to Grantee. The cash value of the Restricted Stock shall equal the excess of the "market value" (defined below) per share of the Common Stock multiplied by the number of shares of Restricted Stock subject to this Agreement that have not previously vested and been settled. For purposes of the preceding sentence, "market value" per share shall mean the higher of (i) the average of the Fair Market Value per share of Common Stock on each of the five (5) trading days immediately following the date a Change of Control is deemed to have occurred or (ii) the highest price, if any, offered in connection with the Change of Control, as determined by the Board. The amount payable to Grantee by the Company pursuant to this Section shall be in cash or by certified check

3. Except as expressly modified herein, the Agreement shall remain unmodified.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of __________, 2010.

METROPCS COMMUNICATIONS, INC., a Delaware corporation

By: ______________________________

J. Braxton Carter
Executive Vice President and Chief Financial Officer

GRANTEE

Signature: ______________________________

Print Name: ______________________________

Exhibit 10.5

Execution Form

AMENDMENT TO THE
METROPCS COMMUNICATIONS, INC.
NOTICE OF GRANT OF STOCK OPTION

This Amendment (the "***Amendment***") effective as of __________, 2010, is by and between MetroPCS Communications, Inc., a Delaware corporation (the "***Corporation***"), and the undersigned individual (the "***Optionee***").

W I T N E S S E T H:

WHEREAS, the Corporation has adopted the Second Amended and Restated 1995 Stock Option Plan of MetroPCS, Inc., as amended (the "***Plan***");

WHEREAS, the Corporation has made one or more awards of options to purchase common stock of the Corporation, par value $0.0001 per share (the "***Stock Options***"), to Grantee under the Plan ("***Awards***") subject to certain vesting restrictions that lapse in installments over time;

WHEREAS, in connection with such Awards, the Corporation and Grantee have entered into one or more Notices of Grant of Stock Option prior to the Effective Date hereof (collectively, the "***Agreements***").

WHEREAS, the Plan currently provides that such vesting restrictions on the Stock Options shall lapse in full upon the occurrence of a Corporate Transaction as defined in the Plan;

WHEREAS, the Board of Directors of the Corporation has the complete and exclusive power and authority to amend or modify the Plan unless the amendment or modification materially increases the benefits accruing to Plan participants;

WHEREAS, neither the Plan nor the Agreements prohibit the Corporation from amending the Agreements with regard to the Change in Control related provisions;

WHEREAS, the Corporation has determined that it would be in the best interest of the Corporation, its stockholders and the Optionee to amend the Agreements in order to provide for the immediate and full vesting of the Stock Options upon certain additional change in control events beyond those currently provided in the Plan and the Agreements and such change does not materially increase the benefits accruing to Plan participants;

WHEREAS, the Corporation and the Optionee desire to amend the Agreements to reflect the amendment described above; and

WHEREAS, the Agreements may be amended by a written agreement executed by a duly authorized representative of the Corporation and the Optionee.

NOW, THEREFORE, in consideration of the foregoing, the Corporation and the Optionee, intending to be legally bound, hereby amend the Agreements as follows:

1. Any capitalized term used herein, and not otherwise defined herein, shall have the meaning set forth in the Agreements or the Plan.

2. The following new section is added to the Agreement at the end thereto:

Corporate Transaction. For purposes of this Agreement a "***Corporate Transaction***" shall mean, in addition to the stockholder approved transactions already included within the definition of a "Corporate Transaction" in the Plan, the following additional events:

(i) any "person" (as defined in Section 3(a)(9) of the Securities Exchange Act of 1934, as amended (the "***Exchange Act***"), and as modified in Section 13(d) and 14(d) of the Exchange Act) other than (A) the Corporation or any of its subsidiaries, (B) any employee benefit plan of the Corporation or any of its subsidiaries, (C) or any Affiliate, (D) a Corporation owned, directly or indirectly, by stockholders of the Corporation in substantially the same proportions as their ownership of the Corporation, or (E) an underwriter temporarily holding securities pursuant to an offering of such securities (a "*Person*"), becomes the "beneficial owner" (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Corporation representing more than 50% of the shares of voting stock of the Corporation then outstanding;

(ii) individuals who, as of the effective date of Plan, constitute the Board (the "*Incumbent Board*") cease for any reason to constitute at least a majority of the Board; provided, however, that any individual becoming a director subsequent to the effective date of the Plan whose election by the Board, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an election contest with respect to the election or removal of directors or other solicitation of proxies or consents by or on behalf of a person other than the Board; and

(iii) the consummation of a sale or disposition by the Corporation of all or substantially all of the Corporation's assets, other than a sale or disposition if the holders of the voting securities of the Corporation outstanding immediately prior thereto hold securities immediately thereafter which represent more than 50% of the combined voting power of the voting securities of the acquiror, or parent of the acquiror, of such assets.

3. Except as expressly modified herein, the Agreement shall remain unmodified.

(signature page follows)

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of __________, 2010.

METROPCS COMMUNICATIONS, INC.,
a Delaware corporation
By: ______________________________

J. Braxton Carter
Executive Vice President and Chief Financial Officer

OPTIONEE
Signature: ______________________________
Print Name: ______________________________

Exhibit 31.1

Certification
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Roger D. Linquist, certify that:

1. I have reviewed this quarterly report on Form 10-Q of MetroPCS Communications, 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(s) 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(s) 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 that 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.

Date: August 9, 2010

By: /s/ Roger D. Linquist
Roger D. Linquist
President, Chief Executive Officer and
Chairman of the Board

Exhibit 31.2

Certification
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, J. Braxton Carter, certify that:

1. I have reviewed this quarterly report on Form 10-Q of MetroPCS Communications, 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(s) 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(s) 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 that 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.

Date: August 9, 2010

By: /s/ J. Braxton Carter
J. Braxton Carter
Executive Vice President and
Chief Financial Officer

Exhibit 32.1

CERTIFICATION 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 Quarterly Report of MetroPCS Communications, Inc. (the "Company") on Form 10-Q for the period ending June 30, 2010 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Roger D. Linquist, President, Chief Executive Officer and Chairman of the Board of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that to my 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 as of the dates and for the periods expressed in the Report.

Date: August 9, 2010

By: /s/ Roger D. Linquist
Roger D. Linquist
President, Chief Executive Officer and Chairman of the Board

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by Company and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.2

**CERTIFICATION 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 Quarterly Report of MetroPCS Communications, Inc. (the "Company") on Form 10-Q for the period ending June 30, 2010 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, J. Braxton Carter, Executive Vice President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that to my 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 as of the dates and for the periods expressed in the Report.

Date: August 9, 2010

By: /s/ J. Braxton Carter
J. Braxton Carter
Executive Vice President and Chief Financial Officer

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by Company and furnished to the Securities and Exchange Commission or its staff upon request.