

California Legislature

September 9th, 2019

VIA ELECTRONIC FILING

Commissioner Cliff Rechtschaffen
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102

Subject: Support for the Merger of T-Mobile and Sprint

Proceeding Numbers: A.18-07-011 and A.18-07-012

Dear Commissioner Rechtschaffen:

As you and your colleagues on the Commission review the T-Mobile and Sprint merger, we want to convey our support for the combination of these two companies in light of the additional competitive choices for consumers and the many public interest benefits it will bring to our state, especially for those who need them most. The companies made important enforceable commitments as part of the merger process, which informs our decision to ask you to find this transaction is in the public interest of all Californians. Among the key reasons we support this transaction, below are a few:

Broadband Access

The merger brings together the different types of spectrum each company possesses in order to build a 5G network that will deliver speeds of at least 100 Mbps deployed to 99% of the population in the state by 2024. Today, many of our constituents desperately need this connectivity and continue to face coverage and/or capacity issues in both urban and rural parts of the state. In unserved and underserved areas, this network would be a game changer for consumers, businesses, schools and the wireless market.

Emergency Response and Preparedness

We know you understand the unfortunate circumstances California faces today due to the threat of wildfires and other natural disasters, so we also are pleased T-Mobile has committed to provide continuous 5G service to 10 county fairgrounds that are used for emergency staging and response, focusing on those that currently receive broadband speeds below 25 Mbps. They have also committed to retaining mobile antenna equipment owned by T-Mobile and Sprint in California – (cells on wheels (COWs) and cells on light trucks (COLTs) – that are brought in to provide service following an outage, and, by 2021, further expand those facilities by 50%.

Lifeline Expansion

For low-income Californians, access to affordable wireless service is critical, and the Commission’s LifeLine program provides a solution for that population. In that regard, T-Mobile has committed to continue Sprint’s Assurance Wireless LifeLine service indefinitely under customer terms no less favorable than those offered under Virgin/Assurance as of the date of close of the transaction, including a provision of 3 gigabytes of free data. Additionally, during a five-year period, they are targeting adding more than 300,000 new LifeLine customers, supported by \$5 million in funding for promotion and outreach.

Digital Literacy and Inclusion

Low-income students stand to gain as a result of the merger thanks to strong commitments made by T-Mobile to close the digital divide. They will invest \$12.5 million in digital training for schools, school districts, with parent engagement, along with nearly \$10 million combined for grants to community organizations and local governments for digital literacy and inclusion programs and policies. In addition, T-Mobile will provide 50,000 free internet-enabled devices devices and data plans to low-income students in California.

Jobs

We also note a commitment T-Mobile has made to be jobs positive following the merger, which includes the addition of approximately 1,000 jobs in a new Customer Experience Center in the Central Valley city of Kingsburg. Those jobs come with good salaries and extensive benefits including medical, dental and vision coverage; stock grants for every employee; and reimbursement for tuition and child care, among others. Only a high school diploma or GED is required, and we understand T-Mobile’s call centers have a low turnover rate and a culture that emphasizes upward mobility, enabling not just a job, but a career.

Pricing

We would leave you with one of the most important issues, which is what will happen with pricing under the new company. T-Mobile has confirmed both in California and at the federal level to commit to offer the same or better rate plans for three years following the merger.

The majority of the commitments above are included in a Memorandum of Understanding with the California Emerging Technology Fund (“CETF”) and are enforceable by the CETF or the Commission. This accountability reassures us that this merger benefits all Californians.

Thank you for considering our request to find this transaction in the public interest of California.

Signed

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