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California Emerging Technology Fund and T-Mobile Reach Agreement on Public Benefits for Sprint Acquisition

Oakland and Los Angeles, CA – April 8, 2019 – The California Emerging Technology Fund (CETF) today announced agreement with T-Mobile USA, Inc. (T-Mobile) on public benefits in conjunction with its acquisition of Sprint Corporation, which is pending before the California Public Utilities Commission (CPUC). CETF President and CEO Sunne Wright McPeak said, “The combined spectrums and infrastructure assets of the two companies will bring 5G service faster to Californians with significantly better service to much of rural California. These network upgrades coupled with investments in emergency response communications and digital literacy training programs for unconnected and underconnected residents are clearly in the public interest.” She added, “New T-Mobile will increase Internet access choices for all consumers and will provide significant assistance to low-income households and digitally-disadvantaged communities throughout the state.”

The Memorandum of Understanding (MOU) between CETF and T-Mobile becomes effective if the CPUC approves the transaction. The CPUC is expected to act on the matter around mid-year.

The T-Mobile public benefit commitments in the MOU with CETF include:

- Upgrades to advanced 5G wireless networks available to 99% of California households with verification of actual coverage by high-resolution coverage maps and speed by an independent third-party testing firm beginning in 2022 and until the 5G upgrades are completed.
- Installation of high-speed Internet infrastructure and service for 10 State-owned fairgrounds in rural Counties to improve emergency response and expand economic development.
- Support for emergency first responders by retaining in California existing temporary cellular communications facilities owned by T-Mobile and Sprint and increasing by 50% those facilities by 2021.
- Offering of LifeLine rates for low-income households through at least 2024 with free high-speed data and complimentary handsets and with faster broadband speeds and wider coverage.

- Development of a Strategic Plan to increase the number of low-income customers on LifeLine rates with free Internet access by 332,500 households for a total of no fewer than 675,000 enrolled customers and a commitment of up to \$5 million for advertising and promotion of the affordable offers.
- Investments in Digital Inclusion Programs including:
 - Increase in the number of California students benefiting from the T-Mobile and Sprint school-based programs by 52,000 for a total of 112,000 students in the state.
 - \$12.5 million for schools participating in the T-Mobile and Sprint programs to adopt School2Home, a statewide school-improvement initiative developed and managed by CETF, and an additional \$1 million for participation in the Leadership Academy.
 - \$4.5 million to provide digital literacy training to 75,000 new LifeLine customers.
 - \$5 million to support development and implementation of Digital Inclusion policies and programs by cities and counties.
 - \$13 million to support the CETF core mission and other programs.
- Collaboration on development of deployment and adoption plans with consultation of Regional Consortia funded by the CPUC.

Community organizations experienced in Digital Inclusion programs applauded the MOU between CETF and T-Mobile and commended New T-Mobile for investing in public benefits.

Eduardo Gonzalez from the California State University Fresno Office of Community and Economic Development, which also manages the San Joaquin Valley Regional Broadband Consortium, said “Every day I see families struggling in San Joaquin Valley communities because of lack of affordable access to the Internet. T-Mobile’s public benefit commitments to provide these families with free Internet service through mobile phones LifeLine subscription is a game changer for the unconnected. And, T-Mobile’s commitment to expand its school-based programs will help 52,000 more students get computing devices and free hotspots for home connectivity to achieve educational success.”

Cesar Zaldivar-Motts, Executive Director of the Southeast Community Development Corporation in Los Angeles County, added, “Access to affordable broadband at home is a critical piece of the puzzle as we seek to transform California’s urban neighborhoods into model communities. Economic development, educational opportunity and civic engagement today are not possible without digital equity, and this agreement between T-Mobile and the California Emerging Technology Fund will help us get there.”

Valley Vision Managing Director Trish Kelly commended T-Mobile for agreeing to consult with Regional Consortia and further stated, “We commend T-Mobile and the California Emerging Technology Fund for reaching agreement on an amazing array of public benefits for California. We are particularly appreciative of T-Mobile’s investments in Digital Inclusion and the expansion of advanced 5G wireless networks. These advanced networks will help unleash the next wave of innovation. Digital inclusion and innovation are both crucial elements that support the Sacramento Region’s inclusive Prosperity Strategy.”

Statewide civic leaders also weighed in positively on the CETF-T-Mobile MOU.

“We at United Ways of California and our partners who operate 2-1-1 referral services know firsthand how vulnerable low-income families are in California. We help screen callers for affordable Internet connectivity and welcome the T-Mobile commitment to provide free Internet access and data for its LifeLine customers. This will be a big help for digitally-disadvantaged residents to access the Internet, especially when they are in crisis,” commented President and CEO Peter Manzo.

Patrick Lanthier, Principal of Rivera/Lanthier & Associates and Advisor to Santa Clara University Frugal Innovation Hub and US Pacific Command, highlighted the public benefits for responding to emergencies. “Californians have faced terrifying natural disasters and horrific wildfires in recent years and are increasingly vulnerable in future emergencies without sufficient community-centered communications. The T-Mobile commitments to low-income customers and first responders will improve community connections during future emergencies. The CETF-T-Mobile MOU also provides a huge contribution to public safety by deploying high-speed Internet infrastructure and service to 10 rural fairgrounds that serve frequently as emergency-response staging areas and evacuation centers.”

Christina Mills, Executive Director of the California Foundation for Independent Living Centers added, “People with disabilities are among the poorest and most digitally-disenfranchised residents in the state. T-Mobile is to be commended to continuing to offer telephone lifeline service with free Internet access and data to low-income households. This commitment coupled with funding for digital literacy training will enable many unconnected people with disabilities to get online and learn how to navigate the Internet to become more independent.”

T-Mobile President and Chief Operating Officer Mike Sievert, who will become President of New T-Mobile, emphasized his company’s commitment to the agreed-upon public benefits saying, “The New T-Mobile is all about bringing accessibility to underserved communities across the country and bridging the Digital Divide. The commitments we have made to extend our LifeLine services, provide more connectivity to rural areas, and bring fast, affordable in-home broadband choice to consumers will have tremendous benefits for all Californians. We are pleased to partner with CETF in these efforts.”

About California Emerging Technology Fund

The mission of CETF is to close the Digital Divide in California. The overall goal is to reach 98% of all California residences in every region with broadband infrastructure and to achieve 90% home broadband adoption by 2023. CETF is technology neutral: "broadband" is a generic term for high-speed Internet access-wireline and wireless Internet service is faster than a dial-up connection. CETF strives to achieve these goals through public policy, awareness and education, digital inclusion programs, and grantmaking to non-profit community organizations and public agencies. For more information, please visit: <http://www.cetfund.org>