

**BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA**

In the Matter of the Joint Application of Sprint Communications Company L.P. (U-5112) and T-Mobile USA, Inc., a Delaware Corporation, For Approval of Transfer of Control of Sprint Communications Company L.P. Pursuant to California Public Utilities Code Section 854(a).

Application Number 18-07-011

In the Matter of the Joint Application of Sprint Spectrum L.P. (U-3062-C) and Virgin Mobile USA, L.P. (U-4327-C) and T-Mobile USA, Inc., a Delaware Corporation for Review of Wireless Transfer Notification per Commission Decision 95-10-032

Application Number 18-07-012

**EX PARTE COMMUNICATION NOTICE OF  
CALIFORNIA EMERGING TECHNOLOGY FUND**

Rachelle Chong  
Law Offices of Rachelle Chong  
345 West Portal Avenue, Suite 110  
San Francisco, California 94127  
[rachelle@chonglaw.net](mailto:rachelle@chonglaw.net)  
Tel. (415) 735-0378  
Special Counsel to CETF

April 8, 2020

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In accordance with Rule 8.4 of Article 8 of the Commission’s Rules of Practice and Procedure, the California Emerging Technology Fund (CETF) hereby files this notice of the following *ex parte* communications in the above-referenced consolidated applications relating to T-Mobile’s acquisition of Sprint.

On April 7, 2020 from 11 a.m. to 11:30 p.m., CETF held a telephonic meeting with Advisor Lester Wong and Chief of Staff Christine Powell of Commissioner Liane Randolph’s office. The participants were Sunne Wright McPeak, President & CEO of CETF; Rachele Chong, outside Special Counsel to CETF; Eduardo Gonzalez, CSU Fresno, Interim Executive Director, Office of Community and Economic Development and San Joaquin Valley Partnership; Emma Hernandez, Southeast Cities Development Corporation; Trish Kelly, Managing Director of Valley Vision; Seth Hubbert, Executive Director of Tech Exchange; and Nalleli Sandoval, Financial Stability Director of the United Ways of California.

In the oral presentation, Ms. Chong urged approval of the Proposed Decision on April 16, 2020. Having participated in the evidentiary hearings, CETF concluded that the combination of spectrum and technologies of T-Mobile and Sprint would provide a unique opportunity for the two companies to

merge and upgrade infrastructure to 5G which will bring more capacity, faster speeds and new consumer options for consumers. As a result, CETF negotiated a detailed Memorandum of Understanding (MOU) with the Joint Applicants. She highlighted the New T-Mobile's proposed 5G network that would cover 99% of the California population, and further the Commission's required AB1665 goal to reach 98% of the California population with broadband. Ms. Chong pointed out that the Federal Communications Commission and the Department of Justice had negotiated conditions that also contained public benefits for the state, and which were upheld in the Court's decision in the state Attorney Generals' lawsuit. She asked for two changes to the Proposed Decision, to include the entire MOU in an Ordering Paragraph and to allow Commission enforcement of all CETF MOU commitments, consistent with past precedent.

Ms. McPeak noted how the current COVID emergency has highlighted the critical importance of broadband to every California home. The CETF MOU quantifiably expands needed Internet infrastructure deployment in California and increases broadband adoption in low-income households. She explained CETF's approach in communications mergers is to ensure public benefits for consumers (low rates, LifeLine that includes ample broadband data, digital inclusion programs, etc.) relating to important Digital Divide issues. She affirmed that New T-Mobile will be required by the MOU to reach 99% of all households in California with third-party verification using an independent engineering firm chosen by CETF. The MOU also requires T-Mobile to sign up 332,500 new low-income consumers (no fewer than 675,000). She highlighted that the MOU will provide \$41 million in funding for Digital Inclusion programs in California. She urged approval of the applications on April 16<sup>th</sup> with conditions.

Mr. Gonzalez agreed that in the COVID emergency, his clients urgently need broadband to connect to the Internet to find jobs, find health information, participate in telephone health appointments, and to connect for education. He described how several migrant communities who work in agriculture in the San Joaquin Valley suffer from high levels of poverty and are not connected to the Internet, and thus T-Mobile's strong commitment to the Digital Inclusion programs is very welcome. He praised T-Mobile's commitment to offer LifeLine for five years with unlimited data on the Internet. He explained the data offer is a very positive aspect for families who must rely on only smartphones to connect to the Internet. The \$22 million in Digital Inclusion funding will be very helpful as additional resources for nonprofit groups who do this work, in addition to the doubling of students in the school-based digital literacy programs (totaling 112,000 statewide).

Ms. Kelly emphasized that T-Mobile's commitment to install and provide high speed Internet service at 10 County fairgrounds with poor Internet service is a very significant breakthrough and very

important to her Sacramento area region which is prone to floods and wildfires. Valley Vision and other regional leaders have been champions of this fairground Internet upgrade for years. She praised the \$5 million Digital Inclusion public benefit which will help local governments develop and adopt “smart” policies to promote deployment and adoption of Internet skills. Ms. Kelly stated that counties and cities need these resources. Ms. Kelly also praised the commitment by T-Mobile to CETF’s unique School2Home program. She said the T-Mobile LifeLine commitment with free data and a free 5G handset is a good offer for low-income families, including the parents of the students.

Ms. Hernandez said Southeast Cities Development Corp. services working parents who need the Internet to find jobs, attend school, and connect to medical appointments. They also help seniors and persons with disabilities who are housebound and need critical services in this COVID emergency. Without the Internet, they have to call her group to try and find social services they need like meal delivery and obtaining needed medication. She said without Internet access at home children cannot go to online school. She said low cost broadband plans are critical to bridge the Digital Divide, and thus T-Mobile’s low-cost plan and LifeLine plans are very important. She urged approval.

Mr. Hubbert explained that Tech Exchange delivers Digital Literacy training and manages broadband adoption programs. T-Mobile’s low pricing and free data will be game changers. He said the promised T-Mobile funding to train 75,000 new low-income consumers in Digital Literacy will make a measurable contribution to get everyone online. He also explained the School2Home program pioneered by CETF and said that the free Internet service provided by T-Mobile in that program to disadvantaged students will be very helpful to success of the program. He urged approval of the merger.

Ms. Sandoval explained that United Way operates many programs like 2-1-1 to reach low-income consumers who are digitally disadvantaged and need to learn about affordable Internet offers. She said T-Mobile’s new \$15/month Connect offer will provide a needed new customer choice at a low, affordable price for those who need it in the COVID emergency. She urged support for the merger.

A written document outlining the CETF MOU benefits and the support of dozens of community groups and local leaders was emailed to Mr. Wong and Ms. Powell. See Attachment A.

On April 7, 2020 from 1 p.m. to 1:30 p.m. a second meeting was conducted with Commissioner Rechtschaffen, Advisor Sandy Goldberg, CETF President and CEO Sunne Wright McPeak, and CETF Special Counsel Rachelle Chong. In this meeting, Ms. Chong urged that consistent with precedent, the entire CETF MOU should be included in an Ordering Paragraph, and that the Commission should enforce the entire MOU as the signing parties intended. She argued that because the Proposed Decision

relies on many of the CETF MOU commitments including LifeLine, Digital Inclusion programs, emergency response support, connecting the County Fairgrounds with 5G wireless service, for its finding of public benefits, it is appropriate that this Commission include those negotiated voluntary public benefits in the Ordering Paragraphs. She also pointed out a provisions in the Ordering Paragraphs that came from the CETF MOU that are not consistent with the MOU's provisions and thus constitute factual errors, including the fairgrounds commitment, LifeLine provisions, and the Digital Inclusion commitments. These requested changes are all contained in the CETF Comments on the proposed decision.

Ms. McPeak explained that the CETF MOU commitments need to be adopted as a whole, because at the outset CETF calculates what are appropriate, fair and comparable public benefit contributions by the merging companies, compared to other companies in prior mergers. The COVID emergency has highlighted how critical broadband is to every household, thus, this merger becomes even more important with New T-Mobile's commitment to connect 99% of California's population with 5G wireless service. She urged adoption of the Proposed Decision with conditions consistent with CETF's Comments on the PD at the upcoming voting meeting on April 16<sup>th</sup>.

Respectfully submitted,

*/s/ Rachelle Chong*

Rachelle Chong  
Law Offices of Rachelle Chong  
345 West Portal Avenue, Suite 110  
San Francisco, California 94127  
[rachelle@chonglaw.net](mailto:rachelle@chonglaw.net)  
Tel. (415) 735-0378  
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