

**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 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 18-07-012

**JOINT MOTION OF  
JOINT APPLICANTS AND THE CALIFORNIA EMERGING TECHNOLOGY FUND  
TO MODIFY POSITIONS IN PROCEEDING TO REFLECT MEMORANDUM OF  
UNDERSTANDING BETWEEN THE CALIFORNIA EMERGING TECHNOLOGY  
FUND AND T-MOBILE USA, INC.**

**(PUBLIC VERSION)**

Dave Conn  
Susan Lipper  
T-Mobile USA, Inc.  
12920 SE 38th St.  
Bellevue, WA 98006  
Telephone: 425.378.4000  
Facsimile: 425.378.4040  
Email: dave.conn@t-mobile.com  
Email: susan.lipper@t-mobile.com

Suzanne Toller  
Davis Wright Tremaine LLP  
505 Montgomery Street, Suite 800  
San Francisco, CA 94111  
Telephone: 415.276.6500  
Email: suzannetoller@dwt.com

Stephen H. Kukta  
Sprint Communications Company L.P.  
900 7th Street, NW, Suite 700  
Washington, DC 20001  
Telephone: 415.572.8358  
Email: stephen.h.kukta@sprint.com

Earl Nicholas Selby  
Law Offices of Earl Nicholas Selby  
530 Lytton Avenue, 2nd Floor  
Palo Alto, CA 94301  
Telephone: 650.323.0990  
Facsimile: 650.325.9041  
Email: selbytelecom@gmail.com

Attorneys for Sprint Communications  
Company L.P. (U-5112-C), Sprint Spectrum  
L.P. (U-3062-C), and Virgin Mobile USA,  
L.P. (U-4327-C)

Leon M. Bloomfield  
Law Offices of Leon M. Bloomfield  
1901 Harrison St., Suite 1400  
Oakland, CA 94612  
Telephone: 510.625.1164  
Email: [lmb@wblaw.net](mailto:lmb@wblaw.net)

Attorneys for T-Mobile USA, Inc.

Sunne Wright McPeak  
President and CEO  
California Emerging Technology Fund  
414 13<sup>th</sup> Street, Suite 200  
Oakland, CA 94612  
Telephone: 415.744.2385  
Email: [sunne.mcpeak@cetfund.org](mailto:sunne.mcpeak@cetfund.org)

Rachelle Chong  
Special Counsel to CETF  
Law Offices of Rachelle Chong  
345 West Portal Avenue, Suite 110  
San Francisco, CA 94127  
Telephone: 415.215.4292  
Email: [rachelle@chonglaw.net](mailto:rachelle@chonglaw.net)

**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 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 18-07-012

**JOINT MOTION OF  
JOINT APPLICANTS AND THE CALIFORNIA EMERGING TECHNOLOGY FUND  
TO MODIFY POSITIONS IN PROCEEDING TO REFLECT  
MEMORANDUM OF UNDERSTANDING BETWEEN THE  
CALIFORNIA EMERGING TECHNOLOGY FUND AND T-MOBILE USA, INC.**

**(PUBLIC VERSION)**

Pursuant to Rule 11.1 of the Commission’s Rules of Practice and Procedure (“Rules”), Sprint Communications Company L.P. (U-5112-C), Sprint Spectrum L.P. (U-3062-C), Virgin Mobile USA, L.P. (U-4327-C) (collectively, “Sprint”), and T-Mobile USA, Inc. (“T-Mobile USA”) (collectively, the “Joint Applicants”) and the California Emerging Technology Fund (“CETF”) (jointly, the “Joint Parties”) respectfully submit this Joint Motion. The Joint Motion seeks to modify the Joint Parties’ positions with respect to A.18-07-012, *In the Matter of the Joint Application of Sprint Spectrum L.P. (U3062C), and Virgin Mobile USA L.P. (U4327C) and T-Mobile USA, Inc., a Delaware Corporation, for Review of Wireless Transfer Notification per Commission Decision 95-10-032*) (the “Wireless Notification”) to reflect the terms of the recently-executed “Memorandum of Understanding between the California Emerging

Technology Fund and T-Mobile USA, Inc.” (“MOU”).<sup>1</sup> Although the testimony in this proceeding has already been submitted and evidentiary hearings have been concluded, the Joint Parties in good faith continued to discuss constructive ways to resolve their differences related to the proposed transfer of control of Sprint to T-Mobile USA, Inc (the “Transaction”). As reflected in the MOU, a copy of which is attached as Exhibit A, the Joint Parties have now reached a mutually satisfactory understanding and a set of terms under which CETF can enthusiastically and wholeheartedly support the Transaction and the conclusion of the Wireless Notification review. The Joint Parties submit this Joint Motion to ensure that their current positions are properly reflected on the record and to ensure that the Commission has the benefit of this updated information as it reviews the Wireless Notification.<sup>2</sup>

In its testimony submitted in this proceeding, CETF noted its “strong interest in ensuring that this proposed merger... has benefits for California wireless customers, particularly those who are low-income and who rely on only their smartphones to access the Internet.”<sup>3</sup> Specifically, CETF expressed concerns about New T-Mobile’s continued participation in the

---

<sup>1</sup> While only T-Mobile USA is a signatory to the MOU, Sprint representatives also participated in the settlement discussions with CETF.

<sup>2</sup> Parties in other merger proceedings before the Commission have similarly filed Joint Motions to reflect MOUs. For example, in Application (A.) 15-07-009 for the transfer of control of Charter Fiberlink CA-CCO, LLC (“Charter”), the National Diversity Coalition (“NDC”) and Charter filed a Joint Motion to modify the Joint Parties’ positions to reflect the terms of a MOU between them. CETF and Charter also filed a Joint Motion to reflect the terms of an MOU between them in the Charter proceeding. Additionally, CETF and Frontier Communications Corporation and Frontier Communications of America, Inc. (collectively, “Frontier”) filed a Joint Motion to reflect the terms of an MOU between them in the Application (A.) 15-03-005 for the sale of certain assets held by Verizon California, and Verizon LD’s customer accounts to Frontier. In both the Charter and Frontier proceedings, the Commission decisions granting the applications required the Joint Applicants to abide by the terms of the MOUs. *See* D.16-05-007, at 70-71 (Ordering Paragraph No. 2) (“Charter Decision”); D.15-12-005, at 82 (Ordering Paragraph No. 13) (“Frontier Decision”).

<sup>3</sup> Hearing Exhibit CETF-1, California Emerging Technology Fund Intervenor Testimony, dated January 7, 2019 (“McPeak Testimony”) at 1:22-2:1.

LifeLine program;<sup>4</sup> that the rates and terms of service provided on “smartphone low-income plans” would remain affordable and of similar quality;<sup>5</sup> that wireless service rates would remain the same for all customers for at least 3-5 years;<sup>6</sup> that Joint Applicants make California-specific commitments to infrastructure upgrades with verifiable data speed increases;<sup>7</sup> and that Applicants support digital inclusion and literacy outreach programs.<sup>8</sup> CETF specifically requested that the Commission adopt conditions in each of these areas and that the conditions adopted be “verifiable and enforceable” and monitored by the Commission to ensure compliance.<sup>9</sup>

As is described below, the MOU contains voluntary commitments that address each of these areas and includes an additional commitment to support the state’s efforts to enhance emergency preparedness and response.<sup>10</sup> Under the MOU, CETF and New T-Mobile will join forces to work together in collaboration with other stakeholders and community-based organizations (“CBOs”) in the true spirit of public-private partnerships to make a significant

---

<sup>4</sup> McPeak Testimony at 8:11-12.

<sup>5</sup> McPeak Testimony at 7:16-19.

<sup>6</sup> McPeak Testimony at 8:6-7; 9:10-12.

<sup>7</sup> McPeak Testimony at 9:1-8, 9:13-15.

<sup>8</sup> McPeak Testimony at 9:15-17.

<sup>9</sup> In its testimony, CETF recommended that:

[T]here should be verifiable and enforceable conditions placed on this merger if approved, that will: (1) ensure that low cost and affordable wireless service plans -- including LifeLine plans that include adequate data -- remain in place at existing rates for at least 3-5 years; (2) require New T-Mobile to offer low cost data plans that are adequate to access the Internet via a smartphone so that typical applications are accessible; (3) require Applicants to make California-specific commitments to infrastructure upgrades to increase data speeds in areas of the state with no, slow or unreliable wireless service, and that such commitments are verifiable; and (4) require Applicants to provide digital adoption outreach programs that encourage unconnected low-income or disadvantaged persons to access the Internet in areas where broadband adoption is low in the state.

McPeak Testimony at 9:9-20.

<sup>10</sup> CETF MOU at 1 (Declarations, 5th paragraph).

contribution to closing the Digital Divide in California, to promoting digital inclusion, and to expanding wireless broadband access throughout California, including in rural and remote areas of the New T-Mobile service territory. Based on these commitments, the previously-stated concerns of CETF in pleadings and testimony have been resolved, and CETF recognizes that the proposed New T-Mobile will provide numerous consumer benefits which will serve the public interest here in California.

The Joint Parties also wish to emphasize that the commitments in the MOU are verifiable, enforceable, and will be subject to ongoing monitoring by CETF and the Commission.<sup>11</sup> For 5 consecutive years following the Transaction, New T-Mobile shall provide to CETF and the Commission a detailed Annual Compliance Report specifying New T-Mobile's compliance with the MOU and progress on meeting each of the specified commitments, including New T-Mobile's LifeLine offerings and adoption rate and its network buildout and speeds.

Key commitments in the MOU include:

**1. Pricing:**

- T-Mobile has made a nationwide pricing commitment to the Federal Communications Commission ("FCC") that provides that New T-Mobile shall make available the Same Rate Plans or Better Rate Plans offered by T-Mobile and/or Sprint as of the Reference Date of February 4, 2019 for 3 years following the close of the Transaction.

**2. Continuation of LifeLine Service:**

- New T-Mobile shall offer LifeLine services (pursuant to both federal FCC Lifeline and state Commission LifeLine programs) indefinitely in California to both current and new LifeLine eligible customers *for free* (along with free handsets), and at other terms and conditions no less favorable to eligible consumers than those offered under the Assurance

---

<sup>11</sup> In its testimony, CETF emphasized the need for "verifiable and enforceable conditions" (McPeak Testimony at 9:9) that are capable of being fulfilled and being monitored by the Commission to show verifiable progress. *Id.* at 2:12-13.

Wireless brand as of the date of the close of the Transaction.<sup>12</sup> In addition, after a brief transition period, LifeLine customers will be able to avail themselves of New T-Mobile’s significantly larger geographical coverage footprint in California.<sup>13</sup> To provide further assurance of its commitment, New T-Mobile guarantees the provision of LifeLine in California through the end of 2024 at a minimum.

**3. New LifeLine and Low-Income Adoptions:**

- Within 5 years of the close of the Transaction, New T-Mobile shall use good faith efforts to achieve a combined goal of 332,500 new (additional) low-income households through (i) new Assurance LifeLine customers (gross additions) approved by the LifeLine administrator, and (ii) Low-Income customers in California for a total (at the end of 5 years) of no less than 675,000 enrolled LifeLine/Low-Income households. To help achieve these LifeLine and Low-Income customer adoptions, New T-Mobile commits to expend a minimum of \$1 million per year for 5 years for a total of at least \$5 million to promote LifeLine adoption and enrollment, unless it achieves 332,500 new LifeLine and Low-Income customers in California before the conclusion of 5 years and expenditure of \$5 million, in which case New T-Mobile shall have the right to reduce expenditures, except those planned and committed to community media.

**4. Investments in Digital Inclusion:**

- *School-Based Programs:* New T-Mobile shall continue to expand T-Mobile’s current EmpowerED Program and Sprint’s 1Million Project to provide free high-speed Internet service and free Internet-enabled devices to an additional 52,000 low-income California families with K-12 school age children within 5 years of the close of the Transaction for a total of 112,000 families. New T-Mobile will also provide \$13.5 million to assist districts and schools participating in the EmpowerED Program and the 1Million Project (and representing up to 25,000 students) in closing the Digital Divide and the Achievement Gap.
- *Digital Inclusion Policy Programs:* New T-Mobile will provide: (i) \$4.5 million for grants to community-based organizations (“CBOs”), schools,

---

<sup>12</sup> The MOU further provides that:

Should there be material changes in the LifeLine programs at either the state or federal level, including with respect to eligibility criteria, mandatory service standards, or subsidy amounts, New T-Mobile reserves the right to seek appropriate relief from the LifeLine provisions in this agreement from CETF, the CPUC, and/or FCC after consultation with CETF and the CPUC and/or FCC staff.

CETF MOU at 7 (Section V).

<sup>13</sup> See CETF MOU at 5.

and libraries to provide digital literacy training for up to 75,000 new LifeLine and low-income households enrolled by New T-Mobile; (ii) \$5 million for CETF grants to county and city governments to develop, adopt, and implement digital inclusion policies and programs; and (iii) \$13 million to fund CETF's ongoing operations.

## 5. Investments in Infrastructure:

- *Capital Expenditures:* New T-Mobile will commit to at least [BHC-AEO] REDACTED [EHC-AEO] in network capital expenditures to deploy 5G technology in California within 6 years of the close of the Transaction, with the right to defer [BHC-AEO] REDACTED [EHC-AEO] of those planned capital expenditures for an additional 7th year.
- *5G Buildout/Speed Tests:* New T-Mobile will commit to deploy 5G technology at 90% of the California cell site locations specified in T-Mobile's network plan (or geographically comparable locations) for California by 2025 and provide high resolution county coverage maps depicting annual build out progress.<sup>14</sup> New T-Mobile further commits to achieve a specified average (mean) speed tier (100 Mbps or 300 Mbps) across all 5G sites constructed in a given year. In addition, New T-Mobile commits to achieve a minimum of 80% of the specified speed tier category *at each site*. This buildout commitment will ensure not only that New T-Mobile achieves the represented speed tests averaged across the overall population of the state,<sup>15</sup> but also that it achieves robust speeds at all of its cell sites located throughout the State. The data transmission speeds committed to by New T-Mobile under the Agreement will be verified by speed tests conducted in each cell site location by an independent testing organization selected by CETF using a standard industry speed testing protocol.
- *Unserved/Underserved Areas:* New T-Mobile shall prioritize its planned 5G network improvements in 10 unserved and underserved California areas, which shall be selected by New T-Mobile after consultation with CETF and the Rural Regional Consortia.

---

<sup>14</sup> T-Mobile's network model relies on a number of inputs for the 5G deployment including: (i) the number and general location of cell sites in California at which New T-Mobile expects to deploy 5G; (ii) the type of spectrum to be deployed at each of those sites (i.e. mid band, low band, high band); and (iii) the year in which it is deployed.

<sup>15</sup> See Hearing Exhibit Jt. Appl.-3, Rebuttal Testimony of Neville R. Ray, Executive Vice President and Chief Technology Officer T-Mobile USA, Inc. on Behalf of T-Mobile USA, Inc. dated January 29, 2019 ("Ray Rebuttal Testimony") at 33:5-35:1.

**6. Emergency Preparedness and Response:**

- New T-Mobile shall retain the number of Sprint and T-Mobile Cells on Wheels (“COWs”) and Cells on Light Trucks (“COLTs”) that each company has in California as of the close of the Transaction and, by 2021, shall expand by 50% the number of COWs and COLTS available to assist in emergencies. New T-Mobile shall continue the practice of offering community support to those impacted during an emergency, with concessions such as free wireless service, charging stations for devices, and other support, which is determined by the severity of the event.
- Within 5 years of the date of the close of the Transaction, New T-Mobile shall deploy 5G wireless service that supports continuous service at 10 County Fairgrounds in rural counties, at least three of which shall be installed in the first 3 years. Priority consideration shall be given to the rural Fairgrounds most frequently used to stage emergency response and recovery and to those with plans for digital inclusion and other economic development activities.

New T-Mobile has agreed to implement the commitments identified in the MOU if the Commission approves the Wireline Application<sup>16</sup> and completes its review of the Wireless Notification, and if the proposed Transaction is consummated. Based on these legally enforceable commitments, CETF states that its prior public benefit concerns regarding the Transaction have been resolved, and that the conditions it proposed be adopted on the Transaction in its testimony have been met through the commitments in the MOU. Accordingly, the Joint Parties agree that the Transaction will provide numerous benefits to California and urge this Commission to promptly conclude its review of the Wireless Notification and to approve the Wireline Application.

---

<sup>16</sup> A.18-07-011, *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)* (the “Wireline Application”).

Respectfully submitted this 8<sup>th</sup> day of April, 2019.

\_\_\_\_\_/s/  
Sunne Wright McPeak  
President and CEO  
California Emerging Technology Fund  
414 13<sup>th</sup> Street, Suite 200  
San Francisco, CA 94612  
Telephone: 415.744.2385  
Email: sunne.mcpeak@cetfund.org

\_\_\_\_\_/s/  
Rachelle Chong  
Special Counsel to CETF  
Law Offices of Rachelle Chong  
345 West Portal Avenue, Suite 110  
San Francisco, CA 94127  
Telephone: 415.215.4292  
Email: Rachelle@chonglaw.net

\_\_\_\_\_/s/  
Suzanne Toller<sup>17</sup>  
Davis Wright Tremaine LLP  
505 Montgomery Street, Suite 800  
San Francisco, CA 94111  
Telephone: 415.276.6500  
Email: suzannetoller@dwt.com

Attorneys for T-Mobile USA, Inc.

<sup>17</sup> Pursuant to Rule 1.8(d), this document is signed on behalf of Joint Applicants.

**Exhibit A**

**MEMORANDUM OF UNDERSTANDING  
BETWEEN CALIFORNIA EMERGING TECHNOLOGY FUND  
AND T-MOBILE USA, INC**

**Memorandum of Understanding  
between California Emerging Technology Fund and T-Mobile USA, Inc.  
Outline of Contents**

|  |    |
|--|----|
| <u>Declarations</u> .....  | 2  |
| <u>Public Benefits for Broadband Adoption</u> .....                            | 4  |
| I. <u>Pricing Commitment</u> .....   | 4  |
| A. <u>Rate Plans</u> .....   | 4  |
| II. <u>LifeLine Commitment</u> .....   | 4  |
| A. <u>California LifeLine Services Offer</u> .....                             | 5  |
| B. <u>Handsets and Network Assignment</u> .....                                | 5  |
| III. <u>New LifeLine and Low-Income Adoptions</u> .....                        | 5  |
| A. <u>Goal for New Adoptions</u> .....   | 5  |
| B. <u>Strategic Plan</u> .....   | 6  |
| IV. <u>Promotion of LifeLine and Low-Income Offers</u> .....                   | 6  |
| A. <u>Promotion Investment Schedule</u> .....                                  | 6  |
| B. <u>Pledged Promotion Investment</u> .....                                   | 6  |
| V. <u>Material Changes in LifeLine Program</u> .....                           | 7  |
| VI. <u>Investments in Digital Inclusion</u> .....                              | 7  |
| A. <u>School-Based Programs</u> .....  | 7  |
| B. <u>Digital Inclusion Policy and Programs</u> .....                          | 8  |
| <u>Public Benefits for Broadband Deployment</u> .....                          | 9  |
| VII. <u>Investments in Infrastructure</u> .....                                | 9  |
| A. <u>Background</u> .....   | 9  |
| B. <u>Network Improvement Plan Tracking Tool</u> .....                         | 9  |
| C. <u>Network Improvement Commitments</u> .....                                | 9  |
| D. <u>Coverage Maps</u> .....  | 11 |
| E. <u>Test Protocol for Coverage and Speed</u> .....                           | 12 |
| VIII. <u>Emergency Preparedness and Response</u> .....                         | 12 |
| A. <u>Installations at County Fairgrounds</u> .....                            | 12 |
| B. <u>Support for First Responders</u> .....                                   | 13 |
| IX. <u>Consultation with Regional Consortia</u> .....                          | 13 |
| A. <u>Initial Consultation</u> .....   | 13 |
| B. <u>Annual Consultations</u> .....   | 13 |
| <u>Overall Partnership Commitments</u> .....                                   | 14 |
| X. <u>Annual Compliance Report</u> .....                                       | 14 |
| XI. <u>Binding Agreement</u> .....   | 14 |
| XII. <u>CETF Support for Transaction with Public Benefit Commitments</u> ..... | 15 |
| XIII. <u>Commitments Made to Other Intervenors or Regulatory Bodies</u> .....  | 15 |
| XIV. <u>Persons Responsible for MOU Compliance</u> .....                       | 15 |
| XV. <u>Notice and Opportunity to Cure</u> .....                                | 15 |

**Memorandum of Understanding  
between California Emerging Technology Fund and T-Mobile USA, Inc.**

By their authorized representatives, and intending to be legally bound, this Memorandum of Understanding (MOU or Agreement) is entered into between T-Mobile USA, Inc. (T-Mobile) and the California Emerging Technology Fund (CETF) as of March 22, 2019.

On April 29, 2018, T-Mobile and Sprint Corporation (Sprint) entered into a Business Combination Agreement by which all of Sprint subsidiaries will become wholly indirect subsidiaries of T-Mobile (the Transaction). The combined companies will be operated as the New T-Mobile.

On July 13, 2018, T-Mobile and Sprint filed two applications with the California Public Utilities Commission (CPUC): (i) Application (A.) No. 18-07-011, *In the Matter of the Joint Application of Sprint Communications Company L.P. (U5112) 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)* (the Wireline Application) and (ii) A.18-07-012, *In the Matter of the Joint Application of Sprint Spectrum L.P. (U3062C), and Virgin Mobile USA L.P. (U4327C) and T-Mobile USA, Inc., a Delaware Corporation, for Review of Wireless Transfer Notification per Commission Decision 95-10-032* (the Wireless Notification). The Wireline Application and Wireless Notification were consolidated and are referred to jointly as the CPUC Proceedings.

CETF is a party to the CPUC Proceedings, and it has actively participated in the application proceeding on behalf of broadband consumers.

All the terms of this MOU are expressly contingent upon the CPUC's approval of the Wireline Application, the CPUC's completion of its review of the Wireless Notification, and the consummation of the Transaction.

T-Mobile is entering into this MOU to settle and resolve the issues raised by CETF about the Transaction in the CPUC Proceedings. The MOU reflects CETF's agreement that based on the commitments set forth herein, the concerns expressed in CETF's pleadings, testimony, and appearances regarding the Transaction have been resolved. To the extent that T-Mobile's or CETF's previous positions are inconsistent with this MOU, those positions are hereby modified in accordance with the terms set forth herein.

## Declarations

- The California State Legislature established in Pub. Util. Code § 709(d) that a key state policy objective for telecommunications in California is “To assist in bridging the ‘digital divide’ by encouraging expanded access to state-of-the-art technologies for rural, inner-city, low-income, and disabled Californians.” Indeed, the desire of the California State Legislature to bridge the Digital Divide is infused throughout the Public Utilities Code, including Pub. Util. Code §§ 871.7(c)(4), 883(b)(4)(D), 884.5(d), and 5810(a)(2)(E). Moreover, according to the U.S. Census Bureau, in 2017 (the most current data year), California had the highest rate of poverty among all states in the nation – 19.0 percent – which rate is more than 5 percentage points above the national average of 13.9 percent.
- Based on the 2019 Statewide Survey on Broadband Adoption which CETF conducted in partnership with the University of California, Berkeley, Berkeley Institute of Governmental Studies, it was found that in California that 88% of households have high-speed Internet access at home through either a computing device or a smartphone, but 12% or one in eight homes still do not have access. Further, the following California demographic groups fall below the 88% overall adoption rate:
  - Households earning less than \$20,000/year (70%)
  - Adults 65 years or older (76%)
  - Not a high school graduate (74%)
  - Spanish-speaking Latinos (80%)
  - Adults with disabilities (79%)
- The mission of CETF is to close the Digital Divide in California by accelerating broadband deployment and adoption. CETF provides leadership to promote public policy to close the Digital Divide and to facilitate consensus among stakeholders to achieve results. CETF collaborates with Regional Consortia, local governments, and civic organizations to identify opportunities to support broadband infrastructure construction. CETF partners with community-based organizations (CBOs) throughout California that are experienced in reaching disadvantaged populations in-culture and in-language to increase broadband adoption among low-income and other unconnected households. CETF is focused on results and has a track record of performance with transparency and accountability. Particular concern has been focused by CETF and the California Department of Education on low-income students who do not have a computing device or are not allowed to take a device home to perform Internet-enabled homework, and thus fall behind in their studies.

*Public Version*

- CETF actively supports the promulgation of public-private partnerships as a public policy foundation for closing the Digital Divide and promoting Digital Inclusion by harnessing the discipline and innovation of the private sector with the expertise and cultural competency of those working on behalf of the public sector as “trusted messengers” to reach disadvantaged populations. A public-private partnership is characterized by partners reaching agreement on goals, jointly developing an action plan to achieve explicit outcomes, and working together continuously in good faith to implement the plan with mutual accountability for results. CETF also engages with local municipalities and agencies on digital inclusion, Smart Cities and other technology enabled initiatives.
- CETF and T-Mobile (and New T-Mobile) are joining forces to work together in collaboration with other stakeholders and CBOs in the true spirit of a public-private partnership with the intent to make a significant contribution to closing the Digital Divide in California and to pursuing innovative approaches to increasing broadband adoption throughout the state.
- CETF recognizes that the proposed New T-Mobile (combining the existing networks and spectrum of Sprint and T-Mobile) has significant potential to provide numerous consumer advantages which will serve the public interest if coupled with a strong commitment to public benefits and performance-based measures by New T-Mobile.
- CETF and T-Mobile agree that Californians without broadband access or the ability to afford high-speed Internet service at home are being left behind at an accelerating pace. Therefore, these commitments shall be implemented with all deliberate speed consistent with appropriate planning and prudent business practices to ensure success.
- This agreement is responsive to the CETF objective to advance a policy and identify a framework to ensure an “appropriate, fair, and comparable” public benefit contribution by all applicants seeking corporate consolidations before the CPUC and is consistent with settlement agreements entered into in other such consolidation proceedings in California.

In order to make public benefit investments that are “appropriate, fair and comparable” to prior corporate consolidations in the telecommunications industry in California, CETF and New T-Mobile make the following public benefit commitments subject to the terms in this MOU:

Public Benefits for Broadband Adoption

**I. Pricing Commitment**

A. Rate Plans

T-Mobile has made a nationwide pricing commitment to the FCC that provides that New T-Mobile shall make available the Same Rate Plans or Better Rate Plans offered by T-Mobile and/or Sprint as of the Reference Date of February 4, 2019 for 3 years following the close of the Transaction. A copy of the FCC pricing commitment is attached hereto as Attachment A. It is hereby incorporated by reference.

Within 60 days of close, New T-Mobile shall provide to CETF and the CPUC a list of Rate Plans offered to new customers as of the Reference Date, and will include this information in the Annual Compliance Report discussed in Section X *infra* beginning with the first full year following the close date of the Transaction and for 2 years thereafter.

**II. LifeLine Commitment**

A. California LifeLine Services Offer

New T-Mobile shall offer LifeLine services (pursuant to both federal FCC Lifeline and state CPUC LifeLine programs) indefinitely in California. To provide assurance of its commitment, New T-Mobile guarantees the provision of LifeLine in California through the end of 2024 at a minimum. New T-Mobile agrees to continue to offer LifeLine services in California to both current and new eligible customers under rates (i.e. free), terms, and conditions no less favorable to eligible consumers than those offered under the Virgin/Assurance brand as of the date of close of the Transaction. New T-Mobile shall provide all new LifeLine customers a minimum of 3 gigabytes (GB) per month of data and will upgrade all existing Assurance LifeLine customers to a minimum of 3 GB per month of data without the need for a customer to request the upgrade. New T-Mobile shall re-assess every 2 years the data allotment to determine its adequacy consistent with FCC guidelines and shall make adjustments to align with FCC guidelines.

## B. Handsets and Network Assignment

After a transition period, Customers will be able to avail themselves of New T-Mobile's larger geographical coverage footprint in California. CETF recognizes that there needs to be a brief transition period of no more than 6 months to implement the necessary operational changes to activate Assurance LifeLine customers on the New T-Mobile Network/platform. Therefore, New T-Mobile commits to the following:

- On the first day after the close of the Transaction, new California Assurance LifeLine customers will be provided a free handset at the time of enrollment that is compatible on both the New T-Mobile and the Sprint network, but their service will continue to be activated on the Sprint network.
- No later than 6 months after the close, new California Assurance LifeLine customers will be activated on the New T-Mobile Network. All Assurance LifeLine customers with incompatible handsets (that do not work on the New T-Mobile network) will be migrated in the same timeframe as the non-LifeLine legacy Sprint customers to the New T-Mobile network and will be given a free compatible handset at the time of migration.

## III. New LifeLine and Low-Income Adoptions

### A. Goal for New Adoptions

New T-Mobile and CETF share a general goal in increasing LifeLine adoption in California. To that end, within 5 years of the close of the Transaction, New T-Mobile shall use good faith efforts to achieve a combined goal of 332,500 new (additional) low-income households through (i) new Assurance LifeLine customers (gross additions) approved by the LifeLine administrator and (ii) Low-Income customers in California for a total of no less than 675,000 enrolled LifeLine / low-income households. Low-Income customers may include customers added through other non-LifeLine offers (e.g. Boost pilot program, if adopted) that are priced at \$20.00 per month or less (total cost to the customer) and that provide the minimum data allowance required under FCC LifeLine rules.

B. Strategic Plan

New T-Mobile shall prepare a detailed Strategic Plan for achieving 332,500 new LifeLine and Low-Income customers in California and submit to CETF a Draft Plan no later than 90 days following close of the Transaction. New T-Mobile and CETF shall confer and reach agreement on a Strategic Plan and submit to the CPUC the Strategic Plan no later than 180 days following the close of the Transaction. The Strategic Plan shall delineate planned activities for distribution of information about the availability of LifeLine and any other lower-cost offers, including a Promotion Investment Schedule (described in Section IV *infra*) and a timetable for implementation. The Strategic Plan will be subject to a non-disclosure agreement (NDA) between New T-Mobile and CETF and will be treated confidentially by the CPUC. New T-Mobile and CETF shall meet annually to review the progress in achieving new low-income household adoptions and shall revise and refine the Strategic Plan as necessary to achieve the goals.

**IV. Promotion of LifeLine and Low-Income Offers**

A. Promotion Investment Schedule

New T-Mobile shall prepare a Promotion Investment Schedule as part of the Strategic Plan, which is to be agreed upon by CETF and submitted to the CPUC within 180 days of the close of the Transaction. The Promotion Investment Schedule shall generally describe the activities New T-Mobile will undertake to promote the LifeLine offers and enroll eligible California LifeLine and Low-Income customers, including but not limited to community based direct marketing and use of media. New T-Mobile commits that to the extent the Promotion Investment Schedule proposes the use of television or radio ads, those ads will be run between 6 a.m. and 11 p.m. New T-Mobile shall place an appropriate share of the promotion investment with community media to ensure sufficient information in-language and in-culture, which shall be monitored to measure results and to analyze cost-effectiveness in comparison to other promotion investments. CETF shall facilitate meetings between T-Mobile and community media to explore opportunities for collaboration and business relationships.

B. Pledged Promotion Investment

The Promotion Investment Schedule for California shall include a minimum of \$1 million per year for 5 years for a total of at least \$5 million. At least \$2.5 million shall be dedicated to outreach and promotion of the LifeLine service and enrollment of new LifeLine and Low-Income customers. However, should New T-Mobile achieve 332,500 new LifeLine and Low-Income customers in California before the conclusion of 5 years and expenditure of \$5 million, then New T-Mobile shall have the right to reduce expenditures in the Promotion Investment Schedule, except those planned and committed to community media.

**V. Material Changes in LifeLine Program**

Should there be material changes in the LifeLine programs at either the state or federal level, including with respect to eligibility criteria, mandatory service standards, or subsidy amounts, New T-Mobile reserves the right to seek appropriate relief from the LifeLine provisions in this agreement from CETF, the CPUC, and/or FCC after consultation with CETF and the CPUC and/or FCC staff.

**VI. Investments in Digital Inclusion**

**A. School-Based Programs**

New T-Mobile shall continue to expand T-Mobile's current EmpowerED Program and Sprint's 1Million Project (which may be rebranded) (together the New T-Mobile School-Based Programs) to reach an additional 52,000 low-income California families with K-12 school age children within 5 years of the close of the Transaction for a total of 112,000 families. For the additional 52,000 families, the New T-Mobile School-Based Programs will provide at least 3 GB of free high-speed Internet service and unlimited (non-high speed) Internet service thereafter and free Internet-enabled devices, such as Chromebooks or other Internet-enabled tablets or other wireless devices that may be used as hot spots if the school also provides a companion notebook or tablet to work with the hotspot. New T-Mobile may set or modify the eligibility for the New T-Mobile School-Based Programs in consultation with CETF, but they must serve primarily low-income students and engage the participating districts and schools in providing data regarding impact on academic performance. New T-Mobile shall provide a description of services and impact information about the New T-Mobile School-Based Programs, including the number of families assisted by the programs and benefits to schools, students and families, in the Annual Compliance Report submitted to CETF and CPUC Staff described in Section X *infra*.

New T-Mobile shall provide up to \$1 million over 5 years for School Leadership Teams from the districts and schools in the New T-Mobile School-Based Programs selected to participate in the School2Home Partnership to attend the annual School2Home Leadership Academy. The funding shall be used to pay for the Leadership Academy venue and travel, lodging and meals for approximately 3 members of each School Leadership Team. CETF and New T-Mobile shall develop a process for coordinating the planning and payment of expenses for the School Leadership Teams.

New T-Mobile and CETF shall agree upon an evaluation process and methodology to compare student academic performance and other relevant metrics for districts and schools also participating in the School2Home Partnership vs. those only participating in New T-Mobile School-Based Programs.

B. Digital Inclusion Policy and Programs

New T-Mobile shall provide \$7 million each year commencing 60 days from the close of the Transaction and continuing for 5 years for a total of \$35 million to CETF to sustain its core mission to close the Digital Divide in California and to promote digital inclusion policy and programs as set forth below as explicit public benefits of the Transaction. CETF shall continue to work with T-Mobile and other Internet Service Providers to collaborate with community, local, regional and statewide stakeholders to get online all unconnected and underconnected households in the state. In addition to pursuing its core mission, CETF shall dedicate a portion of the \$35 million to the following digital inclusion programs:

- \$12.5 million to assist districts and schools participating in the New T-Mobile School-Based Programs (and representing up to 25,000 students) to implement School2Home to incorporate technology into teaching and learning with significant parent engagement. CETF and New T-Mobile shall develop a process for inviting and selecting applications from the districts and schools participating in the school-based programs to join in the School2Home Partnership. This investment will augment the commitment by T-Mobile to support the School Leadership Teams from the selected districts and schools to attend the annual School2Home Leadership Academy.
- \$4.5 million for grants to community-based organizations (CBOs), schools, and libraries to provide digital literacy training for up to 75,000 new LifeLine and low-income households enrolled by New T-Mobile. Within 6 months after the close of the Transaction, CETF and New T-Mobile shall develop a process for T-Mobile to inform and refer interested new low-income households to appropriate CBOs.
- \$5 million for CETF grants to county and city governments to develop, adopt and implement digital inclusion policies and programs. Priority consideration for grants shall be given to local governments working in collaboration with their CASF-funded Regional Consortium.
- CETF shall provide an annual report to New T-Mobile regarding the Digital Inclusion Policy and Programs.

Public Benefits for Broadband Deployment

**VII. Investments in Infrastructure**

A. Background

To create the 5G coverage maps included in Attachment D “California 2021 and 2024 5G County Level Coverage” (dated 12-06-2018) to the Joint Applicants’ Rebuttal Testimony of Neville Ray (5G County Coverage Maps), and to predict the average speeds (throughput), T-Mobile used its network model. T-Mobile’s network model relies on a number of inputs for the 5G deployment including: (i) the number and general location of cell sites in California at which New T-Mobile expects to deploy 5G; (ii) the type of spectrum to be deployed at each of those sites (i.e. mid band, low band, high band); and (iii) the year in which it is deployed.

B. Network Improvement Plan Tracking Tool

In order to develop a Network Improvement Plan Tracking Tool for this settlement, T-Mobile took the list of cell sites used for the model and added the expected speed tier for each of the cell sites and the year that the anticipated speed tier would be achieved. (See HIGHLY CONFIDENTIAL – ATTORNEYS EYES ONLY Attachment B.)

C. Network Improvement Commitments

*Capital Expenditures:* New T-Mobile will commit to at least **[Begin Highly Confidential-Attorneys’ Eyes Only (BHC-AEO)]** ██████████ **[End Highly Confidential -Attorneys Eyes only (EHC-AEO)]** in network capital expenditures to deploy 5G technology in California within 6 years of the close of the Transaction, with the right to defer **[BHC-AEO]** ██████████ **[EHC-AEO]** of those planned capital expenditures for an additional 7th year.

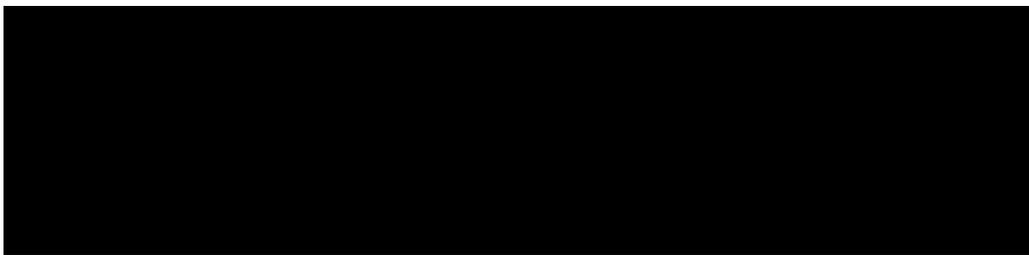
**5G Buildout:** New T-Mobile will commit to deploy 5G technology at 90% of the cell site locations specified in the Network Improvement Plan Tracking Tool (or geographically comparable sites) by 2025.

The commitment is for 2025 to align with the capital expenditure commitment that allows a portion of the capital expenditure to be deferred to a seventh year. If the close of the Transaction is delayed until late 2019, CETF will meet and confer with New T-Mobile about extending the 5G deployment commitment until 2026.

The commitment is for 90% vs. 100% of sites given the variability in siting, permitting, spectrum clearing timeframes, backhaul acquisition and other factors beyond New T-Mobile's control. CETF and New T-Mobile agree to work in good faith to adjust the 90% commitment as reasonably appropriate should other events occur that are beyond the reasonable control of T-Mobile, including but not limited to:

- A regulatory or other imposed divestiture of assets;
- A force majeure event (e.g. natural disaster, etc.);
- Inability to acquire necessary equipment or backhaul before the conclusion the six-year commitment; and
- A siting moratorium or other extraordinary permitting delay or limitation.

Although Highly Confidential – Attorneys Eyes Only Attachment B lists the years in which speed tiers are anticipated to be achieved at each site, the year in which 5G technology may be deployed at any individual site may vary depending on a variety of factors. New T-Mobile will use industry best practices to deploy 5G spectrum at 90% of the total number of sites by year as reflected in the table below: **[BHC-AEO]**



**[EHC-AEO]**

If New T-Mobile does not meet the yearly cell site construction target, it will offer a detailed explanation at a regional level for the variance in the annual Network Report (see Section X, subsection (c) *infra*).

*Speed Tests:* New T-Mobile will commit to achieve the average (mean) speed tier (per the measurement protocol discussed *infra*) across all sites a specified speed category in the applicable year as specified in the Network Improvement Plan Tracking Tool . For sites that are designated to achieve both speed tiers (100 Mbps and 300 Mbps), there will be two speed tests: (i) one in the year when spectrum and equipment are deployed that allow a site to reach the first speed tier (i.e. 100 Mbps); and (ii) a second in the year when the spectrum is deployed to allow the site to meet its second speed tier (e.g. 300 Mbps). In addition, New T-Mobile will commit to achieve a minimum of 80% of the specified speed tier category *at each site* (per the measurement protocol discussed *infra*). To the extent that a site does not achieve 80% of the established speed tier at a particular site, New T-Mobile will promptly use good faith efforts to achieve the designated speed tier at that site.

Speed test results will be provided as part of the Network Report beginning in 2022. To the extent that the independent speed testing demonstrates New T-Mobile consistently achieves the specified speed tier at sites at which 5G technology is deployed in 2021, CETF will meet and confer with New T-Mobile to consider reducing the number of sites subject to speed tests in future years to a reasonable sample size.

*Unserved/Underserved Areas:* New T-Mobile shall prioritize its planned 5G network improvements in 10 unserved and underserved California areas. The 10 unserved/underserved areas for prioritization shall be selected by New T-Mobile after consultation with CETF and the Rural Regional Consortia. See Section IX *infra* regarding consultation with the Rural Regional Consortia.

#### D. Coverage Maps

The Network Report shall include high resolution pdf maps depicting buildout progress in the form of the 5G County Coverage Maps. New T-Mobile will also provide CETF with high resolution pdf version of the New T-Mobile 5G County Coverage Maps that were provided in the Joint Applicants' Rebuttal Testimony of Neville Ray so that these may be compared to the coverage maps later presented to CETF as part of the Network Report.

Note: The 5G County Coverage Maps are projections of 5G coverage as of the date of the maps, and they are provided for illustrative purposes. As is the case of any projection of wireless coverage, actual coverage may differ due to regulatory or governmental delays or denials, site unavailability or limitations, antenna location or height, or other factors. T-Mobile is confident that actual overall coverage will be substantially similar to the coverage depicted in the 5G County Coverage Maps.

In addition to the 5G County Coverage Maps, New T-Mobile will include as part of the Network Report a link to its current public coverage map which allows consumers to zoom in to assess levels of coverage on a more granular basis.

E. Test Protocol for Coverage and Speed

In order to verify the data speed achieved for a given site, New T-Mobile will provide a speed test for each site conducted after necessary work is completed. The speed tests shall be conducted by an independent third party selected by CETF from a list of experts which is attached hereto as Attachment C (and which may be supplemented by New T-Mobile until a satisfactory firm is agreed upon), paid for by New T-Mobile, using a mutually agreed upon recognized third-party data speed test. The testing location shall be selected by the independent third party testing firm consistent with customary professional standards reflecting a reasonable outdoor use case for the individual cell site being tested, without unusual blockage and an appropriate distance between cell tower and cell site edge. The speed test data will be provided to CETF in the annual Network Report.

**VIII. Emergency Preparedness and Response**

According to the California Governor's Office of Emergency Services, the State of California "faces numerous risks and threats to our people, property, economy, environment and is prone to earthquakes, floods, significant wildfires, prolonged drought impacts, public health emergencies, cybersecurity attacks, agricultural and animal disasters, as well threats to homeland security." In recent years, wildfires have become increasingly frequent, destructive, and deadly. In recognition of these unique threats to California, New T-Mobile has agreed to the following provisions to support disaster recovery and response efforts.

A. Installations at County Fairgrounds

Within 5 years of the date of the close of the Transaction, New T-Mobile shall deploy 5G wireless service that supports continuous service at 10 County Fairgrounds in rural counties, at least 3 of which shall be installed in the first 3 years. The wireless networks shall provide robust connectivity for Fairground users and administrators, provided that New T-Mobile shall not be required to add cell sites in addition to those specified in the Investments in Infrastructure section above. The fairgrounds will be selected from the ones that currently have coverage below 25 Mbps (see Attachment D for a list of 24 such Fairgrounds). Priority consideration shall be given to the rural Fairgrounds most frequently used in the last decade to stage wildfire, flooding, and other emergency responses, and support recovery activities. Priority consideration also shall be given to rural Fairgrounds for which the County Fair Board (in consultation with the County Board of Supervisors and other local stakeholders) has developed a plan for digital inclusion and other economic development activities when the site is not being used for emergency response and recovery. The 10 Fairgrounds shall be selected by New T-Mobile after consultation with CETF, and the Rural Regional Consortia.

B. Support for First Responders

Sprint and T-Mobile maintain Cells on Wheels (COWs) and Cells on Light Trucks (COLTs) in California to assist the State with efforts to restore wireless service after major disasters, as well as to support connectivity for first responders, emergency workers, and displaced residents. New T-Mobile shall retain the number of Sprint and T-Mobile COWs and COLTs that each company has in California as of the close of the Transaction and, by 2021, shall expand by 50% the number of COWs and COLTS available to assist in emergencies. New T-Mobile shall continue the practice of offering community support to those impacted during an emergency, with concessions such as free wireless service, charging stations for devices, and other support which is determined by the severity of the event.

**IX. Consultation with Regional Consortia**

A. Initial Consultation

New T-Mobile shall meet with the Regional Consortia in a joint meeting within 180 days of the close of the Transaction to: (i) provide an overview to the Regional Consortia of planned 5G network improvements and capital expenditures in California; (ii) obtain input from and consult with the Rural Regional Consortia to identify the selection of the 10 unserved/underserved areas that New T-Mobile will prioritize as specified above; and (iii) obtain recommendations from and consult with the Rural Regional Consortia regarding which of the listed County Fairgrounds shall be selected. However, the final decision regarding which unserved/underserved areas to prioritize and which Fairgrounds to select is New T-Mobile's. CETF shall assist New T-Mobile with planning the meeting, identifying an appropriate location, and inviting the Regional Consortia. New T-Mobile will pay for any venue costs of the meeting, if any.

B. Annual Consultations

After the initial meeting, New T-Mobile shall meet annually in 2021 through 2024 with the Regional Consortia in a joint meeting following submission of the Annual Compliance Report described in Section X infra to describe the capital investments in the previous year and discuss plans for the next year. This annual meeting shall provide an opportunity for New T-Mobile to obtain feedback and input from the Regional Consortia for future planning for capital investments, and to identify ways in which the consortia can help with implementation of the plan. CETF shall assist New T-Mobile with planning and convening the annual consultation of the Regional Consortia, and T-Mobile shall pay for any venue costs of the meeting.

Overall Partnership Commitments

**X. Annual Compliance Report**

Beginning in 2020 for 5 consecutive years, and no later than February 28 of each year, New T-Mobile will provide to CETF and CPUC Staff an Annual Compliance Report detailing New T-Mobile's compliance with this MOU and progress on meeting the specified commitments stated herein for the prior calendar year. Parties acknowledge that certain portions of the Annual Compliance Report may be confidential and subject to an NDA between CETF and New T-Mobile and treated confidentially by the CPUC. The Annual Compliance Report shall include at least the following information:

- (A) Rate Plan: A status report on Rate Plans that were offered in the past calendar year.
- (B) Lifeline/Low Income Report: Beginning with the first full year following the close of the Transaction and for 4 years thereafter, New T-Mobile shall provide to CETF and the CPUC a LifeLine/Low Income Report no later than February 28 each year specifically describing its progress in achieving 332,500 new LifeLine and Low Income household adoptions and a total of no less than 675,000 Low-Income customers for the prior calendar year. The number of new and total LifeLine and Low -Income household customers shall be available to the public. However, the LifeLine/Low Income Report also shall include agreed-upon analytical information about the effectiveness and results of the Strategic Plan in generating new low-income adoptions and will be subject to an NDA between New T-Mobile and CETF and will be treated confidentially by the CPUC.
- (C) Network Report: Beginning with the first full year following the close of the Transaction and for 5 years thereafter, New T-Mobile shall submit a Network Report to CETF and the CPUC no later than February 28. The Network Report shall include the following: (i) a report on capital expenditures made during the previous calendar year; (ii) a list of cell sites on which 5G technology was deployed during the previous calendar year; (iii) results of the individual speed tests conducted for the prior calendar year, along with the average (mean) of speed tests for all sites constructed the prior calendar year; (iv) 5G County Coverage Maps; (v) a report on the prioritization of the 10 unserved/underserved areas; and (vi) a report on the installation of service to the fairgrounds. The Network Report will be subject to an NDA between CETF and New T-Mobile and will be treated confidentially by the CPUC to protect proprietary information.

**XI. Binding Agreement**

This Memorandum of Understanding (MOU) shall be binding upon, and shall inure to the benefit of the parties hereto and their respective successors in interest and assigns.

**XII. CETF Support for Transaction with Public Benefit Commitments**

CETF shall support the Transaction publicly and to government officials, including filing a motion in the CPUC Proceedings containing a copy of this MOU, expressing full support of the Transaction because of the public benefit commitments, and requesting: (i) the MOU be reflected in the decision(s) in the CPUC Proceedings; (ii) its commitments be included in the Ordering Paragraphs; and (iii) the decision(s) reflect that both parties consent that any disputes over the MOU be brought back to the CPUC. The fact that T-Mobile agrees that the CPUC may enforce these voluntary settlement conditions does not constitute an admission by T-Mobile that the CPUC has independent subject matter jurisdiction over the conditions agreed to this MOU. CETF further agrees that it will cooperate and work closely with T-Mobile to engage in outreach and advocacy efforts to demonstrate the various ways in which the Transaction serves the public interest. Should the Transaction not be consummated, this MOU shall not take effect.

**XIII. Commitments Made to Other Intervenors or Regulatory Bodies**

To the extent that certain commitments contained in this MOU repeat commitments made to other intervenors in the CPUC Proceedings or any other regulatory body reviewing the Transaction, CETF acknowledges that the reiteration of those commitments here are not intended to create separate or additional commitments on New T-Mobile but are included for illustrative purposes only.

**XIV. Persons Responsible for MOU Compliance**

The following persons shall be responsible for compliance of this MOU:

For New T-Mobile: *[New T-Mobile will designate a senior executive in the compliance organization within 60 days of close of the Transaction]*

For CETF: Sunne Wright McPeak

**XV. Notice and Opportunity to Cure**

New T-Mobile shall be given notice of any alleged non-compliance with this MOU, and an opportunity to meet and confer to discuss any such allegation, and pursue in good faith any required remedy. Should the issue remain unresolved, New T-Mobile will be provided a reasonable opportunity to cure any alleged non-compliance, which in the case of Network Improvements shall be no less than 180 days, and in the case of any other alleged non-compliance, shall be no less than 90 days. This section does not restrict either party from seeking relief from the CPUC after this process.

**IN WITNESS WHEREOF**, the Parties have caused this Memorandum of Understanding to be executed as of the date of the last signature below.

| <b>T-Mobile USA, Inc.</b>  | <b>California Emerging Technology Fund</b>  |
|--|---|
| Signature:  | Signature:  |
| Name: G. Michael Sievert   | Name: Sunne Wright McPeak   |
| Title: President and COO   | Title: President and CEO  |
| Date of Execution: March 23, 2019  | Date of Execution: March 22, 2019   |

**Schedule of Attachments**

Attachment A – Pricing Commitment Letter to FCC Secretary Marlene H. Dortch; WT Docket No. 18-19 (February 4, 2019)

Attachment B (HIGHLY CONFIDENTIAL – ATTORNEYS EYES ONLY) – Network Improvement Plan Tracking Tool

Attachment C – List of Third-Party Speed Test and Coverage Experts

Attachment D – List of Eligible California County Fairgrounds

# **Attachment A**



**DLA Piper LLP (US)**  
500 Eighth Street, NW  
Washington, DC 20004  
www.dlapiper.com

Nancy Victory  
nancy.victory@dlapiper.com  
T 202.799.4216  
F 202.799.5616

February 4, 2019

*VIA ECFS*

Marlene H. Dortch  
Secretary  
Federal Communications Commission  
445 Twelfth Street, S.W.  
Washington, DC 20554

**Re: Applications of T-Mobile US, Inc. and Sprint Corporation for Consent to Transfer Control of Licenses and Authorizations; WT Docket No. 18-197**

Dear Ms. Dortch:

Pursuant to Section 1.1206(b) of the Commission's Rules, 47 C.F.R. § 1.1206(b), notice is hereby provided of a written *ex parte* presentation in the above-referenced docket. T-Mobile US, Inc. ("T-Mobile") and Sprint Corporation ("Sprint", and collectively with T-Mobile, "Applicants") have stated in the Public Interest Statement, and reiterated repeatedly since, that the merger will ensure that "American consumers will pay less and get more".<sup>1</sup> Our merger will enable the deployment of a world-class nationwide 5G network with massive capacity and lower marginal costs per customer, with the result that customers get better service and more data at the same or lower prices.<sup>2</sup> The Applicants' representation that consumers will pay less as a result of the merger is supported by the New T-Mobile business plan,<sup>3</sup> declarations from T-Mobile

---

<sup>1</sup> See, e.g., *Applications of T-Mobile US, Inc. and Sprint Corporation for Consent to Transfer Control of the Licenses and Authorizations*, WT Docket No. 18-197, Description of Transaction, Public Interest Statement, and Related Demonstrations at i (June 18, 2018) ("Public Interest Statement"); *Applications of T-Mobile US, Inc. and Sprint Corporation for Consent to Transfer Control of Licenses and Authorizations*, WT Docket No. 18-197, Joint Opposition of T-Mobile US, Inc. and Sprint Corporation at i (Sept. 17, 2018) ("Joint Opposition").

<sup>2</sup> Public Interest Statement at 51.

<sup>3</sup> *Id.*



Ms. Marlene H. Dortch  
February 4, 2019  
Page 2

executives,<sup>4</sup> merger simulations focused on New T-Mobile prices,<sup>5</sup> and economic work showing all wireless consumers will benefit from a decrease in price per GB due to competitive responses from AT&T and Verizon.<sup>6</sup>

The Public Interest Statement also provided further assurances to existing customers of T-Mobile and Sprint that prices will not go up following the close of the merger. Specifically, the Applicants stated that “New T-Mobile will guarantee each [Sprint] customer a rate plan that is equal or better than the plans they currently enjoy with Sprint.”<sup>7</sup> The Applicants also noted the T-Mobile Un-contract rate promise to their customers and that it would be extended to Sprint customers post-closing.<sup>8</sup> These assurances were intended to address any concerns about post-closing price increases and they are fully consistent with the New T-Mobile business plan.

Despite all this, merger opponents tried to raise questions about New T-Mobile’s pricing incentives during the three-year period from merger closing until completion of the network combination and customer migration. The Applicants believe that the myriad showings on the record fully answer those questions. However, to remove all doubt and simplify the Commission’s review of the merger, the Applicants are providing the following statement to remove any doubts, concerns or ambiguity:

*New T-Mobile will make available the same or better rate plans as those offered by T-Mobile or Sprint as of today’s date for three years following the merger.*

T-Mobile and Sprint legacy rate plans will continue as New T-Mobile plans for three years after the merger or until better plans that offer a lower price or more data are made available,

---

<sup>4</sup> Public Interest Statement, Appx C, Declaration of G. Michael Sievert, President and Chief Operating Officer, T-Mobile US, Inc. at ¶21; Public Interest Statement, Appx. D, Declaration of Peter Ewens, Executive Vice President, Corporate Strategy, T-Mobile US, Inc. at ¶8 (“Ewens Decl.”).

<sup>5</sup> Joint Opposition, Appx. F, Declaration of Compass Lexecon, Mark Israel, Michael Katz, and Bryan Keating at ¶6; John Asker, Timothy F. Bresnahan, and Kostis Hatzitaskos, *Economic Analysis of the Proposed T-Mobile/Sprint Merger*, Cornerstone Research at 1-6 (Nov. 6, 2018).

<sup>6</sup> Public Interest Statement, Appx. G, Declaration of David S. Evans, Market Platform Dynamics, “Economic Analysis of the Impact of the Proposed Merger of T-Mobile and Sprint on the Deployment of 5G Cellular Technologies, the 5G App Ecosystem, and Consumers, Enterprises, and the Economy,” at ¶¶220-44.

<sup>7</sup> Ewens Decl. at ¶8.

<sup>8</sup> *Id.*



Ms. Marlene H. Dortch  
February 4, 2019  
Page 3

whichever occurs first.<sup>9</sup> The retained legacy rate plans may be adjusted to pass through cost increases in taxes, fees and surcharges as well as services from third party partners that are included in the rate plans, as these increased costs are not within the control of New T-Mobile. The legacy plans may also be adjusted to modify or discontinue third party partner benefits based on changes in the terms of the offering initiated by the third party partner, as this is also not within the control of New T-Mobile.<sup>10</sup>

As New T-Mobile CEO John Legere has said, we would be pleased to discuss the details of this commitment with the Chairman, Commissioners and Transaction Team. As noted, this representation is fully consistent with the New T-Mobile business plan and responsive to merger-specific questions that have been raised. For those reasons, the Applicants have no objection to this representation being included as a formal merger condition in the order approving the transaction.

Please direct any questions regarding the foregoing to the undersigned counsel for Deutsche Telekom and T-Mobile.

Respectfully submitted,

**DLA Piper LLP (US)**

*/s/ Nancy Victory*

Nancy Victory  
Partner

cc: Chairman Ajit Pai  
Commissioner Michael O’Rielly  
Commissioner Brendan Carr  
Commissioner Jessica Rosenworcel  
Commissioner Geoffrey Starks  
David Lawrence  
Kathy Harris  
Linda Ray  
Kate Matraves

---

<sup>9</sup> When a better post-merger plan is offered, New T-Mobile may discontinue a less appealing legacy plan.

<sup>10</sup> Device/handset offerings are not included in this pricing commitment.



Ms. Marlene H. Dortch  
February 4, 2019  
Page 4

Jim Bird  
David Krech

## **Attachment B**

**(HIGHLY CONFIDENTIAL – ATTORNEYS EYES ONLY)**

# Attachment C

## **List of Third Party Speed Experts**

MobileComm Professionals

TTS Wireless

FES – Further Enterprise Solutions

Verveba Telecom

Pramira

Quadgen Wireless

# **Attachment D**

| Consortium   | County                      | Fairground Name  |
|--|-----------------------------|--|
| Northeast California Connect Consortium            | Modoc County                | Modoc County Fairgrounds                                 |
| Upstate California Connect Consortium              | Colusa County               | Colusa County Fairgrounds                                |
| Broadband Consortium of the Pacific Coast          | Santa Barbara County        | Earl Warren Showgrounds                                  |
| <del>Northeast California Connect Consortium</del> | <del>Lassen County</del>    | <del>Lassen County Fairgrounds</del>                     |
| Central Sierra Connect Consortium                  | Mariposa County             | Mariposa County Fairgrounds                              |
| Central Coast Broadband Consortium                 | Monterey County             | Salinas Valley Fairgrounds                               |
| San Joaquin Valley Regional Broadband Consortium   | Merced County               | Merced County Fairgrounds - Los Banos                    |
| Northeast California Connect Consortium            | Shasta County               | Inter-Mountain Fairgrounds                               |
| East Bay Broadband Consortium                      | Solano County               | Solano County Fairgrounds                                |
| Northeast California Connect Consortium            | Siskiyou County             | Tulelake-Butte Valley Fairgrounds                        |
| San Joaquin Valley Regional Broadband Consortium   | Kern County                 | Kern County Fair and Event Center                        |
| Gold Country Broadband Consortium                  | Nevada County               | Nevada County Fairgrounds                                |
| Los Angeles County Regional Broadband Consortium   | Los Angeles County          | Antelope Valley Fairgrounds                              |
| San Joaquin Valley Regional Broadband Consortium   | Merced County               | Merced County Fairgrounds - Merced                       |
| Inland Empire Regional Broadband Consortium        | Riverside County            | So Cal Lake Perris Fairgrounds                           |
| Central Coast Broadband Consortium                 | San Benito County           | San Benito County Fairgrounds - Bolado Park Event Center |
| Redwood Coast Connect Consortium                   | Trinity County              | Trinity County Fairgrounds & Event Center                |
| Connected Capital Area Broadband Consortium        | Sacramento County           | Cal Expo   |
| <del>Central Sierra Connect Consortium</del>       | <del>Calaveras County</del> | <del>Calaveras County Fairgrounds</del>                  |
| Central Coast Broadband Consortium                 | Monterey County             | Monterey County Fairgrounds & Event Center               |
| Northeast California Connect Consortium            | Siskiyou County             | Siskiyou Golden Fairgrounds                              |
| Inland Empire Regional Broadband Consortium        | Riverside County            | Colorado River Fairgrounds                               |
| <del>North Bay / North Coast Consortium</del>      | <del>Mendocino County</del> | <del>Mendocino County Fairgrounds</del>                  |
| Redwood Coast Connect Consortium                   | Humboldt County             | Redwood Acres  |
| Redwood Coast Connect Consortium                   | Humboldt County             | Humboldt County Fairgrounds                              |
| <del>Northeast California Connect Consortium</del> | <del>Plumas County</del>    | <del>Plumas-Sierra County Fairgrounds</del>              |
| San Joaquin Valley Regional Broadband Consortium   | San Joaquin County          | San Joaquin County Fairgrounds                           |
| North Bay / North Coast Consortium                 | Mendocino County            | Redwood Empire Fair                                      |

Note: Removed fairgrounds with strike-through because they lacked sufficient speeds.