



California Public Utilities Commission
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PRESS RELEASE

Docket #: A.18-07-011

CPUC APPROVES MERGER OF SPRINT AND T-MOBILE

SAN FRANCISCO, April 16, 2020 – The California Public Utilities Commission (CPUC) today approved the merger of Sprint Communications Company and T-Mobile, with extensive conditions to mitigate the potential adverse impacts on competition and to ensure that T-Mobile delivers on its promises to consumers, including requirements for faster speeds, broader coverage, job creation, and offerings for low-income customers.

Section 854 of the Public Utilities Code provides that a merger involving a public utility may not occur without authorization from the CPUC. Today’s Decision finds that the merger between Sprint and T-Mobile would create a new company that would be well-positioned to provide a robust 5G wireless communication service network that can compete with the two larger existing wireless carriers (AT&T and Verizon).

The Decision orders the merged company to implement the following to benefit consumers:

- Provide 5G wireless service with speeds of at least 100 Mbps to 99 percent of California’s population by the end of 2026, and 300 Mbps to 93 percent by the end of 2024.
- Provide 5G wireless service with speeds of at least 100 Mbps to 85 percent of California’s rural population, and speeds of at least 50 Mbps available to 94 percent of California’s rural population, by the end of 2026.
- Have fixed home Internet access available to at least 2.3 million California households, of which at least 123,000 are rural households, within six years.
- Maintain or improve current 4G LTE service quality and coverage for existing customers during the transition to 5G.



- Offer the low-income California LifeLine program for as long as it operates in California, and enroll at least 300,000 new LifeLine customers.
- Increase jobs in California by at least 1,000 compared to the total number of current Sprint and T-Mobile employees.
- Other important commitments relating to diversity, reporting, and rural infrastructure deployment.

In addition, an independent monitor will be appointed to review compliance with the Decision within 120 days of the merger approval. Both the CPUC and the California Attorney General may take enforcement actions if T-Mobile fails to comply with the conditions of the Decision.

On March 5, 2020, the CPUC received an advisory opinion from the state Attorney General regarding the proposed merger. It concluded that while the anti-competitive effects of the merger outweighed its potential benefits in the state of California, those effects could be mitigated with various types of conditions, as imposed by today's Decision. The California Attorney General subsequently entered a settlement agreement with Sprint and T-Mobile resolving its objections to the merger.

CPUC Commissioner Clifford Rechtschaffen noted, "A critical part of this deal is the benefits it provides for our neediest consumers, by ensuring that T-Mobile continues LifeLine service and enrolls at least 300,000 new LifeLine customers. Our enforcement provisions are particularly strong and both the CPUC and the California Attorney General may enforce the CPUC's conditions of approval."

Added Commissioner Genevieve Shiroma, "Continuity of phone service for California LifeLine customers is crucial, especially during these unprecedented times with families in need. I appreciate the commitment in this merger to ensure that continuity and that consumer handsets will be compatible with the new network."

The proposal voted on is available at:

<http://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M333/K177/333177640.PDF>.



Documents related to this proceeding are available at:

https://apps.cpuc.ca.gov/apex/f?p=401:56:0::NO:RP,57,RIR:P5_PROCEEDING_SELECT:A1807011.

The CPUC regulates services and utilities, protects consumers, safeguards the environment, and assures Californians' access to safe and reliable utility infrastructure and services. For more information on the CPUC, please visit www.cpuc.ca.gov.

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