STATE OF CALIFORNIA GAVIN NEWSOM, *Governor*

PUBLIC UTILITIES COMMISSION
505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298

May 15, 2020

Via ECFS

Marlene H. Dortch
Office of the 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:

On behalf of my fellow Commissioners of the California Public Utilities Commission ("CPUC"), I submit this *ex parte* letter (pursuant to 47 C.F.R. § 1.1206(b)(2)) to support the May 1, 2020 request for clarification by T-Mobile US, Inc. ("T-Mobile"). T-Mobile seeks to clarify that retention of approximately 11,000 customers in the existing Boost Mobile ("Boost) customer base, who are participants in two California LifeLine pilot programs ("Boost Pilot Programs"), does not violate the terms of the Federal Communications Commission's ("Commission") order approving the merger of T-Mobile and Sprint Corporation ("Sprint").

The CPUC conditioned its approval of the merger of T-Mobile and Sprint's California operations on T-Mobile's "mak[ing] a good faith effort to secure any necessary approvals from the Federal Communications Commission and Department of Justice to maintain the Boost customer base currently receiving service under the California LifeLine Pilot Program and avoid their transfer to DISH under the terms of the divestiture."[1] The CPUC Commissioners unanimously approved the CPUC's merger approval decision. Thus, I represent all five commissioners in this effort to advance the terms of the decision. The CPUC also concurs with T-Mobile that the retention of approximately 11,000 customers, out of a Boost customer base in the millions, will not hamper DISH's ability to compete in the marketplace.

[1] *See* CPUC Decision (D.)20-04-008, Ordering Paragraph 20 (rel. Apr. 27, 2020), available at http://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M335/K378/335378035.PDF

Beginning in 2018, the CPUC partnered with Sprint Spectrum L.P. ("Sprint Spectrum"), through its prepaid brand, Boost, to develop the Boost Pilot Programs. Through these pilot programs, the CPUC sought to increase participation in the California LifeLine program and to improve customer choice and access to wireless services. The CPUC authorized the pilot programs, called the CARE and iFoster Pilots, in Decision (D.)19-04-021.[2] Among the CPUC's goals in D.19-04-021 was partnering with a facilities-based provider with a strong wireless brand and retail presence.

The CPUC requests that the Commission clarify that the Boost Pilot Programs may be retained by Sprint Spectrum, whose personnel have developed the pilot programs since their inception. In testimony before the CPUC and in its request for clarification, T-Mobile has expressed a willingness to retain these pilot programs, and to continue successfully operating them. In contrast, if these customers are divested to DISH, the continued operation of the Boost Pilot Programs would be very much in question. DISH has no obligation to operate the pilots and may not agree to the same arrangements to which T-Mobile committed, including providing service to foster youth at below market rates. Thus, the continued success of the pilot programs also depends on their continued operation by a New T-Mobile entity and on the New T-Mobile network.

A transfer to DISH upon the Boost brand divestiture would mean removing the programs from experienced personnel, to an entity with no institutional knowledge or investment in the programs. Although DISH intends to develop into a facilities-based provider with a strong brand and retail presence in the long-run, in the short-run, it will be operating as an MVNO on Sprint's network, undermining several goals of the pilots. Given that the pilots are only authorized into 2021, the CPUC highly values the immediate benefits of remaining with Sprint Spectrum. Even if it were willing to undertake operation of the pilots, DISH may take some time to be able to provide service to the program participants and would need to work with the CPUC to modify D.19-04-021 to receive authorization to operate the pilots. Thus, a transfer to DISH would necessarily mean an interruption in service to program participants, even if DISH opts to continue the programs.

The Boost Pilot Programs are currently operating, and over 11,000 Californians are relying on their discounted or free service to function in society. The CARE participants are low-income, and the iFoster pilot serves foster youth. The need for service is made more vital with Californians sheltering in place in response to the COVID-19 pandemic. iFoster's work has proven essential to keeping foster youth connected to social workers, educators, family, and other support networks during this crisis, and is being scaled up by the California Department of Social Services. Thus, a service interruption resulting from a transfer to DISH would be extremely detrimental to the program participants and

[2] D.19-04-021 (rel. May 3, 2019), available at http://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M288/K040/288040806.pdf

frustrate the delivery of important state services. Moreover, service interruption would undercut the goals of the program to study ways to increase LifeLine enrollment and to provide access to wireless services to underserved residents.

For the foregoing reasons, the CPUC urges the Commission to find that T-Mobile's retention of the LifeLine pilot program's customer base is clearly in the public interest and consistent with the terms of the FCC merger order.

If you have any questions about this letter, please do not hesitate to contact Enrique Gallardo, the CPUC attorney assigned to this matter, at enrique.gallardo@cpuc.ca.gov or (415)703-1420.

Sincerely,

By: /s/ Marybel Batjer

President
California Public Utilities Commission

cc: Charles Mathias
Catherine Matraves
Kathy Harris
Linda Ray
Jim Bird
David Krech