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**PRESS RELEASE**

Docket #: A.18-07-011

## **CPUC PROPOSES TO CONDITIONALLY APPROVE MERGER OF SPRINT AND T-MOBILE**

SAN FRANCISCO, March 11, 2020 – The California Public Utilities Commission (CPUC) today issued a proposal to approve the merger of Sprint Communications Company and T-Mobile, with extensive conditions to mitigate the potential adverse impacts on competition and to protect consumers, including requirements for faster speeds, broader coverage, protection against price increases, 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. The CPUC proposal (called a Proposed Decision) issued for comment today 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 proposal also finds that conditions should be imposed on the merged company to protect consumers, including:

- Provide 5G wireless service with speeds of at least 100 Mbps to 99 percent of California's population by the end of 2026.
- 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 of closing.
- No retail price increases for at least three years.
- 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.
- Establish the capability to serve all customers for at least 72 hours (i.e., have back-up power) after an emergency event or a utility Public Safety Power Shut-off.
- Other important commitments relating to diversity, reporting, and rural infrastructure deployment, among other topics.

The proposal orders that an independent monitor be appointed to review compliance with the proposal. The CPUC 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 proposal.

The proposal is available at

<http://docs.cpuc.ca.gov/SearchRes.aspx?docformat=ALL&docid=329143336>.

Comments on the proposal from parties to the proceeding are due in 20 days.

Members of the public can submit comments on the Docket Card for the proceeding at

<https://bit.ly/3aQOpfD>.

The first opportunity for CPUC's Commissioners to vote on the proposal is April 16, 2020.

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](http://www.cpuc.ca.gov).

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