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Date: January 7, 2019
Witness: Paul Goodman

PREPARED TESTIMONY OF
PAUL GOODMAN
TECHNOLOGY POLICY DIRECTOR

SUBMITTED ON BEHALF OF
THE GREENLINING INSTITUTE

1 **I. INTRODUCTION**

2 The purpose of this testimony is to provide factual background regarding the
3 telecommunications needs of California’s communities of color and to discuss the effect of the
4 proposed transaction on those needs. Currently, communities of color are disparately negatively
5 impacted by current provider practices regarding (1) leadership, company, and supplier diversity,
6 (2) philanthropy, and (3) hiring. Reversing this trend will require significant but achievable
7 changes in the telecommunications landscape.

8 **II. ANY CHANGES TO THE TELECOMMUNICATIONS LANDSCAPE**
9 **SHOULD INCREASE SUPPLIER DIVERSITY.**

10 Supplier diversity promotes economic development in diverse communities. It also
11 generates a better return on investment for companies that meaningfully engage supplier
12 diversity by increasing competition and diversity in the supply chain.¹ Supplier diversity efforts
13 are particularly effective at creating opportunity for those groups who are disproportionately
14 harmed by economic hard times.² Despite the many benefits of supplier diversity, providers’
15 spending with minority business enterprises (MBEs) does not reflect the diversity of California.
16 To promote economic equity for communities of color and serve the public interest, all providers
17 should implement a number of best practices:

- 18 • Providers should annually report their supplier diversity spending for all California
19 operations to the California Public Utilities Commission as set forth in the
20 Commission’s General Order 156.
- 21 • Providers should ensure that supplier diversity is a business priority and achieve 30%
22 MBE contracting across all industrial categories.
- 23 • Providers should have supplier diversity teams that report directly to executive
24 leadership and are fully integrated in the sourcing and procurement processes for all
25 company lines of business.

¹ The Greenlining Institute, 2017 Supplier Diversity Report Card p. 7 (2017), available at <http://greenlining.org/wp-content/uploads/2017/10/SDRC-2017-Singles.pdf> (last accessed January 7, 2019).

² *Id.*

- 1 • Providers’ public-facing website(s) should include a message from its CEO regarding
2 the importance of supplier diversity.
- 3 • Providers’ executive leadership should regularly emphasize the importance of
4 supplier diversity to purchasing teams and managers with purchasing authority.
- 5 • Providers should proactively establish relationships with leaders of multiple diverse
6 organizations as part of their efforts to build the sourcing and hiring pipeline.
- 7 • Providers should coordinate meetings between prime suppliers and their
8 subcontractors to meet and discuss opportunities, and should explore ways to further
9 increase the diversity of the prime’s subcontractors.
- 10 • Providers should work with community stakeholders to track the number and quality
11 of jobs created in communities of color as a result of their supplier diversity efforts.
- 12 • Providers should utilize ethnic press as part of their promotional media buy.

13 T-Mobile has made some promising commitments regarding supplier diversity.³ However, none
14 of these commitments are specific enough to determine whether T-Mobile’s supplier diversity
15 practices will be consistent with the best practices described above. To my knowledge, T-
16 Mobile has made no such commitments.

17 **III. ANY CHANGES TO THE TELECOMMUNICATIONS LANDSCAPE**
18 **SHOULD INCREASE PHILANTHROPY TO COMMUNITIES OF**
19 **COLOR.**

20 Charitable giving can play a huge role in helping to create a just, fair and democratic
21 society. Philanthropists who regard communities of color as full partners in addressing our
22 nation’s problems can create win-win partnerships that advance the causes of equity, opportunity
23 and justice. Sadly, the nonprofit sector rooted in communities of color is often overlooked. For
24 example, people of color have been the majority in California for over a decade, but foundation
25 grants to minority-led nonprofits have consistently lagged far behind their percentage of the
26 population.⁴ To promote economic equity for communities of color and serve the public interest,

³ 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 p. 26 (July 7, 2018) (Joint Application).

⁴ See D5 Coalition, State of the Work: Stories from the Movement to Advance Diversity, Equity, and Inclusion (2015), available at <http://www.d5coalition.org/wp-content/uploads/2016/04/D5-SOTW-2016-Final-web-pages.pdf> (last accessed January 7, 2019).

1 all providers should collect and share (1) information regarding their philanthropic contributions
2 (including the identity of the recipient, amount, percentage of pre-tax California *revenue*, and
3 hours of volunteer work) and (2) information regarding its philanthropic *activities* (including
4 volunteer efforts). Providers should continually seek out opportunities that benefit the
5 community and customers and focus on providing quality products and services that reflect
6 equity for communities of color. Finally, providers’ executive leadership should regularly
7 emphasize the importance of diversity in philanthropy and community engagement to its
8 managers.

9 T-Mobile’s efforts to reach out to, and serve, communities of color is admirable, and T-
10 Mobile’s statements that it would continue to do so post-merger are admirable. However, T-
11 Mobile’s assertions lack sufficient detail to determine whether New T-Mobile would follow the
12 best practices described above. To my knowledge, T-Mobile has not made any specific
13 commitments regarding the best practices described above.

14 **IV. JOBS**

15 The telecommunications industry presents enormous employment opportunities for
16 communities of color, with the potential of creating high-paying, high skill jobs. Unfortunately,
17 providers’ workforces often fail to reflect the diversity of the communities where those
18 workforces are located, especially at the supervisory and management levels of the company.
19 Additionally, workers from communities of color are often the “first fired” when employers cut
20 jobs, and “last hired” when employers add jobs.⁵ Just as providers must strategically plan for

⁵ California Labor Market Review 2 (November 2018), *available at* <https://www.labormarketinfo.edd.ca.gov/Publications/Labor-Market-Analysis/calmr.pdf> (last accessed Jan. 7, 2019).

1 diversity in procurement, they must also plan for a diverse workforce in order to ensure
2 economic equity among its employees.

3 To promote economic equity for communities of color and serve the public interest,
4 providers' hiring at all levels should accurately reflect the growing diversity of California.
5 Unfortunately, far too many companies that *serve* communities of color are not also **run** by
6 communities of color. Communities of color are be better served by companies that both serves
7 and is run by people of color. Accordingly, providers should actively work to increase board and
8 executive diversity. Additionally, providers should work on a wide range of efforts intended to
9 attract diverse candidates at all levels throughout their service territories. These efforts should
10 include targeted outreach to recruit a workforce that "top to bottom" reflects California's
11 diversity, and should include internships and other opportunities for diverse candidates entering
12 the workforce.

13 T-Mobile states that while it believes that the proposed transaction will create jobs, it
14 does not explain with any specificity where these new jobs will be located.⁶ Additionally, it is
15 entirely possible that the proposed transaction will result in job losses that exceed job additions.
16 To my knowledge, T-Mobile has not made any specific commitments regarding employment
17 outreach to communities of color in California or specific hiring commitments for those
18 communities.

19 **V. CONCLUSION**

20 Telecommunications policy serves the public interest when it addresses the needs of, and
21 promotes economic equity for, California's communities of color. Currently, the Applicants
22 have not sufficiently addressed the proposed transaction's impacts on communities of color.

⁶ Joint Application at pp. 81-82.

1 Where Applicants do address the proposed transaction's impacts on communities of color, they
2 provide an insufficient level of detail to determine whether the proposed transaction would
3 benefit communities of color. Hopefully, Applicants can remedy that situation in their rebuttal
4 testimony, allowing Greenlining to determine whether the proposed transaction is in the public
5 interest.

STATEMENT OF QUALIFICATIONS OF PAUL GOODMAN

My name is Paul Goodman and my business address is The Greenlining Institute, 360 2nd St., 2nd Floor, Oakland CA 94612. I am currently Greenlining's Technology Policy Director.⁷ Since 2011, I have represented Greenlining before the Commission on telecommunications and law and policy matters and effective programs for customers of color and low-income customers. I have worked extensively on telecommunications and antitrust issues before both the CPUC and the Federal Communications Commission, including merger proceedings involving AT&T and DirecTV, AT&T and Cricket Communications, AT&T & T-Mobile,⁸ Comcast, Time Warner Cable and Bright House,⁹ Charter, Time Warner Cable and Bright House,¹⁰ Sprint and Softbank,¹¹ T-Mobile and MetroPCS, and Verizon and Frontier.¹² Additionally, I advise Greenlining's Bridges to Health and Economic Equity teams on mergers involving health care and banking, respectively.

As part of my role at Greenlining, I facilitate discussions regarding the impact of telecommunications policy with members of the Greenlining Coalition, perhaps America's oldest and most diverse coalition of Asian/Pacific Islander, African American, and Latinx community leaders organized around a common purpose and struggle. Beyond ethnic diversity, the coalition represents diverse constituencies and includes faith-based organizations, minority business associations, community development corporations, health advocates, traditional civil rights

⁷ Greenlining's Tech Policy team was previously known as the Telecommunications Policy team.

⁸ I.11-06-009.

⁹ A.14-04-013 & A.14-06-012

¹⁰ A.15-07-009.

¹¹ A.12-11-022.

¹² A.15-03-005.

organizations, and ethnic media outlets. My discussions with the Coalition provide invaluable input regarding the telecommunications needs of California's communities of color.

I have been involved in Greenlining's work on utility supplier diversity since 2011. I have assisted with drafting Greenlining's Supplier Diversity Report Card for the past four years, and co-authored the 2015 and 2018 Supplier Diversity Report Cards.

I have been a member of the California State Bar since 2002, and received an LL.M in Intellectual Property from Santa Clara Law School in 2010. While at Santa Clara, I worked as a Research Fellow for the Broadband Institute of California, working on issues including net neutrality, deceptive internet service provider terms and conditions, and the regulation of broadcast television and radio. I have additional experience with issues of competition in telecommunications, including the competitive effects of municipal broadband and vertical price fixing in the eBook industry.