

Docket No.: A.18-07-011 and A.18-07-012
Exhibit No.: T-Mobile-
Hearing Date: _____
Witness: Marie R. Sylla Dixon
ALJ: Karl Bemederfer
Commissioner: Clifford Rechtschaffen

REBUTTAL TESTIMONY OF MARIE R. SYLLA DIXON

**VICE PRESIDENT OF GOVERNMENT AND EXTERNAL AFFAIRS
T-MOBILE USA, INC.**

ON BEHALF OF T-MOBILE USA, INC.

JANUARY 29, 2019

—PUBLIC VERSION—

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ATTACHMENTS

ATTACHMENT A - Maps

ATTACHMENT B - Memorandum of Understanding between T-Mobile US, Inc. and National Diversity Coalition

1 **I. WITNESS IDENTIFICATION**

2

3 **Q: Please state your name, occupation, and business address.**

4 **A:** My name is Marie Sylla Dixon. I am Vice President of Government and External Affairs
5 at T-Mobile, USA (“T-Mobile”). I am based in Washington, DC at the address of 601
6 Pennsylvania Avenue, NW.

7

8 **Q: Please describe your professional qualifications.**

9 **A:** I have been employed with T-Mobile in the Government Affairs office for the past 8 ½
10 years. Previously I served as Vice-President of Government Relations for Verizon
11 Communications for 3 ½ years. I started my telecom career at T-Mobile as a corporate counsel
12 in 2005. I was also appointed to the FCC Diversity Taskforce in 2018.

13

14 **Q: Have you testified before this or other regulatory commissions?**

15 **A:** No, but I participated in a panel discussion before the CPUC at an *en banc* hearing on
16 supplier diversity in 2016.

II. PURPOSE OF TESTIMONY

Q: What is the purpose of your rebuttal testimony?

A: The purpose of my testimony is to respond to various statements and issues raised in the testimony submitted by the California Public Utilities Commission Public Advocates Office (“Cal PA”), the California Emerging Technology Fund (“CETF”), the Communications Workers of America (“CWA”), and The Greenlining Institute (“Greenlining”).

Q: Can you summarize your testimony?

A: My testimony will respond to various testimony submitted by Cal PA, CETF, and Greenlining witnesses that seems to suggest, among other things, that the merger will negatively impact the availability of wireless Lifeline, T-Mobile’s commitment to diversity may not be adequate, and that T-Mobile should be required to remove arbitration provisions from its customer service agreements. Specifically, I describe how low-income customers will benefit from New T-Mobile’s continued support of Lifeline programs currently operated by Sprint’s Virgin Mobile subsidiary (“Sprint”). I also describe T-Mobile’s track record in promoting diversity and inclusion in its workforce, customer base, and supplier base and reiterate the company’s commitment to continuing these initiatives as New T-Mobile. I additionally explain T-Mobile’s award-winning approach to customer service—and how that will expand to more customers with New T-Mobile—as well as T-Mobile’s procedures for handling disputes with customers.

Q: Are you generally familiar with these proceedings at the Commission?

A: Yes. I understand that T-Mobile and Sprint have submitted two filings with the Commission. One filing seeks approval of the transfer of Sprint Communications, a wireline provider in the state, to T-Mobile. The other filing provides the Commission with information about the wireless merger. My understanding is that the Commission has set these hearings to consider various issues related to those filings.

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A: Yes. As Ms. Odell recognizes, T-Mobile has publicly committed to maintaining the Lifeline services currently provided in California by Sprint's subsidiary, Virgin Mobile USA, under the Assurance brand. New T-Mobile plans to continue to offer Lifeline services in California to both current and new eligible Lifeline customers (without interruption in service) under rates, terms and conditions no less favorable to eligible consumers than those offered under the Virgin/Assurance brand today.

A: Yes. As my colleague, Neville Ray, discusses in greater detail in his testimony, the combined network of New T-Mobile will reach more California consumers, and wireless Lifeline will be available in significantly more areas of the state. Immediately after closing, Lifeline service will be offered to eligible customers in areas served by the legacy Sprint network currently available to Assurance customers. Within about six months from closing, LifeLine services will be offered throughout the New T-Mobile footprint in California to all new eligible customers. I am attaching maps that depict the legacy Sprint network currently available to Assurance customers in California and the current T-Mobile network as Attachment A to illustrate this benefit. This also means that, six months after close, new eligible customers who obtain LifeLine service under the Virgin/Assurance LifeLine brand will be provided with a free handset which will work on the New T-Mobile network. Existing Assurance Lifeline customers with incompatible handsets (i.e., those that do not work on the New T-Mobile Network) will be migrated to the New T-Mobile Network as quickly as practicable.

1 **Q: Nevertheless, Cal PA seems to question T-Mobile's commitment to Lifeline based on**
2 **the fact that it does not currently provide Lifeline services here in California and based on**
3 **statements made in one of its recent financial statements to the effect that "we believe**
4 **current and future regulatory changes have made the Lifeline program offered by our**
5 **wholesale partners uneconomical." (Odell Testimony at p. 26 and Wright McPeak**
6 **Testimony at p. 8). Do you have a response?**

7 **A:** Yes, that statement pertained to an accounting adjustment with respect to wholesaler
8 participation in the Lifeline program, and is unrelated to T-Mobile's commitment to maintain
9 Assurance Lifeline services in California. T-Mobile does not have direct visibility as to the
10 profitability of the Lifeline Program for its wholesale partners. However, T-Mobile understands
11 that changes to the federal Lifeline program mandate that providers increase the amount of voice,
12 text, and data provided to Lifeline subscribers without the federal government providing a
13 commensurate increase in the subsidy. Accordingly, T-Mobile anticipated that at least some of
14 its wholesale partners would decide to reduce or cease participating in the program as a result of
15 those regulatory changes. Given T-Mobile's uncertainty over the participation of its wholesale
16 partners in the Lifeline program, T-Mobile took a conservative stance in its financial disclosures
17 by excluding Lifeline customers of T-Mobile's wholesale partners in T-Mobile's calculation of
18 its subscriber base. In accordance with T-Mobile's financial reporting obligations, T-Mobile
19 disclosed this change in reporting. Specifically, T-Mobile stated:

20 We believe current and future regulatory changes have made the Lifeline program offered
21 by our wholesale partners uneconomical. We will continue to support our wholesale
22 partners offering the Lifeline program, but have excluded the Lifeline customers from our
23 reported wholesale subscriber base resulting in the removal of 4,368,000 and 160,000
24 reported wholesale customers as of the beginning of Q2 2017 and Q3 2017, respectively.

25 Our commitment to Lifeline in the context of this merger has been clear; there is simply
26 no basis to doubt us as we have been, and intend to be, good to our word.

27
28 **Q: Will the merger adversely impact the Lifeline services provided by Mobile Virtual**
29 **Network Operators ("MVNOs"), who rely on facilities-based networks to deliver service?**

30 **A:** No. To the contrary, the merger will have a positive impact on the Lifeline offerings of
31 the merged company's wholesale MVNO partners because New T-Mobile will be offering a

1 vastly superior service than either standalone company could provide—and that superior service
2 will be passed through to the MVNOs’ customers, including their Lifeline customers. As
3 discussed in more detail by Mr. Sievert and Mr. Keys, the New T-Mobile network will
4 incentivize the merged company to continue to enter into mutually beneficial relationships with
5 MVNOs. As TracFone, one of the leading MVNOs that also provides Lifeline services through
6 its Lifeline brand has stated, “TracFone expects that the New T-Mobile will increase the MNO
7 wholesale competition for TracFone’s business and thus reduce wholesale costs.”¹ Two smaller
8 MVNOs (Ultra Mobile and Mint Mobile) have also stated that New T-Mobile’s ability to provide
9 competition in wholesale access will “drive down prices, reducing wireless connectivity costs for
10 both the MVNOs and U.S. consumers they serve.”² This will benefit all customers of wireless
11 services, including Lifeline customers.
12

13 **Q: CETF raises concerns regarding T-Mobile’s continuing commitment to digital**
14 **adoption programs (Wright McPeak Testimony at p. 9). What digital adoption programs**
15 **is T-Mobile currently providing and how will the merger impact those?**

16 **A:** T-Mobile understands that, to grow academically and compete in today’s digital world,
17 every student needs equal access to online learning opportunities. As a result, T-Mobile
18 participates in the Federal E-Rate Program, which provides discounted data and voice services to
19 schools and libraries in need—such as schools in which a significant number of enrollees receive
20 free or discounted lunches.³ Additionally, in June 2017, T-Mobile launched its EmpowerED™
21 program which similarly provides access to free and discounted off-campus devices and data
22 plans to students in schools and districts with similar levels of poverty.⁴ Under both of these
23 programs, the educational institutions receive services and/or devices from T-Mobile, and those

¹ Comments of TracFone Wireless, Inc., WT Docket No. 18-197 at 3 (Sept. 13, 2018), <https://ecfsapi.fcc.gov/file/10913061780170/TRACFONE%20-%20Wireless%20Comments.pdf>.

² Comments of Ultra Mobile and Mint Mobile, WT Docket No. 18-197 at 1 (Aug. 27, 2018), <https://ecfsapi.fcc.gov/file/10828251337092/Ultra%20Mobil-Mint%20FCC%20comments%20-%20DG%20signed.pdf>.

³ See About E-Rate and the Federal Schools and Libraries Program, T-Mobile.com, <https://www.t-mobile.com/schools-libraries-e-rate.html> (last visited Jan. 29, 2019).

⁴ See The EmpowerED Program, T-Mobile.com, <https://www.t-mobile.com/offers/empowered>.

1 entities, in their discretion, select the ultimate recipients—connecting young people in need with
2 the digital resources they must have to achieve success.

3 T-Mobile also partnered with the Department of Housing and Urban Development
4 (HUD) to support the ConnectHome Program, a public-private collaboration to devices and
5 services for families with school-age children who live in HUD-assisted housing. As a national
6 stakeholder in the initiative, ConnectHome launched twenty-seven cities and one tribal nation
7 with the initial goal of reaching over 275,000 low-income households—and nearly 200,000
8 children—with the support those individuals need to access the Internet at home. In addition to
9 providing free tablets, along with low-cost, affordable broadband with 2GB of high speed
10 connectivity, T-Mobile under ConnectHome supports technical training and digital literacy
11 programs to low-income communities that increase broadband access. New T-Mobile is proud
12 to continue support for these digital adoption programs.

IV. DIVERSITY AND INCLUSION

Q: Greenlining claims that, while T-Mobile has made some promising commitments regarding supplier diversity, it does not believe these commitments are specific enough to satisfy Greenlining’s suggested “best practices.” (Goodman Testimony at p. 2). Can you briefly describe T-Mobile’s commitment to employee diversity?

A: T-Mobile is committed to diversity both internally and externally. We are proud to have a diverse employee base that helps us break down barriers and rewrite the rules in the wireless industry as we draw from their experience, creativity and ideas to help support our success. Although numbers do not necessarily tell the whole story, approximately 62 percent of T-Mobile’s workforce is identified as ethnically diverse, and approximately 42 percent are women (which is significantly above the technology industry average). Further, approximately 20,000 employees participate in T-Mobile’s Diversity and Inclusion programs—which is roughly 40 percent of total employees. The program is broken into six different Diversity and Inclusion groups with 53 chapters. These include, among others, Access for Disabilities Network, Military Honor & Support Community, Multicultural Network, Multigenerational Network, Pride & Allies Network, and the Women’s Leadership Network.

Additionally, T-Mobile, a long-time employer of choice for military families, has committed to hiring 10,000 veterans and military spouses over the next five years, and has been named a Top 100 Military Friendly employer eleven times. T-Mobile has received more than 20 military-friendly honors in the last ten years, due to its guaranteed pay plan as well as its benefits for leave, training, and deployment.

T-Mobile has also received numerous other accolades for its diversity and inclusion efforts for its employees.⁵ T-Mobile’s CEO, John Legere, was ranked as the top CEO for

⁵ See Letter of U.S. Black Chambers, Inc., WT Docket No. 18-197 at 2 (Oct. 3, 2018), <https://ecfsapi.fcc.gov/file/1003138621562/USBC%20FCC%20Letter%201.pdf>; Comments of Hispanic Heritage Foundation, WT Docket No. 18-197 at 2-3 (Sept. 18, 2018), <https://ecfsapi.fcc.gov/file/10918439727123/JATFCC%20Filing%5B1%5D.pdf>.

diversity among large companies of 500 employees or more last year.⁶ Also, in 2018, T-Mobile was named a “Best-of-the-Best” company for diversity and inclusion by a consortium whose members include U.S. Black Chambers, Inc., U.S. Hispanic Chamber of Commerce, Women’s Business Enterprise National Council, and other champions of supplier diversity.⁷ The National LGBT Chamber of Commerce named T-Mobile as one of the “Best-of-the-Best” Corporations for Inclusion.⁸ Latino Leaders Magazine included T-Mobile in the organization’s Top 30 Best Employers for Latinos in the Nation.⁹

Q: How does this commitment to diversity help T-Mobile provide better service to its customers?

A: It is our corporate philosophy that a culture of diversity and inclusion helps us serve our customers, the majority of which are from diverse communities. Indeed, T-Mobile has a customer base that is more diverse than the wireless industry average:

- [BEGIN HIGHLY CONFIDENTIAL – ATTORNEYS EYES ONLY (“BHC – AEO”)] [REDACTED] [END HIGHLY CONFIDENTIAL – ATTORNEYS EYES ONLY (“EHC – AEO”)] of T-Mobile’s postpaid customers are ethnically diverse, while the average across other nationwide providers is [BHC-AEO] [REDACTED] [EHC-AEO]. They are also [BHC-AEO] [REDACTED] [EHC-AEO] represented across gender.
- [BHC-AEO] [REDACTED] [EHC-AEO] of T-Mobile’s prepaid customers are ethnically diverse, while the industry average is [BHC-AEO] [REDACTED] [EHC-AEO].
- T-Mobile’s customers are more economically diverse: they are more equally distributed across a range of yearly household incomes than T-Mobile’s competitors, [BHC-AEO]

⁶ See Dixita Limbachia, “Top-rated CEOs for diversity: Leaders of T-Mobile, Intuit and HubSpot,” USA Today (June 6, 2018), <https://www.usatoday.com/story/money/2018/06/06/top-rated-ceos-diversity-tmobile-intuit-hubspot/672765002>.

⁷ See Letter of U.S. Black Chambers, Inc., WT Docket No. 18-197 at 2 (Oct. 3, 2018), <https://ecfsapi.fcc.gov/file/1003138621562/USBC%20FCC%20Letter%201.pdf>.

⁸ See 2018 “Best-of-the-Best” Corporations for Inclusion Named by NGLCC and Partners in the National Business Inclusion Consortium (NBIC), National LGBT Chamber of Commerce (Apr. 18, 2018), <https://nglcc.org/press-release/botb18>.

⁹ See Best Employers for Latinos 2018, Latino Leaders Magazine, <https://www.latinoleadersmagazine.com/januaryfebruary-2018/2018/2/28/the-best-employers-for-latinos-2018> (last visited Jan. 29, 2019).

[REDACTED]
[EHC-AEO].

- T-Mobile's customers are also [BHC-AEO] [REDACTED] [EHC-AEO] in the postpaid segment than the industry average: [BHC-AEO] [REDACTED] [EHC-AEO] of the postpaid segment are between the ages of 18-34, compared to [BHC-AEO] [REDACTED] [EHC-AEO] of its competitors' customers.

T-Mobile's corporate culture is reflective of our diverse customer base and vice-versa. We continually look for ways to further grow our programs and efforts to support diversity and inclusion in employment and procurement at T-Mobile, which helps us support our customers.

Q: Are you familiar with Sprint's diversity procurement practices?

A: I am not directly familiar with Sprint's practices, although I understand that Sprint has served as a leader in supplier diversity. T-Mobile and Sprint have stated in their Joint Wireless Application that the companies are devoted to the concept of creating value through diversity and that New T-Mobile will attempt to adopt Sprint's best practices on supplier diversity and to learn from their experience and success.

Q: Is T-Mobile dedicated to the diversity procurement goals set forth in the Commission's General Order 156?

A: Absolutely. Although I am not directly responsible for diversity procurement, I am aware that our efforts to enhance the company's diversity procurement practices over the past several years have been met with notable and successful growth. For example, based on our 2017 Annual Report and 2018 Plan, I understand that from 2011 to 2017 T-Mobile's diverse spend in California with certified suppliers has increased almost ten-fold from \$69.6 million to \$656.4 million. In 2017 alone, T-Mobile's diversity procurement in California increased by almost \$119 million, which represents a 22 percent increase since 2016. We are continually exploring ways to enhance those procurement numbers including, but not limited to, expanding our outreach and internal messaging on the importance of diversity procurement. We are also working with our various Tier 1 suppliers to promote Tier II procurement and reporting. Moreover, in 2016, we launched the T-Mobile Diverse and Small Business Supplier

1 Clearinghouse to simplify the process for Diverse Business Enterprises to become certified
2 vendors, and we use this tool to look for additional opportunities to work with these suppliers.
3 Additionally, the T-Mobile Supplier Diversity Program provides access to and a fair and
4 equitable opportunity for minority-owned, woman-owned, LGBT-owned, veteran or service-
5 disabled veteran-owned, disability-owned, and SBA-defined small and disadvantaged businesses
6 to be included as direct and indirect suppliers.

7
8 **Q: Do you think that your procurement figures fairly represent T-Mobile's diversity**
9 **efforts here in California?**

10 **A:** Not entirely. While we are encouraged by our continuing progress, we also
11 recognize there continue to be challenges with the reporting guidelines under General
12 Order 156. For example, T-Mobile believes that including purchases of handsets and
13 network equipment in the reporting requirements continues to distort diversity
14 procurement rates. As the company has previously stated to the Commission in its
15 annual General Order 156 Reports, T-Mobile is not aware of any handset manufacturers
16 or network Original Equipment Manufacturers (OEMs) that qualify as Diverse Business
17 Enterprises. In 2017, if handset and network OEM spend was excluded from net
18 procurement, T-Mobile's Diverse Business Enterprise procurement percentage would
19 have been almost 40 percent, which is greater than the combined long-term goals set by
20 the General Order, and two-and-a-half times greater than the reported Diverse Business
21 Enterprise procurement.

22
23 **Q: Does New T-Mobile plan to take steps to further promote supplier diversity, other**
24 **diversity and inclusion efforts and to support low income communities and underserved**
25 **minority populations following the merger of T-Mobile and Sprint Corporation?**

26 **A:** Yes. In fact, T-Mobile recently entered into a Memorandum of Understanding ("MOU")
27 with the National Diversity Coalition ("NDC"), a 501(c)(3) nonprofit public benefit corporation
28 comprised of community, faith-based, and corporate leaders spanning the nation's Asian, Latino,
29 and African American communities united under a new definition of diversity and inclusion that
30 reinforces greater opportunity, empowerment, and financial equality for underserved

1 communities. A copy of the MOU is included in Attachment B. Pursuant to the agreement, T-
2 Mobile has committed to work with NDC to take a number of actions including the following:

- 3 • **External Diversity and Inclusion Council.** Within ninety (90) days after the close of
4 the Transaction, New T-Mobile will establish a national diversity and inclusion council
5 (the “Council”) comprised of non-employees who are highly esteemed, regarded as
6 pillars in their respective communities, and represent a diverse constituency. The
7 Council shall be the main external advisory group to New T-Mobile regarding the
8 development and implementation of a “Diversity Strategic Plan” which shall be presented
9 to New T-Mobile Management Team within one hundred and eighty (180) days
10 following the close of the Transaction.
- 11 • **Workforce Recruitment and Retention.** New T-Mobile shall strive to increase the
12 diversity of its workforce in California at all levels to reflect the diversity of the
13 communities in which it operates. New T-Mobile will work with the Council to establish
14 plans in this area to create and enhance existing mentoring, outreach, recruiting,
15 development, and training programs that provide meaningful opportunities for
16 advancement, which will be included in the Diversity Strategic Plan. New T-Mobile
17 shall consider recommendations submitted by NDC to expand and improve the quality of
18 potential workforce candidates.
- 19 • **Procurement.** New T-Mobile will partner with NDC and the Council to improve
20 diversity in its procurement of goods and services by substantially increasing over the
21 next three (3) years its diverse supplier spending in California. New T-Mobile will work
22 with the Council to establish specific goals in this area which shall be included in the
23 Diversity Strategic Plan. For California, New T-Mobile’s aspirational goal within five
24 (5) years after the close of the Merger for all annual diverse spend in California will be
25 the CPUC’s General Order 156 goal of 21.5%. Within three (3) years of the close of the
26 Transaction, New T-Mobile’s aspirational goal for annual diverse spend in California
27 excluding spend with handset and network OEMs will be 40%. This split goal
28 recognizes (but is not contingent on) the fact that there are currently no diverse certified
29 suppliers of handsets and network equipment.
- 30 • **Community Wireless Initiative.** New T-Mobile commits to work with NDC and its
31 members to launch a “Community Wireless Initiative” which will be part of New T-
32 Mobile’s Community Investment Plan. The Community Wireless Initiative will seek to
33 expand and improve wireless capabilities within New T-Mobile’s coverage area
34 throughout low income communities, to low income Californians, to underserved
35 minority populations, and to organizations serving these underserved communities,
36 including via technical measures (e.g. the installation of a signal booster or Wi-Fi hot
37 spot) or via education and support. Further, the Community Wireless Initiative will work
38 with NDC to expand programs that New T-Mobile has to make wireless devices available
39 at low or no cost to school children eligible for free or reduced lunches and to explore
40 other measures with NDC to promote digital adoption and education.

- 1 • **Philanthropy and Community Investment.** New T-Mobile will develop a
2 “Community Investment Plan” that will outline its Philanthropy and Community
3 Investment for the three (3) year years following the Transaction for California. This
4 plan will reflect New T-Mobile’s commitment to organizations in California that are
5 mission-driven to improve the socio-economic conditions facing people of color, women,
6 disabled persons, and veterans. The Plan will be developed in the one-hundred and
7 twenty (120) days following the close of the Transaction in consultation with NDC.

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3 **V. LABOR ISSUES**

4 **Q: CWA characterizes T-Mobile as one of the worst labor law violators in the country.**
5 **(CWA Testimony at p. 62). How do you respond to that?**

6 **A:** This is simply not the case. T-Mobile has an impressive history of employee satisfaction
7 and consistently ranks among the best places to work in the United States, according to both
8 third-party reviews and its employees. For example, in T-Mobile's most recent employee survey
9 this fall, 93% of respondents said they "take pride in working for my company;" and 89% said
10 they often recommend T-Mobile to others as a great place to work. Outside experts have
11 confirmed employee surveys and recognized T-Mobile as a supportive and stimulating
12 workplace. Mr. Sievert discusses what appears to be CWA's overall attitude to this merger in
13 greater detail.
14

VI. CUSTOMER SERVICE

Q: Cal PA discusses the recent history of customer satisfaction for both Sprint and T-Mobile (Reed Testimony at p. 27). How will the merger impact customer service operations?

A: New T-Mobile will adopt T-Mobile's pioneering Team of Experts (TEX) approach, extending T-Mobile's award-winning customer service practices to the combined company's broader customer base. T-Mobile has been ranked the number one wireless company for customer service by Nielsen for the past 24 months and has received—twice in a row—the highest score ever awarded by JD Power in its rankings of wireless-provider customer-service quality. Those customer-friendly practices will continue and expand under New T-Mobile.

Specifically, T-Mobile has robust complaint handling and escalation procedures at every level of its Customer Care organization, beginning with its frontline call center, retail support, and social media teams. The company has pioneered a team-based approach to customer support that focuses a team of customer support experts in a geographic locality or a specific business segment. Under the TEX model, cross-functional groups of 47 people serve a named set of customer accounts in a specific market. In addition to the representatives themselves, each team has a leader, four dedicated coaches, eight technology specialists who can handle more complex hardware and software issues, a customer resolution expert, and a resource manager responsible for workforce scheduling and management. A customer contacting customer care will always be routed to and served by a member of his/her TEX, who is intimately familiar with and loyal to the market they serve. Customers have responded very positively to this approach. In the three years since it instituted the TEX approach, T-Mobile has experienced:

- 71% decrease in transferred customer calls;
- 31% reduction in calls escalated to supervisors;
- 25% drop in postpaid customer churn;
- 56% increase in customer loyalty score; and
- 48% decrease in annual customer service representative attrition. (By way of comparison, annual turnover at T-Mobile's call centers is just 23%, compared with 43% for call centers overall.¹⁰)

¹⁰ Aaron Pressman, "Inside T-Mobile's Big, Brash Comeback," *Fortune* (Feb. 15, 2018), <http://fortune.com/2018/02/15/best-companies-t-mobile>.

1 New T-Mobile will continue the TEX program and plans to expand its TEX model to
2 legacy Sprint postpaid customers after the transaction is completed. As part of that plan, New T-
3 Mobile anticipates opening five new technologically advanced Customer Experience Centers
4 located to serve small towns and rural communities, a plan that will lead to the creation of
5 approximately 5,600 new jobs.

6 I would also like to correct one misunderstanding reflected in Cal PA's testimony. Cal
7 PA asserts that T-Mobile does not maintain a database of customer complaints. In fact, within T-
8 Mobile's Customer Care organization, the Executive Response Team ("ERT") handles consumer
9 inquiries and complaints that are referred to T-Mobile from third parties, such as federal, state, or
10 local governmental agencies or the Better Business Bureau, as well as inquiries and complaints
11 received directly by T-Mobile executives and customer care representatives. ERT maintains a
12 database containing a full record of the consumer inquiries and complaints that it handles.

13
14 **Q: Cal PA notes that T-Mobile's customer complaints are generally decreasing. (Reed**
15 **Testimony at p. 31). Can you comment?**

16 **A:** Yes. As noted above, T-Mobile is well-recognized as the industry leader in terms of
17 customer care. Indeed, I would note that year after year, T-Mobile is highly ranked for satisfying
18 its customers. In 2017, HarrisX showed that T-Mobile was consistently ranked number one
19 among wireless carriers in the Overall Customer Satisfaction and Likelihood to Recommend
20 categories by more than 360,000 customers.¹¹ YouGovUS also reported that T-Mobile
21 customers were consistently more satisfied than other carrier's customers throughout 2017.¹² In
22 addition, in October 2018, J.D. Power reported that, for the second year in a row, T-Mobile
23 business customers of all sizes are the most satisfied in the wireless industry.¹³ J.D. Power
24 conducts an independent online survey to measure business customer satisfaction with the top
25 four national wireless providers among three types of businesses: large enterprise (500 or more

¹¹ See *T-Mobile #1 in Customer Satisfaction Throughout 2017*, T-Mobile Newsroom (Jan. 3, 2018),
<https://www.t-mobile.com/news/number-1-customer-satisfaction-2017>.

¹² *Id.*

¹³ *T-Mobile Sweeps J.D. Power Wireless Satisfaction Study for Businesses of all Sizes. Again.*, T-Mobile
Newsroom (Oct. 11, 2018), <https://www.t-mobile.com/news/jdp-business-satisfaction-study>.

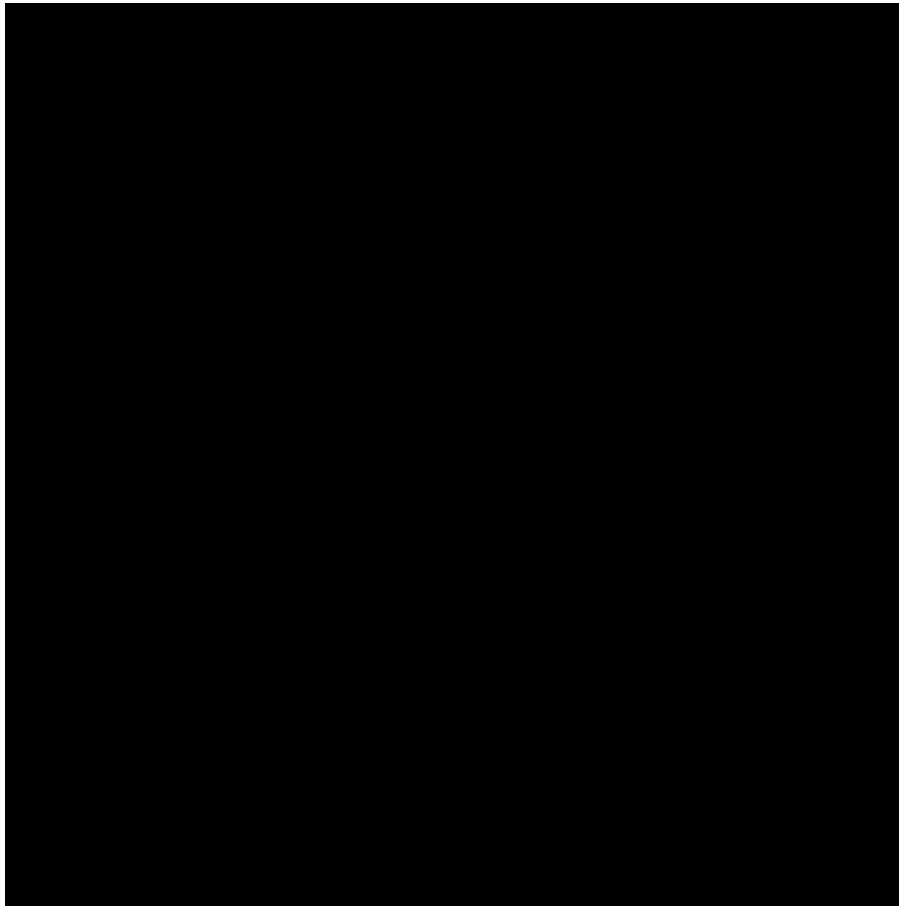
employees); small/midsize (20-499 employees); very small business (1-19 employees). T-Mobile swept the board with the highest satisfaction scores across all three business sizes for the second year in a row, with even higher overall satisfaction than last year in every segment.

Q: Do you have any comment on the Cal PA statement that T-Mobile has experienced an [BHC-AEO] [REDACTED] [EHC-AEO] in the number of complaints between 2015 -2018 (Reed Testimony at p. 31)?

A: Contrary to Cal PA's assertions, the data Cal PA cites do not show an increase in the number of complaints between 2015 and 2018. Rather, the data Cal PA cites shows billing-related complaints in 2015 and 2016 essentially [BHC-AEO] [REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

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[REDACTED]

[REDACTED] [EHC-AEO].

What is also clear is the incredible level of customer satisfaction our customers enjoy year in and year out. As I noted above, in 2017, HarrisX showed that T-Mobile was consistently ranked number one among wireless carriers in the Overall Customer Satisfaction and Likelihood to Recommend categories by more than 360,000 customers. YouGovUS also reported that T-Mobile customers were consistently more satisfied than other carriers' customers throughout 2017. In addition, in 2018, J.D. Power reported that T-Mobile once again ranked highest among full-service wireless providers, receiving the highest score of any wireless company ever—for the second time in a row!¹⁴

¹⁴ *T-Mobile and MetroPCS take J.D. Power's Top Spots for Customer Care*, T-Mobile Newsroom (Aug. 2, 2018), <https://www.t-mobile.com/news/jdp-top-spots-for-customer-care>.

1 **VII. ARBITRATION CLAUSES/CLASS ACTION WAIVERS**

2

3 **Q: Cal PA asserts that T-Mobile's arbitration and class action provisions should be**
4 **eliminated in all customer service agreements (Selwyn at p. 179). Can you respond?**

5 **A:** Yes. We disagree strongly with Cal PA on this. We believe that arbitration provides a
6 low cost and speedy alternative to court litigation. Consumers may opt out of arbitration and
7 class action waiver if they desire. Further, T-Mobile pays all fees associated with an arbitration
8 action—so it is free for consumers. We think that arrangement is beneficial to our customers.

9

10 **Q: How are T-Mobile customers notified of the opt-out deadline?**

11 **A:** All customers are notified of the opt-out deadline at the time they begin their service with
12 T-Mobile and are reminded of the opt-out deadline at various points throughout their relationship
13 with T-Mobile. There are three ways in which retail T-Mobile customers can begin service with
14 T-Mobile: (1) by phone via T-Mobile's telesales channel; (2) in person at a retail store; and (3)
15 on the Internet via T-Mobile.com. In each case, before the customer first starts their service with
16 T-Mobile, the customer is expressly informed of the arbitration provision and class action
17 waiver, including the opt-out deadline, and has an opportunity to review T-Mobile's full terms
18 and conditions before accepting them and beginning service. Specifically:

- 19 • Customers who initiate service over the phone are read the Service Agreement, which
20 includes a reference to T-Mobile's Terms and Conditions as well as the following
21 disclosure: "T-Mobile requires ARBITRATION OF DISPUTES UNLESS YOU
22 OPT-OUT WITHIN 30 DAYS OF ACTIVATION." The customer must accept these
23 Terms and Conditions to complete the service initiation process.
- 24 • Customers who initiate in a retail store are presented with T-Mobile's Service
25 Agreement, which references the T-Mobile terms and conditions and contains specific
26 callouts to various provisions, including the arbitration provision and opt-out deadline.
27 How customers review the Service Agreement and T-Mobile's Terms and Conditions
28 depends on the equipment the store uses to process payments, which is either a tablet or a
29 traditional card payment machine. In stores that are equipped with a tablet, customers
30 review the Service Agreement on the tablet. In stores that are equipped with traditional
31 card payment machines, customers review T-Mobile's service agreement on the card
32 payment machine and are given the option to review the full set of T-Mobile's terms and
33 conditions in hard copy. The customer must accept these Terms and Conditions to
34 complete the service initiation process.

1 • Customers who initiate service via T-Mobile.com are presented with a Service
2 Agreement to review before their purchase is final. The customer must accept these
3 Terms and Conditions to complete the service initiation process.
4 After customers begin service with T-Mobile they are also reminded of the arbitration
5 provision opt-out deadline at a variety of points during their relationship with T-Mobile. For
6 example, the arbitration provision and opt-out deadline are printed on various receipts and
7 provide an express reminder that the ability to opt out of arbitration expires in 30 days.
8 Additionally, when existing T-Mobile customers add a new line(s) of service to their accounts in
9 any of the three channels discussed above (telesales, in person, and online), customers are again
10 presented with service terms, which reference T-Mobile's terms and conditions, including the
11 explicit references to the arbitration provision and opt-out deadline discussed. Customers must
12 accept those service terms, which include the full Terms and Conditions, before adding the new
13 line(s) of service.

14
15 **Q: How are Metro customers notified of the opt-out deadline?**

16 **A:** When a customer purchases a new Metro SIM Card or device at an authorized retailer,
17 the standard practice is to provide the customer with a one-page sheet explaining Metro's return
18 and upgrade policies, highlighting important aspects of Metro's Terms and Conditions, and
19 providing the web address for the full terms and conditions. The first line of the section
20 describing Metro's Terms and Conditions reads in bold print:

21 **By activating or using Metro Service, you agree to the Metro Terms**
22 **and Conditions of Service. Metro requires Arbitration of Disputes**
23 **unless you opt-out within 30 days of activating. Details and the full**
24 **version can be viewed at metropcs.com/terms.**

25 Additionally, at the time a customer activates Metro service, the customer receives an
26 SMS text message directing them to their Start of Service form. The Start of Service form
27 contains information about the service plan and features purchased by the customer and contains
28 an abbreviated version of Metro's Terms and Conditions that includes the same language noted
29 above. Further, Metro customers purchasing a new device receive an SMS text message upon
30 activation that notifies them of the terms and conditions and directs them to the website
31 containing the Terms and Conditions.

1 **Q: If a customer chooses not to opt-out, do T-Mobile or Metro provide them with any**
2 **options other than arbitration to resolve their issues?**

3 **A:** Yes. As explicitly provided on both T-Mobile's and Metro's websites and in the Terms
4 and Conditions, customers may choose to pursue their disputes in small claims court even if the
5 customer has not formally opted out. Customers also have the option to raise billing disputes
6 with the California Public Utilities Commission's Consumer Affairs Branch ("CAB"). Further,
7 T-Mobile's and Metro's arbitration provisions and class action waivers do not prohibit customers
8 from notifying federal, state, or local agencies of their complaints, including the FCC and CAB,
9 regardless of whether they have opted out of the arbitration provision.

10 Moreover, and regardless of how a customer brings a concern to T-Mobile's or Metro's
11 attention, our customer care staff is dedicated first and foremost to resolving the customer's
12 inquiry to their satisfaction as quickly as possible. As I described above, T-Mobile and Metro
13 strive to provide world-class customer service to all of their customers, and to address customer
14 concerns and complaints promptly and effectively. Indeed, T-Mobile's customer care is widely-
15 recognized as the industry leader in this area and—as noted above—we are continually looking
16 for ways to make it even better.

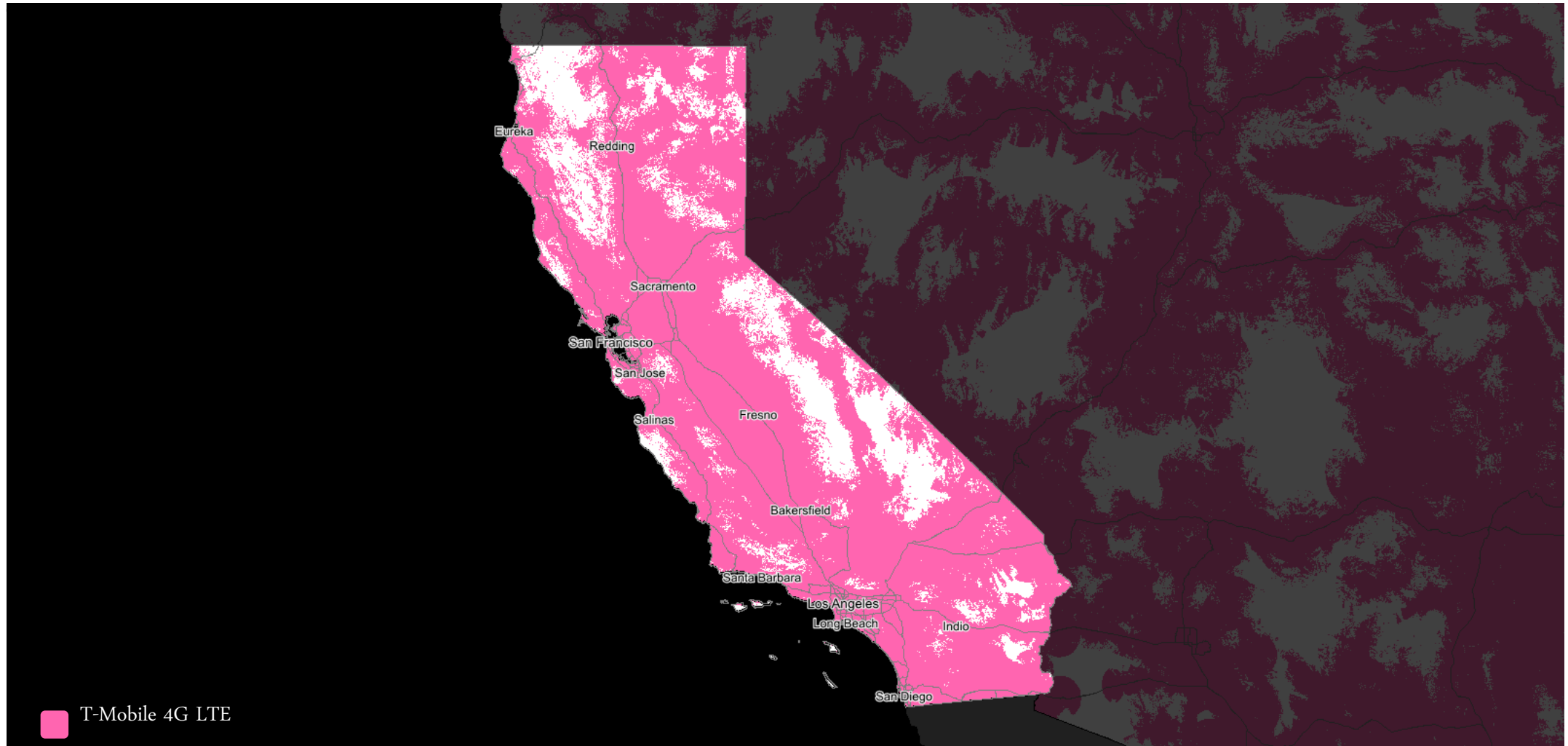
17
18 **Q: Does this conclude your rebuttal testimony?**

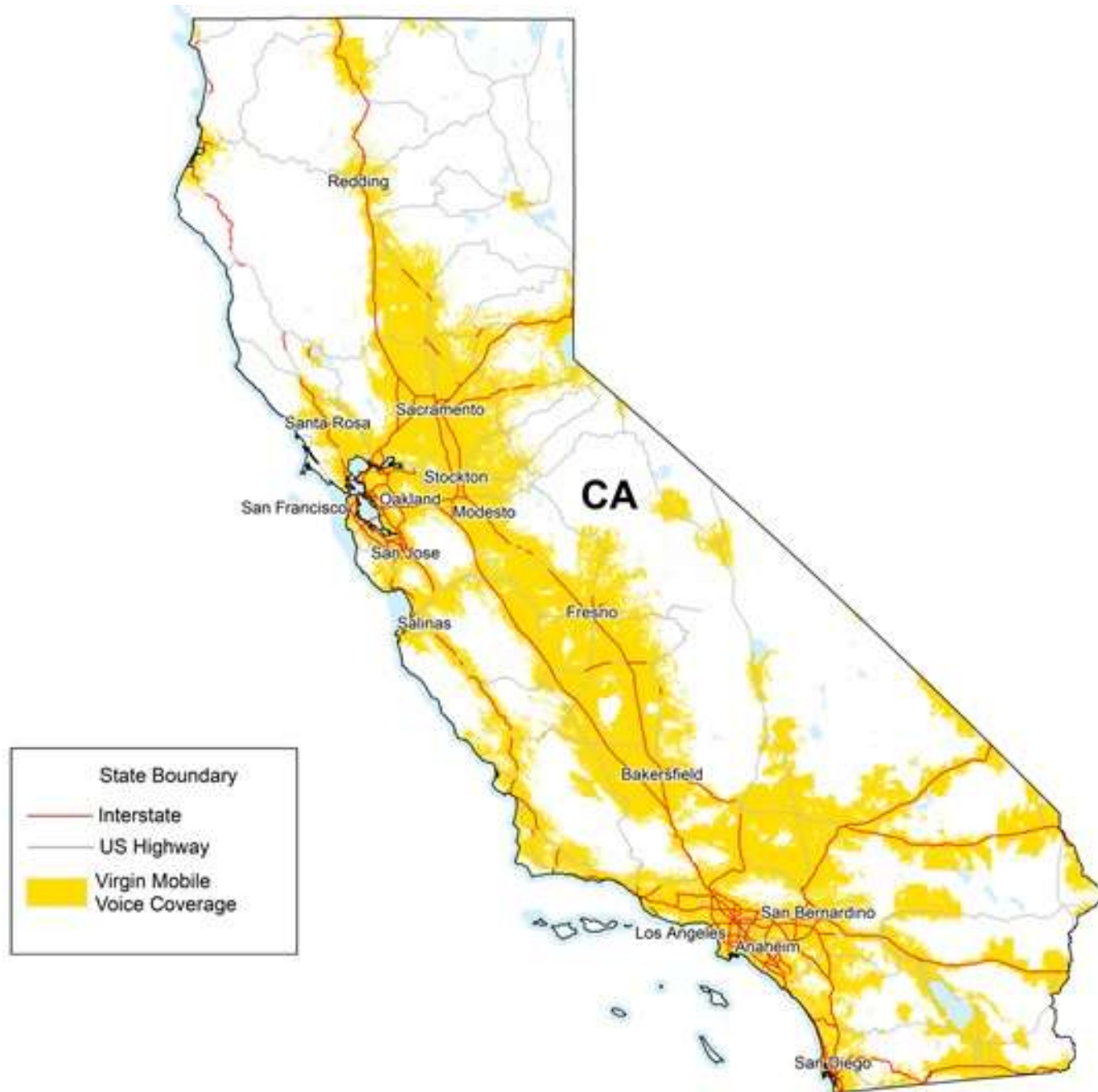
19 **A:** Yes, it does.

ATTACHMENT A

—PUBLIC VERSION—

T-Mobile 4G LTE Coverage : California EOY18





Public Version
Rebuttal Testimony of Marie Sylla Dixon Submitted on Behalf of T-Mobile USA, Inc.
January 29, 2019

ATTACHMENT B

—PUBLIC VERSION—

MEMORANDUM OF UNDERSTANDING
between
T-MOBILE US, INC.
and
NATIONAL DIVERSITY COALITION

THIS MEMORANDUM OF UNDERSTANDING ("**MOU**") is entered into on this _____ day of _____ 2019 by and among T-Mobile US, Inc. ("**T-Mobile**") and the National Diversity Coalition ("**NDC**") to set forth their mutual goals and commitments in promoting a more diverse and inclusive leadership, workforce, and supplier consortium; a superior advanced 5G wireless network that is more accessible for low-to-moderate income, minority, and rural communities; and a community development and philanthropy program that is sustainable and impactful. T-Mobile and NDC shall collectively be known herein as "**The Parties**".

WHEREAS, T-Mobile and Sprint Corporation are in the process of merging (the "**Transaction**"), with the combined corporation (hereinafter, the "**New T-Mobile**") expected to be the third largest wireless carrier with over 126 million subscribers;

WHEREAS, NDC is a 501(c)(3) nonprofit public benefit corporation comprised of *community, faith-based, and corporate leaders* spanning our nation's Asian, Latino, and African American communities united under a new definition of diversity and inclusion that reinforces greater opportunity, empowerment, and financial equality for underserved communities;

WHEREAS, NDC's leadership and membership is supportive of the Transaction into the creation of New T-Mobile and will work with New T-Mobile in advising on its promises of more jobs, lower prices, and a superior advanced 5G wireless network, among others;

NOW, THEREFORE, the foregoing premises considered, the parties enter into this MOU and agree to be bound as follows:

1. Purpose

T-Mobile and NDC enter into this MOU to establish an action plan, inclusive of strategic goals and timelines, to guide their collaborative efforts following the Transaction between T-Mobile and Sprint on the initiatives enumerated herein on five "**Focus Areas**": (a) **Corporate Governance**; (b) **Workforce Recruitment and Retention**; (c) **Procurement**; (d) **Wireless Services (including 5G Wireless Services) for Low Income Consumers**; and (e) **Philanthropy and Community Investment**.

2. Scope

This MOU is intended to apply to New T-Mobile, following the Transaction, and will include each of New T-Mobile's operating subsidiaries. References herein to "T-Mobile" or "New T-Mobile" are intended to include T-Mobile US, Inc. and its existing and future operating subsidiaries.

3. Corporate Governance

a. Board of Directors and Management.

NDC advocates that boards be comprised of one-third minority members (and not less than at least three (3) minority members) to ensure appropriate voice is given to the diverse viewpoints represented by minorities. New T-Mobile is committed to the diversity of its Board of Directors. Although many of the members of New T-Mobile's Board of Directors have yet to be announced, it is currently contemplated that at least two (2) of the initial appointees to New T-Mobile's Board will come from minority communities. New T-Mobile will continue to evaluate the makeup of its Board on an ongoing basis and encourage its stockholders to consider a diverse pool of Board candidates to fill vacancies as they occur.

b. Vice President of Diversity and Inclusion

T-Mobile has a Diversity and Inclusion Office which is spearheaded by the Vice President of Diversity and Inclusion ("VP D&I") who leads the company's diversity and inclusion initiatives.

New T-Mobile plans to retain the VP D&I position and the person in that position will continue to lead the company's diversity and inclusion initiatives and be empowered with budgetary and decision-making authority to ensure that diversity is integrated into all aspects of the organization and is among the organization's core values. The VP D&I will have primary responsibility for implementing the Diversity Strategic Plan, described below.

c. Vice-President of Government and External Affairs

T-Mobile has a Vice-President of Government and External Affairs who will work with community organizations on policy matters, technology needs, as well as investment. The Government Affairs department will be the primary point of contact with community organizations.

d. External Diversity and Inclusion Council

- i. Composition. Within ninety (90) days after the close of the Transaction, New T-Mobile will establish a national diversity and inclusion council (the "**Council**") (sponsored by New T-Mobile's Government Affairs and Diversity and Inclusion teams) and a California focused diversity and inclusion SubCouncil (the "SubCouncil"). The Council and SubCouncil will be comprised of non-employees who are highly esteemed, regarded as pillars in their respective communities, and represent a diverse constituency. New T-Mobile shall appoint a person to serve as Chair of the Council and appoint the other individuals who will sit on the Council.

New T-Mobile shall endeavor to achieve ethnic and geographic diversity in the Council and SubCouncil, each of which shall be comprised of no fewer than twelve (12) individuals from diverse groups, including African Americans, Latinos, Asian Americans, Native Americans, women, the LGBTQ community, and persons with disabilities.

New T-Mobile will consider timely nominations from NDC to widen and improve the quality of the pool of potential candidates to the Council.

New T-Mobile agrees that a focus of the national Council will be diversity issues in California and will work with NDC to best determine how to achieve that focus through the SubCouncil or other agreeable form.

- ii. Role. The Council shall be the main external advisory group to New T-Mobile, regarding the development and implementation of a "Diversity Strategic Plan." The Diversity Strategic Plan shall be presented by the VP D&I to New T-Mobile Management Team within one-hundred and eighty (180) days following the close of the Transaction for review and approval. The Council shall also be a venue for open communication regarding New T-Mobile's diversity and inclusion initiatives.
- iii. Term. Members of the Council shall serve a term of three years from the time the Council is constituted and the members are appointed. Removal for cause will be permitted where a member has violated the terms of this agreement or otherwise engaged in conduct which New T-Mobile deems inconsistent with their duties as council member.
- iv. Meetings. The Council shall meet at least two (2) times per year at the headquarters of New T-Mobile, unless another convenient location is selected by New T-Mobile. New T-Mobile's VP D&I along with the VP of Government and External Affairs shall attend each meeting of the Council. New T-Mobile understands NDC's goals that the Council have the attention of senior executive leadership of New T-Mobile and will use reasonable efforts to ensure that relevant members of its Senior Leadership Team attend meetings as appropriate and interact with the Council to receive their advice and counsel.

The Council meetings shall be to provide input on the continuing development of the Diversity Strategic Plan; brief the Council as to relevant, non-confidential business and operations plans within the scope of this MOU; review progress on diversity initiatives; and recommend ways in which New T-Mobile can improve its efforts in the Focus Areas.

New T-Mobile shall assist the Council in scheduling the meetings and other associated administrative tasks and shall reimburse members of the Council for reasonable meeting-related expenses such as travel, lodging, programming by experts in the Focus Areas of the Council, and meals, plus a per diem for members consistent with comparable boards and Councils.

Every year for the three (3) years following the close of the Transaction, and upon the advanced and reasonable request of NDC, New T-Mobile's VP D&I and VP of Government and External Affairs, along with other relevant members of the Senior Leadership Team as determined by New T-Mobile, shall meet at least once a year with NDC leaders and members to provide updates on the Focus Areas discussed in this MOU as well as other areas of mutual interest. The first meeting shall be held within the first twelve (12) months following the close of the Transaction.

4. Workforce Recruitment and Retention

New T-Mobile shall strive to increase the diversity of its workforce in California at all levels to reflect the diversity of the communities in which it operates. New T-Mobile will work with the Council to establish plans in this area, which will be included in the Diversity Strategic Plan, to create and enhance existing mentoring, outreach, recruiting, development, and training programs that provide meaningful opportunities for advancement. New T-Mobile shall consider recommendations submitted by NDC to expand and improve the quality of potential candidates.

At a minimum, New T-Mobile will establish the following initiatives:

- a. New T-Mobile will establish or improve upon existing workplace diversity and inclusion awareness program with the following components: (1) a comprehensive policy describing New T-Mobile's commitment to a diverse employee population and creation of an inclusive culture; (2) dissemination and communication of New T-Mobile's diversity policy via its Intranet and Internet sites, New Employee Orientation Program, and Careers web page; (3) encouraging and supporting the expansion of employee affinity groups; and (4) training all leaders concerning their role in creating and maintaining an inclusive work environment and diverse workplace.
- b. New T-Mobile will set up an annual award during the term of this agreement that recognizes the New T-Mobile Executive or Senior Management Employee(s) in each region or division who best implements or furthers the goals of the diversity and inclusion initiatives set forth in this MOU. The VP D&I shall report the recipients to the Council and recognize the recipients internally.
- c. To increase the pool of skilled and qualified diverse candidates for employment, New T-Mobile shall support and partner with local trade schools and other community and civic organizations in California to train and/or certify individuals for employment in the wireless, telecommunications, technology or other industries. In addition, New T-Mobile will invest in local community programs designed to prepare people of color and other diverse individuals to succeed in the workplace, including mentoring programs to enhance opportunities for upward mobility from entry-level to mid-level and senior management. NDC shall propose to New T-Mobile organizations that are able to provide such training.
- d. Internships for students who attend minority-serving educational institutions located in New T-Mobile's footprint in California, such as local colleges, universities, and trade and vocational institutions.
- e. New T-Mobile shall partner with NDC and other community and civic groups as well as local workforce development organizations to assist in the selection of executive leadership development programs and the development of internship programs aimed at exposing college and university students to employment opportunities with the company in California, including recommendations for search firms with expertise in identifying diverse candidates to fill executive positions and to identify, train, and recruit qualified people of color and other diverse candidates to fill the additional California jobs anticipated to be created after the Transaction.

- f. With input from NDC and other community groups, New T-Mobile will consider fostering community reintegration reentry into the California workforce of formerly incarcerated individuals by providing opportunities for training and employment, especially those who served time for non-violent crimes.
- g. New T-Mobile will provide NDC information subject to non-disclosure and only for internal discussions and progress reports related to the company's diversity initiatives and efforts in California. NDC, and the members of the Council, will keep confidential all communications with New T-Mobile and all information provided by New T-Mobile, unless the VP D&I agrees in writing that such information can be communicated externally.

5. Procurement

New T-Mobile will partner with NDC and the Council to improve diversity in its procurement of goods and services by substantially increasing over the next three (3) years its diverse supplier spending in California. New T-Mobile will work with the Council to establish specific goals in this area which shall be included in the Diversity Strategic Plan. The following minimum actions will be taken to achieve this goal:

- a. New T-Mobile will create opportunities for building and growing relationships between minority-owned suppliers in the communities in which it operates in California and its leadership, partner with organizations that serve the minority business communities, and participate in procurement-related events that showcase diverse suppliers. NDC will provide guidance and advice to New T-Mobile to identify opportunities for spending with diverse suppliers who are able to meet the company's needs in areas such as banking, investments, IT, engineering, construction, customer precise equipment, legal services, advertising and media services, janitorial services, building maintenance, office supplies and furniture, and staffing services.
- b. New T-Mobile in collaboration with the Council and NDC will identify and invest in programs that mentor and coach diverse business owners in California who desire to compete for contracting opportunities in the wireless network industry, particularly with New T-Mobile.
- c. New T-Mobile will partner with minority-led organizations in California, including engaging with African American, Hispanic, and Asian American chambers of commerce and trade organizations, being an active participating member in the National Minority Supplier Development Council, and consulting the Council to model best practices in supplier diversity and procurement successfully adopted by other companies.
- d. New T-Mobile shall provide guidance on its website on how diverse vendors can become New T-Mobile suppliers. New T-Mobile shall utilize a supplier diversity tracking system for California that meets the following criteria:
 - i. Identifies New T-Mobile's diverse suppliers;
 - ii. Tracks, monitors, and reports on a companywide basis New T-Mobile's spend with each diverse supplier;

- iii. Shows New T-Mobile's amount and percentage spent from total procurement among each diverse group (i.e., African American, Latino, Asian, women, veterans);
 - iv. Categorizes specific supplies and/or services provided by New T-Mobile's diverse suppliers; and
 - v. Tracks and analyzes New T-Mobile's spend with its diverse suppliers.
- e. New T-Mobile commits to strive to expand its utilization of minority-owned law firms and accounting firms.
- f. New T-Mobile commits to strive to engage at least one minority-owned advertising agency to develop national and/or local advertising and marketing materials, as well as committing to increase its spending on advertising with minority-owned media.
- g. New T-Mobile will strive to grow the diversity of its banking, accounting, and other financial services partners by developing and expanding relationships with minority-owned banks, investment firms, and asset managers. To the extent New T-Mobile is unable to develop a relationship with a minority-owned company, it will consider minority-managed companies and relationships with such minority partners at non-minority and/or public companies.
- h. New T-Mobile will provide annual reports and data related to California supplier diversity in an agreed upon format to the Council and NDC, subject to non-disclosure and for internal discussions only.
- i. Within five (5) years following the close of the Transaction, New T-Mobile's aspirational goal for all annual diverse spend in California will be the CPUC's General Order 156 goal of 21.5%. Within three (3) years of the close of the Transaction, New T-Mobile's aspirational goal for annual diverse spend in California excluding spend with handset and network OEMs will be 40%. This split goal recognizes (but is not contingent on) the fact that there are currently no diverse certified suppliers of handsets and network equipment.

6. Access to Wireless Services (including 5G Wireless Services) for Low Income Consumers

Among the key benefits of the Transaction are **more jobs, lower prices, and a superior advanced 5G wireless network**. T-Mobile has a proven track record of seeking out and serving under-served consumers, including low income and diverse consumers. New T-Mobile plans to continue that track record by offering products and services designed to serve those communities.

New T-Mobile recognizes that NDC and its members play a vital role in serving the needs of low income, minority, and faith-based communities and offering general social service assistance, community development and economic opportunities for communities of color in California and has an interest in promoting digital adoption and education in these communities. NDC members have reported that certain of their community centers and churches in California lack access to wireless services they need to serve their communities. New T-Mobile commits to work with NDC and its members to launch a Community Wireless Initiative that will be part of New T-Mobile's Community Investment Plan (see below in

Philanthropy and Community Investment). The Community Wireless Initiative will seek to expand and improve wireless capabilities within New T-Mobile's coverage area throughout low income communities, to low income Californians, to underserved minority populations, and to organizations serving these underserved communities. The Community Wireless Initiative will, amongst other things, (i) work with NDC members to create a plan within one-hundred and eighty (180) days of the close of the Transaction to enhance the wireless experience offered at target locations within New T-Mobile's coverage area whether that be via technical measures (e.g. the installation of a signal booster or Wi-Fi hot spot) or via education and support. Further, the Community Wireless Initiative will work with NDC to expand programs that New T-Mobile has to make wireless devices available at low or no cost to school children eligible for free or reduced lunches or districts eligible for free or reduced lunches (e.g. Sprint 1 Million Project and T-Mobile's EmpowerED programs) and to community organizations (including non-profits, churches, and community centers) serving low income populations with limited wireless access and to explore other measures with NDC to promote digital adoption and education.

7. Philanthropy and Community Investment

New T-Mobile recognizes the importance of investing in minority-led organizations, including African American, Latino, and Asian American organizations, as well as the programs and services provided by organizations that serve communities of color. NDC and its members play a vital role in serving the needs of low income, minority, and faith-based communities and offer general social service assistance, community development, and economic opportunities for communities of color in California. Moreover, New T-Mobile understands that financial support and capacity building provided to these organizations is important to the communities in which they operate.

Recognizing these, New T-Mobile commits to continuing and improving its involvement in and commitment to organizations in California that are mission-driven to improve the socio-economic conditions facing people of color, women, disabled persons, and veterans, realizing that investing in these peoples ultimately improves New T-Mobile's bottom line.

New T-Mobile will develop a "Community Investment Plan" that will outline its Philanthropy and Community Investment for the three year years following the close of the Transaction for California. This plan will be developed in the one-hundred and twenty (120) days following the close of the Transaction in consultation with NDC. T-Mobile will consult with NDC annually on the Community Investment Plan at the same meeting or meetings NDC holds with New T-Mobile relating to the Diversity Strategic Plan. The Community Investment Plan will consider the following:

- a. Community Investment. New T-Mobile commits to increase its philanthropic efforts to support minority-led and minority-serving organizations and institutions in California.

New T-Mobile and NDC both recognize the value of collaboration, and NDC shall make recommendations about future community investment opportunities for New T-Mobile's government affairs and community outreach teams and there will be mutual collaboration to further shared goals.

- b. Internships, Scholarships, and Workforce Development and Training. New T-Mobile will support minority-led and minority-serving organizations and

educational institutions that provide internships and scholarships to minority students and promote workforce development and training in California.

- c. Community Marketing, Education, and Outreach. New T-Mobile shall partner with minority-led and minority-serving organizations to support its marketing, education, and outreach about its products and services, especially to hard-to-reach areas and populations.
- d. Community Investment Data. New T-Mobile shall provide annual community investment-related data in an agreed upon format to the Council, subject to non-disclosure and for internal discussion purposes only. This data shall be disaggregated to reflect support given to each community of color.

8. Monitoring and Evaluation

New T-Mobile will work with NDC to create a mechanism which will ensure adequate monitoring and oversight of this MOU.

9. Effective Date

This MOU shall take effect upon the closing of the Transaction. NDC commits to perform diligently and in good faith all actions required to conclude the California Public Utilities Commission ("CPUC") proceedings in a manner satisfactory to T-Mobile and publicly support the Transaction. Additionally, NDC 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.

This MOU shall remain in effect three (3) years from the effective date. Thereafter, the parties will jointly discuss the desirability of extending the agreement for an additional three-year term.

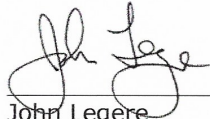
10. Miscellaneous

- a. New T-Mobile and NDC agree that this MOU is intended to create a binding commitment in the Focus Areas specified, and that New T-Mobile shall make commercially reasonable efforts to satisfy each of these commitments. This MOU shall be binding upon NDC and New T-Mobile only and shall not confer rights upon any third-party that may benefit from this agreement or the right to bring any legal or equitable action against the parties hereto. Nor is it intended that either party to this agreement should act in contravention to applicable law.
- b. This MOU does not create a legal partnership among or between the parties. No party shall have the authority to bind the other to any agreement, contract, or understanding with any third party or to act as an agent or representative of the other.
- c. The parties to this MOU intend that the planning, development, implementation, and oversight of this MOU is to be a cooperative, mutual, long-term endeavor in which the parties actively participate, in good faith and with due diligence. To that end, at NDC's request, New T-Mobile will consider appropriate budget requests relating to ongoing monitoring and oversight of

this MOU which shall be part of the Community Investment Plan. Nothing in this MOU is intended to imply or otherwise suggest that NDC has any authority or discretion over the Focus Areas enumerated herein, which shall remain within the full discretion of T-Mobile.

- d. The Parties agree in good faith to review and revise any terms to reflect any significant changes in circumstances.

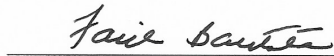
T-Mobile US, Inc.



John Legere
Chief Executive Officer

Date: 1/29/2019

National Diversity Coalition



Faith Bautista
President and Chief Executive Officer

Date: 1-29-19