

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

In the Matter of the Joint Application of Sprint Communications Company L.P. (U-5112) and T-Mobile USA, Inc., a Delaware Corporation, For Approval of Transfer of Control of Sprint Communications Company L.P. Pursuant to California Public Utilities Code Section 854(a).

Application 18-07-011

In the Matter of the 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

Application 18-07-012

**NOTICE OF EX PARTE COMMUNICATION
OF JOINT APPLICANTS
(PUBLIC VERSION)**

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**NOTICE OF EX PARTE COMMUNICATION
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(PUBLIC VERSION)**

Pursuant to Article 8 of the California Public Utilities Commission (“Commission”) Rules of Practice and Procedure, Sprint Communications Company L.P. (U-5112-C), Sprint Spectrum L.P. (U-3062-C), Virgin Mobile USA, L.P. (U-4327-C) (collectively “Sprint”), and T-Mobile USA, Inc. (“T-Mobile”) (collectively, the “Joint Applicants) hereby file this notice of the following oral ex parte communication.

On April 23, 2019, from approximately 2:00 p.m. to 2:30 p.m., the following representatives of T-Mobile: G. Michael Sievert, President and Chief Operating Officer; David Miller, General Counsel; Susan Lipper, Director, State Government Affairs; Karen Skelton, Skelton Strategies; and Suzanne Toller, Davis Wright Tremaine, and the following representatives of Sprint: Michel Combes, President and Chief Executive Offer; Steve Kukta, Director and Senior Counsel, Government Affairs; and Jeffrey Jaeckel, Chief M&A Officer at Sprint and Partner at Morrison & Foerster LLP, met with Commissioner Martha Guzman Aceves and Michael Minkus, Advisor to the Commissioner, at the Commission’s office at 300 Capitol

Mall, 5th Floor, Sacramento, California. The meeting was also attended in person by Nicole Gordon of the California State Attorney General's Office. Commissioner Guzman Aceves' Advisor Jonathan Koltz participated from the Commission's San Francisco office via video conference. The meeting was initiated by the Joint Applicants to discuss issues in the above referenced proceeding.

During the meeting, attending representatives for Joint Applicants presented the various benefits of the merger and the commitments made by Joint Applicants including those reflected in the T-Mobile Memorandum of Understanding with the California Emerging Technology Fund (CETF). A copy of the MOU was filed with the Commission on April 8, 2019. The benefits and commitments discussed included:

- Accelerated deployment of a robust, world-class 5G network with significantly increased capacity, coverage, and higher speeds, for all consumers, well beyond that which either company could deliver on its own;
- Billions of dollars in capital expenditures combined with a commitment to deploy 5G technology to at least 90% of the cell site locations in its network plan for California with speed commitments to be verified by third party site-specific speed tests;
- The broader geographic footprint of New T-Mobile's network, extending the reach of Sprint's existing LifeLine program to low-income communities throughout rural California where it currently is not available, together with expansion of coverage and improved service quality for current Sprint LifeLine customers.;
- The offer to provide LifeLine service indefinitely in California with a target goal of adding at least 332,500 new LifeLine / low-income households;
- Massive increases in capacity and sharply lowered costs thereby allowing New T-Mobile to deliver better services to MVNOs, and their customers, including those MVNOs who today rely on Sprint's network to provide LifeLine service in California;

- Honoring all of T-Mobile's and Sprint's existing MVNO contracts, and a commitment to extend any MVNO agreements in effect at the close of the transaction with either company to December 31, 2021;
- Location of a New T-Mobile world class Customer Experience Center with 1,000 quality jobs in the Central Valley (Kingsburg, Fresno County area);
- Expansion of T-Mobile's current EmpowerED Program and Sprint's 1Million Project to provide High Speed Internet and Wireless Devices for an additional 50,000 low-income children and their families that will enable broadband wireless access a home;
- Additional significant financial commitments to help bridge the digital divide and address digital literacy and inclusion issues;
- A strengthening of the companies' already-robust emergency preparedness and network resiliency; and
- Provision of 5G coverage at 10 unserved and underserved rural county fairgrounds that are among those most frequently used following disasters and emergencies. These fairgrounds will be selected collaboratively with the Rural Consortia and CETF.

Joint Applicants requested that the Commissioner support the merger and work with the Assigned Commissioner's office on the expeditious issuance of a decision.

Attached are presentation materials used at the meeting.

Respectfully submitted this 26th day of April 2019.

 /s/
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Attorneys for T-Mobile USA, Inc.

¹ Pursuant to Rule 1.8(d), this document is signed on behalf of Joint Applicants.

ATTACHMENT

Proposed Merger of T-Mobile and Sprint

Presentation to CPUC Commissioner Martha Guzman Aceves

April 23, 2019

*****Confidential Treatment Requested*****

The Merger Will Deliver Compelling Public Interest Benefits

| | |
|---|---|
| 5G for All and Not Just for Some | World-leading 5G network will cover the country and deliver transformative services to all Americans – including those on prepaid and Lifeline plans |
| Consumers Pay Less for More | Massive capacity + lower costs = lower prices for same or more data – this is true for all customers whether postpaid, prepaid or MVNO |
| Intensify Competition | Scale to go toe-to-toe with Verizon, AT&T and big cable as Un-carrier maverick, forcing competitors to respond; challenge for in-home broadband, video and enterprise |
| Rural Wins Big | Better wireless service and a new alternative for in-home broadband; over 600 new stores and creation of over 12,000 jobs backed by REDACTED in CapEx |
| Meaningful In-Home Broadband Competition | Consumers get alternative to expensive wired in-home broadband and save up to \$13.65 billion annually (includes cord-cutters) |
| More U.S. Jobs | New T-Mobile will have more employees than combined standalones from Day One; thousands of additional jobs will be created in the broader economy by accelerating move to 5G |

California Benefits – Bridging the Digital Divide

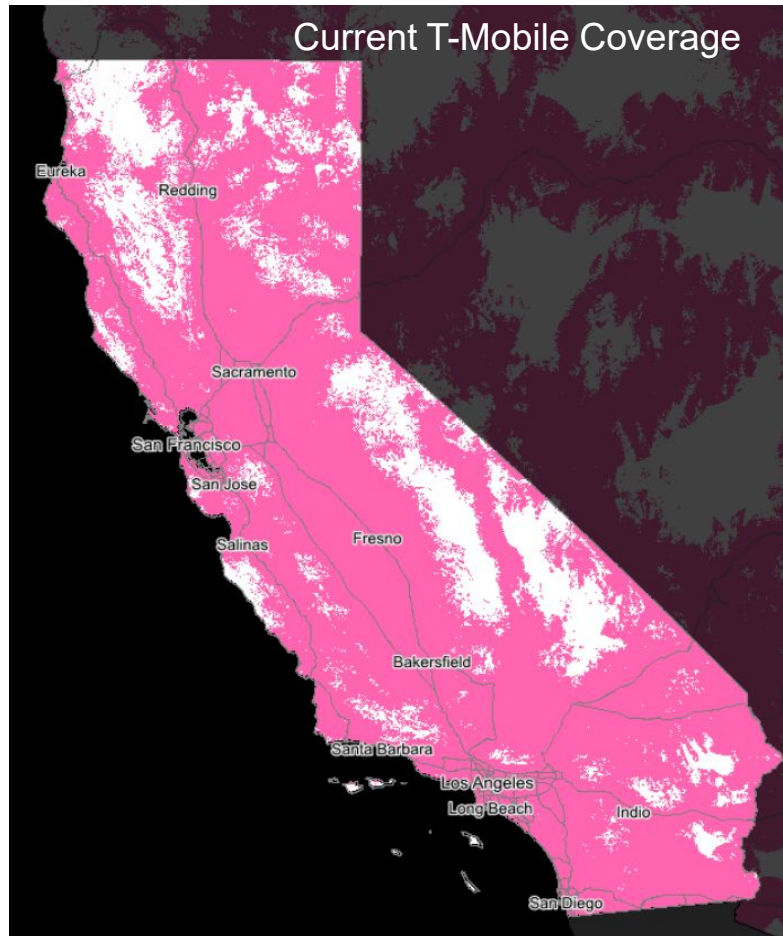
New T-Mobile is Committed to LifeLine

New T-Mobile will provide Lifeline service indefinitely to both existing and eligible new LifeLine customers in California. This commitment will carry through 2024 at a minimum

- The California LifeLine program under New T-Mobile will include a goal of adding over 300k new customers over 5 years
- New T-Mobile will spend up to \$5M for outreach and promotion of the California LifeLine program
- Every California LifeLine customer will receive free service and a free handset
- Sprint LifeLine customers will benefit from T-Mobile's broader coverage area. Standalone Sprint will face challenges absent the merger.

New T-Mobile will partner with the Commission on implementation of the Boost Mobile Pilot Program once approved

California Benefits: Merger Will Benefit Assurance LifeLine Customers by Bringing Immediate, Dramatic Improvement in Coverage



California Benefits: Closing the Digital Divide

The Merger will Particularly Benefit Low Income & Underserved Californians

- Low income customers rely more on mobile devices for internet access
- New T-Mobile speeds of 100 Mbps to 99% of the state and 300 Mbps to 93% of the state population by 2024
- No need to make a choice between quality and cost

New T-Mobile's Wireless Will Be So Fast that Consumers Can Cut the Fixed In-Home Cord

- Mobile-Only Customers will get robust internet access
- Consumers can stop paying high monthly bills for fixed wired service, saving California households \$50/month

New T-Mobile Has Prioritized Support for Low Income Students and Digital Literacy

- At least 50,000 additional free wireless devices and free data plans for low income students in California
- \$13.5M for digital training in schools, school districts, and for teachers and parents, including working families and single mothers
- \$4.5M in grants for community organizations to promote digital literacy
- \$5M for grants to local governments for digital inclusion programs

California Benefits: Rural

Rural California Will Benefit Under the New T-Mobile

- 5G coverage will be provided to rural California – including the Central Valley
- 10 rural unserved and underserved areas will be prioritized in the new 5G network, selected collaboratively with the Rural Consortia and CETF
- Network expansion will lead to REDACTED new stores located to serve California small towns and rural communities

In-Home Broadband Service Will Create Choice for Rural & Other Consumers

- In 2016, over 800K California households had no access to fixed in-home broadband, and 38.1% lacked choice (25/3 speed)
- New T-Mobile plans to offer broadband internet to nearly REDACTED California subscribers by 2024
- Simple and consumer friendly self-installation without the need to wait for a cable service visit

Other California Benefits

**Kingsburg Area Will be
Location of a World Class
Customer Experience Center
with More Than 1,000 Jobs**

- Fresno County and the Central Valley provide a workforce that mirrors our own
- At least 1,000 high paying jobs requiring only a high school degree
- Benefits include stock grants; medical, vision and dental; paid parental leave; child care subsidies; adoption and surrogacy support; and tuition reimbursement
- T-Mobile's average compensation is on par with average across California, but is significantly higher than the average compensation in Central Valley and about 50% higher than in Fresno County
- Economic opportunity for the Central Valley where the unemployment rate is 2.6 percentage points higher than the rate for California as a whole
- \$89-\$105M to the Central Valley economy along with \$7-8M to the tax revenues of its cities and counties

Other California Benefits

New T-Mobile Will Support Emergency Preparedness and Response Resources

- NTM will keep the inventories of portable generators, COLTs, and COWs of both Sprint and T-Mobile, and increase the number of COLTS and COWs in California by 50% by 2021
- Additional and ongoing coverage will be provided at 10 rural county fairgrounds that are among those most frequently used following disasters and emergencies. These fairgrounds will be selected collaboratively with the Rural Consortia and CETF
- New T-Mobile plans to expand T-Mobile's efforts to support first responders with plans tailored to meet their needs, and regardless of their plan, offer them unlimited high-speed data to address any additional high-speed data needs during an emergency

New T-Mobile Will Continue to Support Diversity & Inclusion

- Commitment to diversity of the Board of Directors
- Creation of a national External Diversity and Inclusion Council and Diversity Strategic Plan
- Substantial increase in diverse procurement over the next three years

Consumers Win with New T-Mobile: Status Quo Will Not Continue

| | NEW T-MOBILE | STANDALONES | |
|-------------------|---|---|---|
| | | T-MOBILE | SPRINT |
| 5G | <ul style="list-style-type: none"> — Massive broad and deep nationwide 5G — 3x 5G and 2x total capacity by 2024 — Uncovered pops = 1% — Supercharged Un-Carrier spurs competitive responses from AT&T and Verizon | <ul style="list-style-type: none"> — Thin 5G layer nationwide — No widespread high-speed broadband | <ul style="list-style-type: none"> — Limited, localized 5G on standalone Sprint — Uncovered pops = 41% |
| Network | <ul style="list-style-type: none"> — Cost-efficient capacity to meet soaring demand — Average throughput of 451 Mbps in 2024 — 39.1M Pops (99% of population) above 100 Mbps — 33.8M Pops (83% of population) above 500 Mbps | <ul style="list-style-type: none"> — Cannot keep pace with growing demand with low pricing — Insufficient mid-band capacity | <ul style="list-style-type: none"> — High speeds unavailable where coverage is weak, especially in-building — Large amount of 2.5 GHz locked on LTE |
| Costs | <ul style="list-style-type: none"> — Average network operating costs per GB lower than for standalone T-Mobile in 2024 | <ul style="list-style-type: none"> — Limited solutions at increasing costs to address rising congestion on T-Mobile's network | <ul style="list-style-type: none"> — Reliant on expensive-to-deploy 2.5 GHz spectrum for coverage |
| Pricing | <ul style="list-style-type: none"> — ARPU decreases by 6%, going from REDACTED by 2024, while delivering approximately double the usage vs. standalone in 2024 — Drive meaningful competitive responses from AT&T and Verizon to benefit consumers | <ul style="list-style-type: none"> — Flat ARPU over time — Competitor prices rise— Verizon gets away with charging \$10 more for 5G | <ul style="list-style-type: none"> — Sprint ARPU increases |
| In-Home Broadband | <ul style="list-style-type: none"> — New competitor introduces competition — Cheap option for consumers; prices REDACTED lower than currently available | <ul style="list-style-type: none"> — Extremely limited test offering — No chance to disrupt industry | <ul style="list-style-type: none"> — No offering planned |

Support Across California

Organizations and individuals across the state have spoken. They demand more competition for wireless and home broadband consumers, better pricing, 5G for all, and American leadership in the global race to 5G. Sprint and T-Mobile's proposed merger to create the New T-Mobile will offer a powerful challenge to the dominant players by supercharging competition.

"As a part of the merger, T-Mobile and Sprint are committing to expanding high-speed access to low-income neighborhoods. This is welcome news and is needed. If we are going to ensure that future generations have equal access to the Internet, we must begin by getting the necessary infrastructure in place."

NATIONAL ACTION
NETWORK, LOS ANGELES

"The merger of T-Mobile and Sprint will bring fast and reliable broadband to this region, which will improve the delivery of healthcare and emergency services, make small businesses more competitive, and will also help the agricultural sector as they incorporate the latest in "smart ag" devices."

EL CONCILIO

"We believe that equal access to educational opportunity is a civil right, and that having the tools in place to support the educational process is critical. This is why we have determined that supporting the merger of T-Mobile and Sprint is in the best interests of the communities we serve."

CALIFORNIA LEAGUE OF
UNITED LATIN AMERICAN
CITIZENS

"Additionally, by ensuring that 5G reaches underserved areas, the merger will expand wireless access to minority-owned businesses and provide them with the opportunity to use the same tools that their competitors use."

ASIAN BUSINESS
ASSOCIATION

"Our organization recognizes the value of extending 5G service to rural areas, the penetration of broadband into homes, and funding programs aimed at closing the digital divide, all of which will receive a boost following this merger."

CENTRAL VALLEY
COMMUNITY FOUNDATION

"This lack of broadband access holds individuals and communities back. Schoolchildren do not have access to the resources they need to complete homework, businesses struggle to compete, and economic growth is restricted...The merger of T-Mobile and Sprint presents us with an opportunity to change this dynamic."

CENTRAL VALLEY
LATINO MAYORS &
ELECTED OFFICIALS
COALITION

"The merger of T-Mobile and Sprint and the promise to bring 5G to underserved areas is the reason for our support. Promotoras live in communities that are typically either urban and underserved, or rural and underserved—from a variety of standpoints. Routine healthcare, community services, and digital access are all examples of things missing from our communities."

PROMOTORAS

"We have seen a rural/urban digital divide for years. This merger presents the best opportunity yet to address this gap. Bringing fast and reliable mobile connections to California's rural communities will not just help ranchers and farmers, it will improve the lives of residents as well."

SONOMA COUNTY FARM
BUREAU

"The 5G network that would be deployed as a result of this merger would help minority businesses in California, and it would benefit citizens in our rural communities."

CALIFORNIA HISPANIC CHAMBERS OF
COMMERCE

-
- National Emergency Number Association (NENA) & CAL NENA
 - California Asian Pacific Chamber of Commerce
 - Central Valley Latino Mayors and Elected Officials Coalition
 - Fresno State University, Ismael Herrera (Office of Community and Economic Development)
 - El Concilio
 - Jim Dahl, Former Regional Director of the Red Cross
 - Sequoia Union High School District
 - Covered California
 - San Gabriel Valley Conservation Corps, Danny Oaxaca
 - AmVets
 - Asian Business Association
 - TracFone Wireless
 - Joint TPR Dealers
 - Sonoma County Farm Bureau
 - Eddie Ramirez, President, One Vet One Voice
 - Napa County Farm Bureau
 - National Action Network, Los Angeles Chapter
 - GI Forum
 - Lou Carmona, California Army National Guard
 - ROA (Reserve Organization of America)
 - National Veterans Foundation
 - San Francisco Chamber of Commerce
 - National Guard Association of California
 - Spireon
 - California League of United Latin American Citizens (LULAC)
 - Women Veterans Alliance
 - Reserve Organization of America (ROA)
 - Mojio, Inc.
 - Pomona Unified School District
 - Felix Esparza, Ret. Santa Maria Police Officer
 - California Hispanic Chambers of Commerce, Julian Canete
 - Plume, Inc.
 - Rick Lucas, Veteran
 - Steve Hawkinson, Fmr. CA Highway Patrol Officer
 - San Gabriel Valley Civic Alliance
 - Promotoras
 - Central Valley Community Foundation
 - National Action Network, Sacramento Chapter
 - T-Mobile Branded Independent Wireless Retailers
 - Eric Arrieta, Small Business Owner
 - Greg Starr, Small Business Owner
 - Christina Fontecchio, Small Business Owner
 - David Stockdale, Small Business Owner
 - Donald Buno, retired Sacramento Police Officer
 - Matt Van Orden, San Mateo Firefighter
 - Mint Mobile/Ultra Mobile

Support Across California

List of Letters filed in Support:



Thank You

TECH
How Much Does 5G Cost? Verizon Says \$10 Extra Per Month

Verizon says 5G network will cost extra \$10 a month
By TALU ARBEL March 13, 2019



2024

5G Capacity

21 Exabytes 5G Offered Traffic (monthly)
Compared to 3.8 EB T-Mobile and 3.9 EB Sprint

Average Throughput

Average Throughput of 451 Mbps
Compared to 100 Mbps T-Mobile and 116 Mbps Sprint

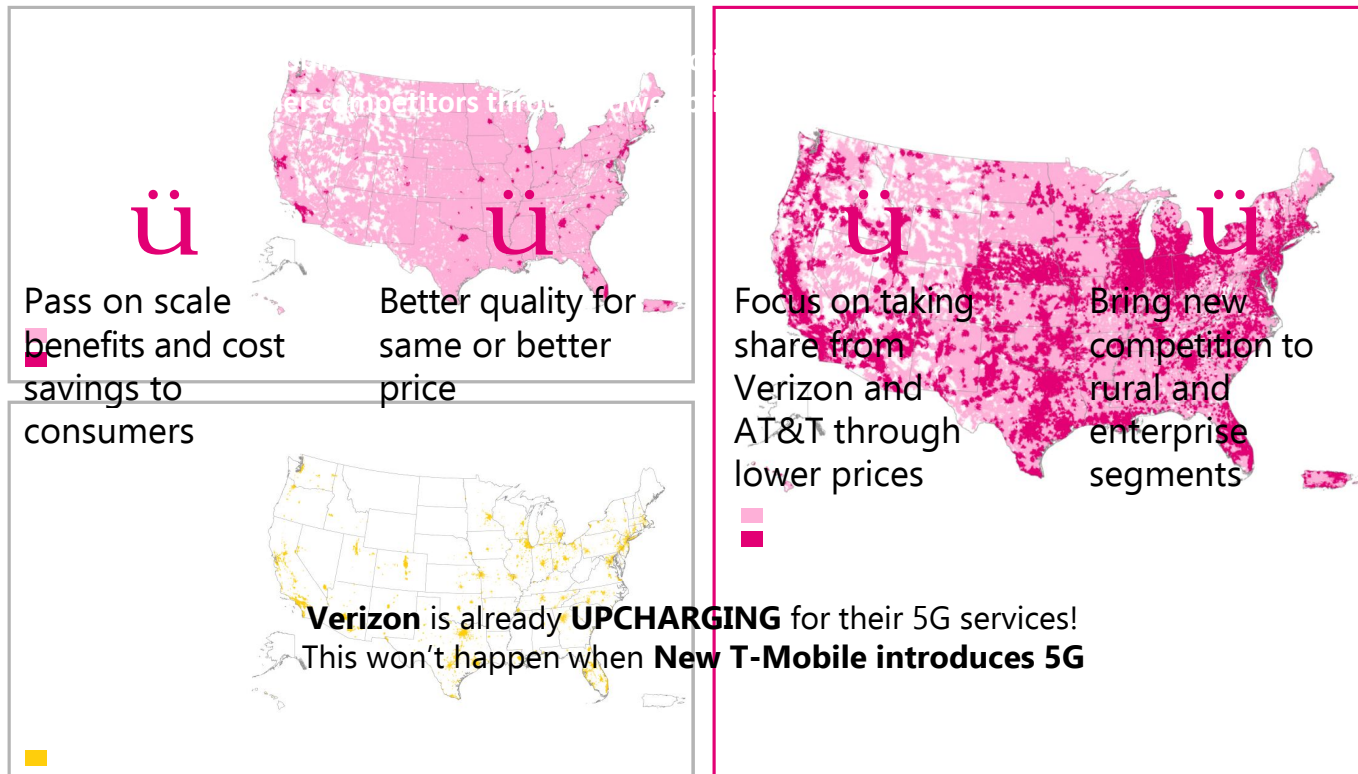
Peak Throughput

Peak Throughput of 4.2 Gbps
Compared to 2.8 Gbps T-Mobile and 0.7 Gbps Sprint

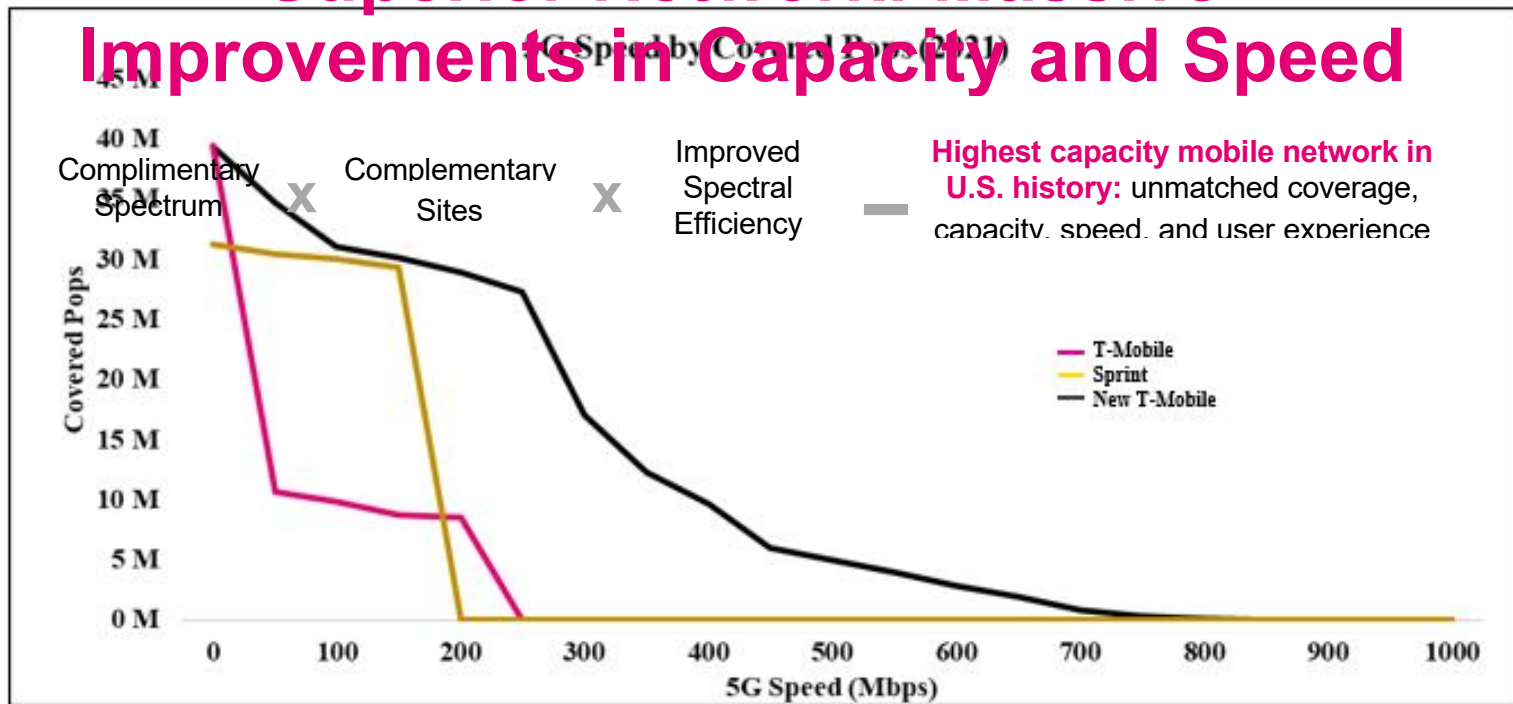
Coverage

293M Pops with throughput > 100 Mbps

New T-Mobile Will Truly Challenge AT&T and Verizon

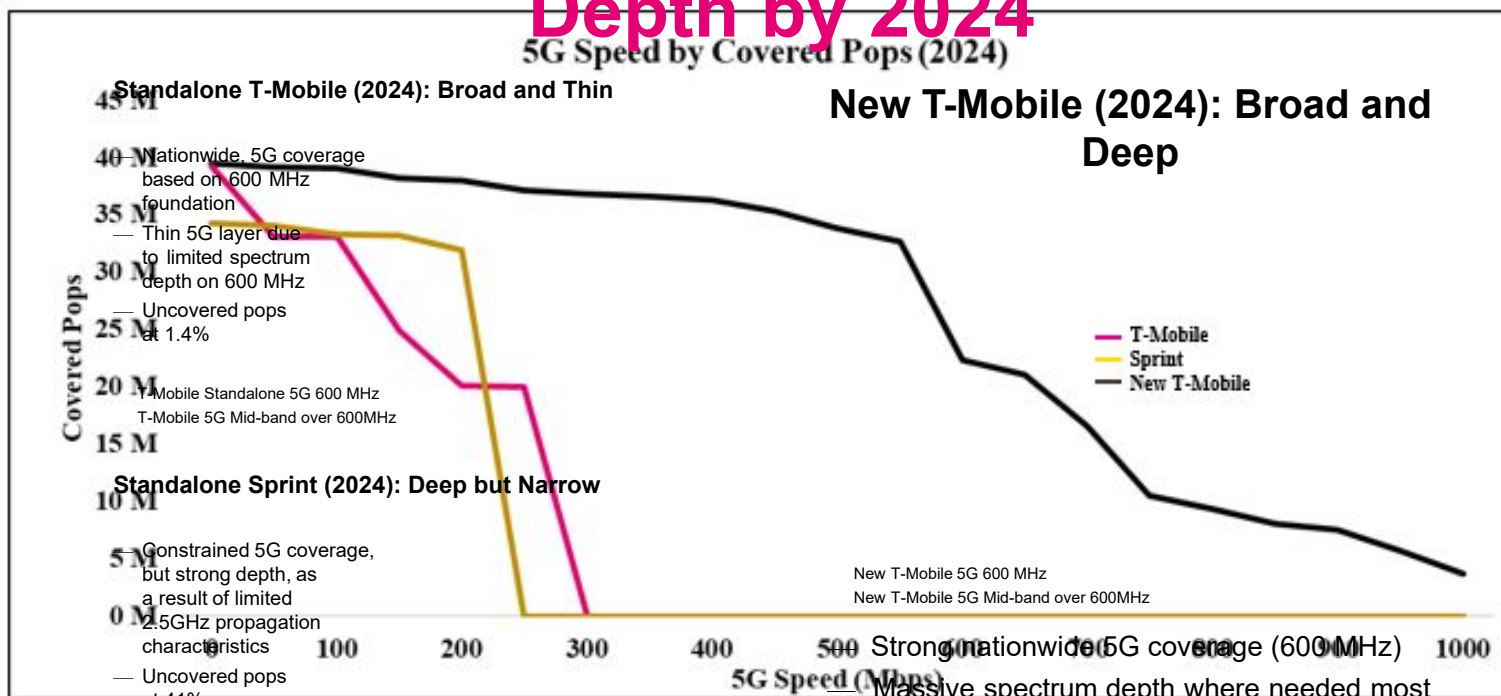


Superior Network: Massive Improvements in Capacity and Speed



| California Covered Pops by Speed | | | | % California Pops | | |
|----------------------------------|----------|--------|--------------|-------------------|--------|--------------|
| 2021 | T-Mobile | Sprint | New T-Mobile | T-Mobile | Sprint | New T-Mobile |
| Pops with > 100 Mbps | 9.8 M | 30.1 M | 31.0 M | 25% | 76% | 79% |
| Pops with > 150 Mbps | 8.8 M | 29.3 M | 30.1 M | 22% | 74% | 76% |
| Pops with > 300 Mbps | | | 17.0 M | | | 43% |
| Pops with > 500 Mbps | | | 5.0 M | | | 13% |

Massive Improvements in Coverage Depth by 2024



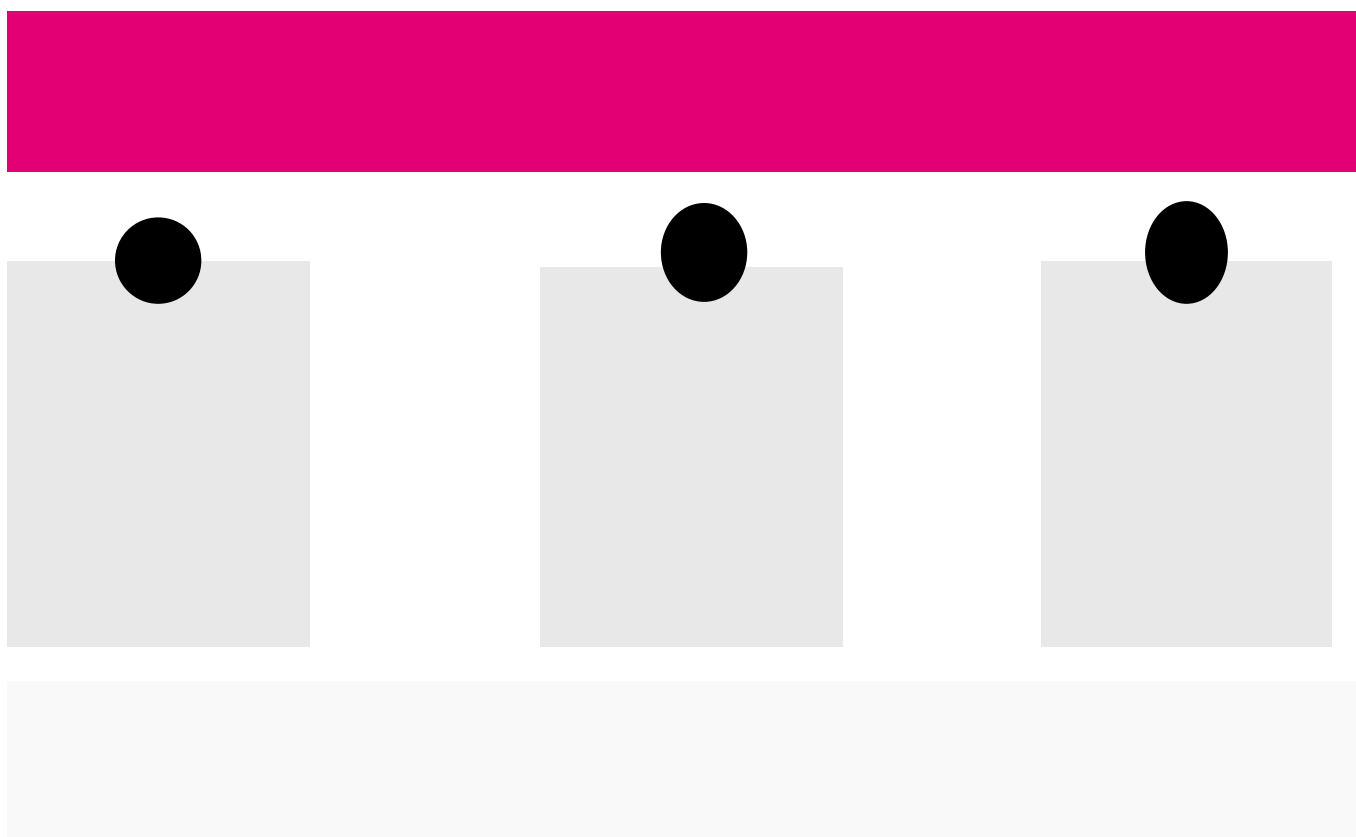
| California Covered Pops by Speed | | | | % California Pops | |
|----------------------------------|----------|--------|--------------|-------------------------|--------------|
| 2024 | T-Mobile | Sprint | New T-Mobile | Pops with speeds >100 M | New T-Mobile |
| Pops with > 100 Mbps | 33.1 M | 33.3 M | 39.1 M | 84% | 99% |
| Pops with > 150 Mbps | 24.9 M | 33.2 M | 38.2 M | 63% | 97% |
| Pops with > 300 Mbps | | | 36.8 M | | 93% |
| Pops with > 500 Mbps | | | 33.8 M | | 83% |

More Californians Will Get Much Faster Speeds Sooner (2021)

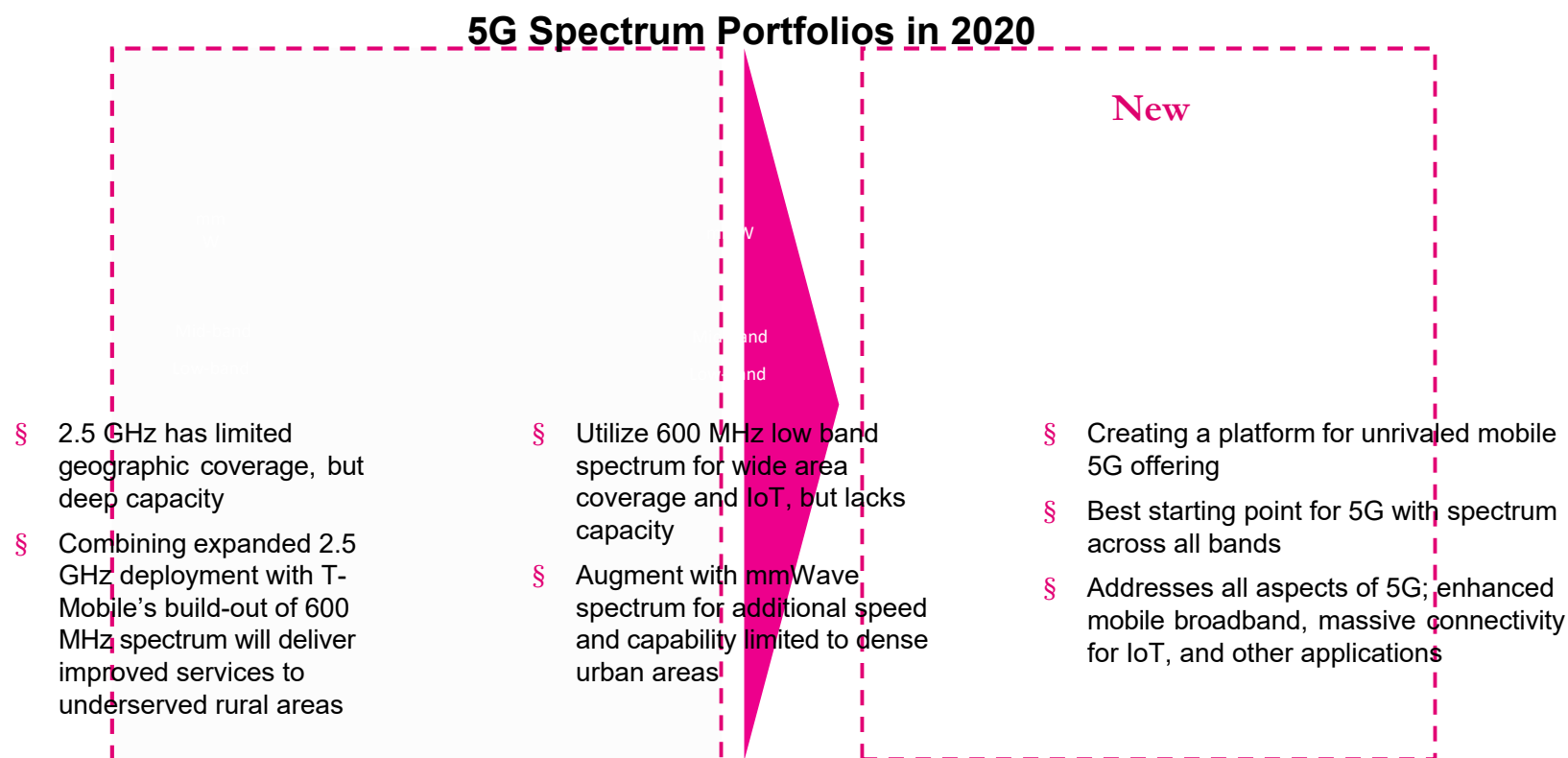


Virtually All Californians Will Benefit from Massive Speed and Performance Increases (2024)

| | |
|--|--|
| | |
| | |
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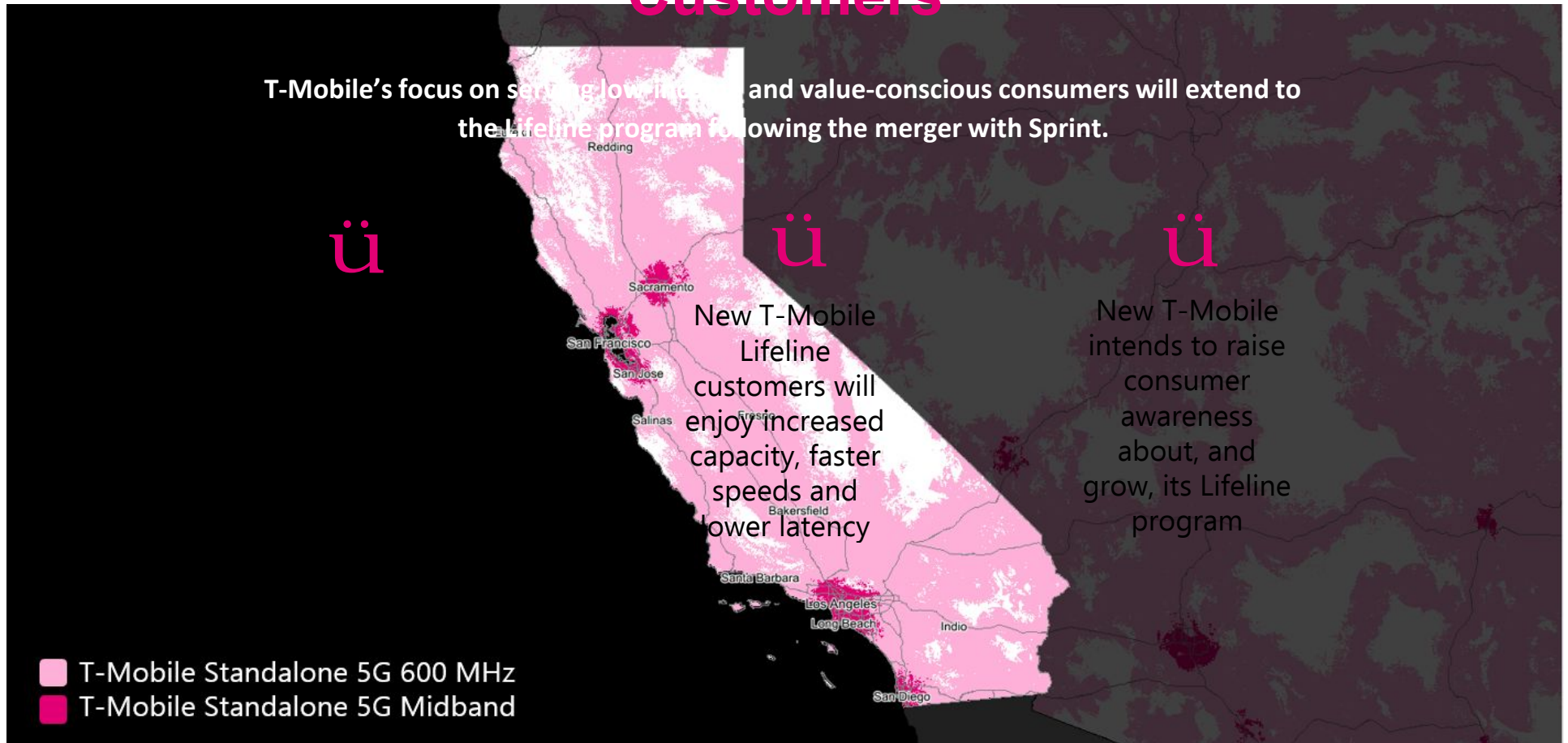
New T-Mobile's Unrivaled Spectrum Portfolio



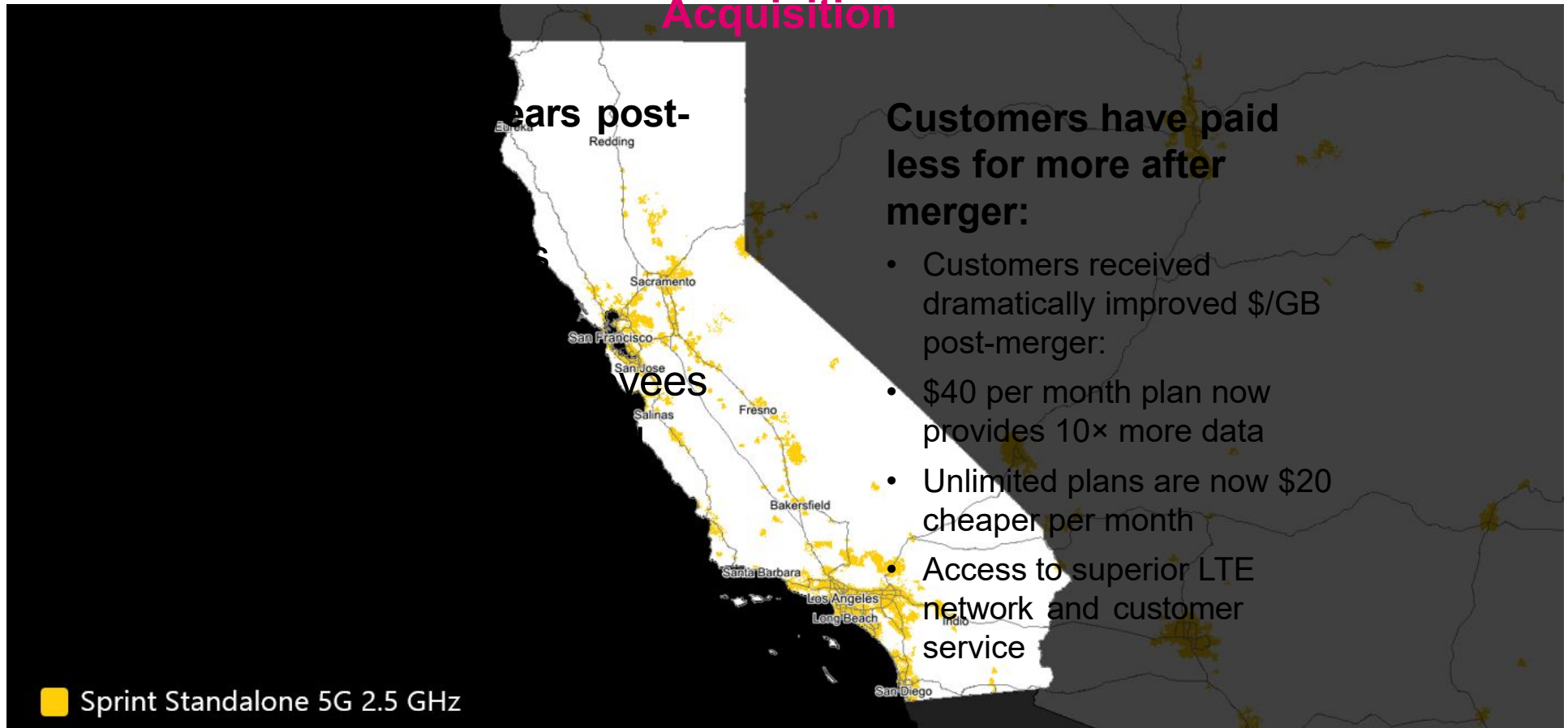
Prepaid Customers and Cost-Conscious Consumers Will Benefit

- | | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|------------------|-------|-------|-------|-------|-------|--------|
| Incremental Jobs | 3,635 | 3,751 | 5,045 | 5,810 | 8,115 | 11,060 |
- Boost and Virgin subscribers will see biggest improvements in coverage and performance
 - Prepaid customers are typically heavy users of data
 - No additional charges for network improvements and 5G
 - More data at lower costs due to massive capacity
 - Expand prepaid offerings
 - Provide additional support for MVNOs, expanding merger benefits among other prepaid customers
 - Prepaid and cost-conscious subscribers of other carriers will also benefit
 - Verizon, AT&T, TracFone and others will lower prices, increase investment and enhance services to respond to New T-Mobile's prepaid offerings

Lifeline: Prioritizing Value-Conscious Customers



T-Mobile Has Done This Before: Look at our MetroPCS Acquisition



An American Job Creator

New American jobs from Day One... and every day thereafter!

more internal direct employees than the combined standalone companies

employees than the standalones to upgrade network infrastructure, expand and the T-Mobile Team of Experts ("TEX") customer care to the expanded and the other businesses made possible by the world-class New T-Mobile

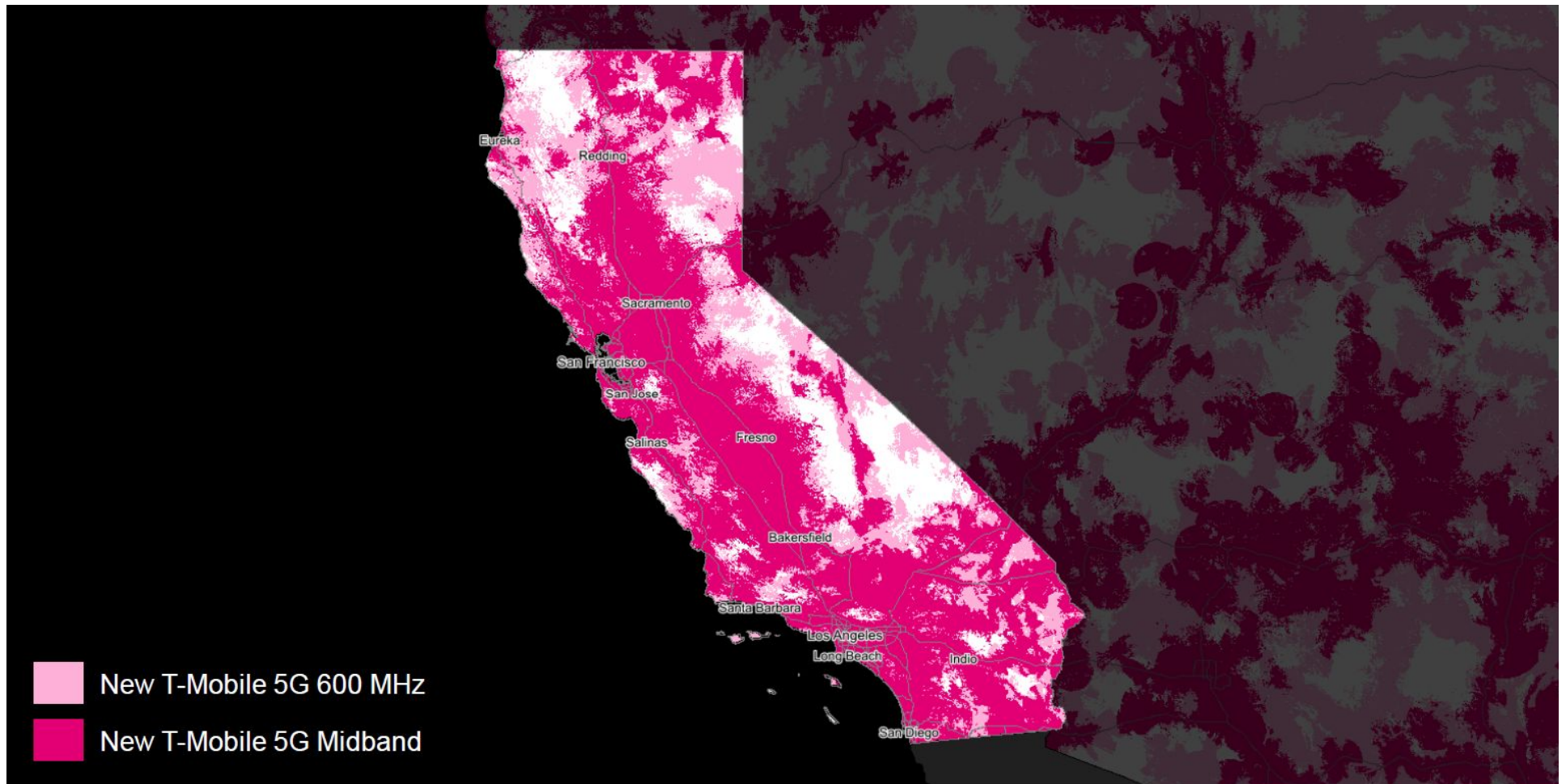
American customer care jobs by 2021.

to serve rural areas and small towns, directly resulting in

- In total, New T-Mobile will have more than 11,000 additional employees on our payroll by 2024 compared to what the combined standalone companies would have!
- in the broader economy by accelerating move to 5G.

- New T-Mobile 5G 600 MHz
- New T-Mobile 5G Midband

T-Mobile Standalone Projected 5G Coverage in California in 2021



Sprint Standalone Projected 5G Coverage in California in 2021

New T-Mobile Projected 5G Coverage in California in 2021

New T-Mobile Projected 5G Coverage in California in 2024