

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

In the Matter of the Joint Application of Sprint)	Application # A.18-07-012
Spectrum L.P. (U3062C), and Virgin Mobile)	Filed July 13, 2018
USA L.P. (U4327C) and T-Mobile USA, Inc.)	
a Delaware Corporation, for Review of Wireless)	
Transfer Notification per Commission Decision)	
95-10-032)	

And

In the Matter of the Joint Application of Sprint)	
Communications Company L.P. (U-5112) and)	Application # A.18-07-011
T-Mobile USA, Inc., a Delaware Corporation,)	Filed July 13, 2018
For Approval of Transfer of Control of Sprint)	
Communications Company L.P. Pursuant to)	
California Public Utilities Code Section 854(a).)	

PREHEARING CONFERENCE STATEMENT FROM MEDIA ALLIANCE

September 10, 2018 at San Francisco, California.

/s/ Tracy Rosenberg

Tracy Rosenberg
Executive Director
Media Alliance
Tel: 415-746-9475
E-mail: tracy@media-alliance.org

I – INTRODUCTION

Media Alliance is a Northern California democratic communications advocacy organization founded in 1976. Our members include professional and citizen journalists, and activists and advocates who use the communications system to draw attention to issues of community importance and highlight diverse perspectives and alternative points of view. The affordability and reliability of wireless services and mobile platforms, and the competitive state of that market is of importance to our members due to their reliance on those platforms to deliver their content to their audiences and the ability of their desired audiences to access that content easily.

II – GENERAL SCOPE OF PROCEEDING

We will begin with expressing gratitude to ALJ Bemesderfer for the stated intention to merge Commission proceedings A.18-07-011 and A.18-07-012. From the point of view of participating in this proceeding as an advocate for a constituency and not a telecommunications lawyer, the split proceeding rendered Commission protocol even more incomprehensible than usual. It led to significant alarm on our part after we had discovered we had applied for party status for only a part of the merger proceeding. We sincerely appreciate the ALJ's action to consolidate and generosity in accepting our two-headed motion for party status. We genuinely try to overcome our lack of legal training in order to participate in these proceedings, sometimes with more success than other times, but to the extent that Commission proceedings can avoid unanticipated layers of complexity, the more we will be able to participate.

The parties do not disagree that Section 854(a) of the Public Utilities Code applied to this proposed merger, which is a public interest check. The way we would define that is a determination of the projected impacts of the proposed merger on consumers, workers and competitor entities.

The anticipated California-specific and general negative impacts should be defined in scale and intensity to the greatest extent we are able, along with any mitigating conditions and what relief, if any, they can provide. These are balanced against the California-specific and general projected benefits or positive impacts of the proposed merger. If the balancing does not weigh in favor of projected benefits over projected negative impacts, then the merger is adverse to the public interest and should not be approved by the Commission as section 854(d) indicates.

“When reviewing a merger, acquisition, or control proposal, the commission shall consider reasonable options to the proposal recommended by other parties, including no new merger, acquisition, or control, to determine whether comparable short-term and long-term economic savings can be achieved through other means while avoiding the possible adverse consequences of the proposal”.

II – THE COMMISSION SHOULD SHARE THE RECORD WITH DOJ AND FCC

Media Alliance speaks in support of ORA's recommendation that the record developed in this proceeding should be proactively shared with the Department of Justice and the Federal Communications Commission.¹ The federal review will benefit from access to the record of this proceeding and as Californians, we are interested in having federal regulatory agencies as informed as possible on the impacts of their actions on our California-based constituency. The Commission has taken this action in previous merger proceedings and to beneficial effect.

III – SYNERGIES MUST BE EXPLAINED

As mentioned earlier, a determination that the proposed merger is in the public interest nominally requires a balancing between projected negative impacts and projected benefits to the public we all serve.

¹ ORA Protest Proceeding A.18-07-011 p.5

The faster and larger deployment of 5G is certainly a potential benefit to consumers, but the application is lacking in specific data points on how the proposed merger itself would cause the improved deployment to occur and how much or little would cease to go forward in the absence of the merger. Both parties to the merger, T-Mobile and Sprint, have been acquiring spectrum and location site assets for some time in the interests of 5G deployment, and for the purposes of a public interest review of this proposed merger, specifics are needed as to the direct impact of the proposed merger, on the planned deployment of those networks. It is also problematic to frame speed increases on a national model with little to no California-specific analysis. Location assets are indeed, by definition, location-specific and a state proceeding requires data points specific to the State of California.

In addition, the number of \$40 billion dollars in synergies, while an impressive figure that is in fact larger than Sprint's 2017 annual revenues in toto, needs quantification, specifically in the area of labor consolidation, as wholesale job loss has particular and defined burdens to the State and the size of the proposed synergies is indeed so massive that it without further explanation, it could be interpreted as the loss of every Sprint-related job in the entire State of California. Again, there is no reason to make such an assumption proactively, and we are not doing so, but a synergy this massive requires explication and specifics in order to be weighed as a potential benefit to the public interest, so it is vital that the Commission's proceeding investigate and quantify this projected number and its impact on Californians. We are not questioning the Applicant's assertions that they will open 600 more stores and create 11,000 more jobs while saving \$40 billion dollars, but we do believe the Commission and the parties should hear the details of how this is anticipated to play out.

IV – TARGETED IMPACTS ON SPECIFIC COMMUNITIES MUST BE MEASURED

Media Alliance seconds the recommendations of the Joint Consumers,² with regard to the Commission's need to measure the impacts of the merger for wireless service for mobile-dependent communities, predominately of color, and in rural parts of the State, as well as customers accessing the Lifeline program through Sprint.

For media professionals increasingly reliant on digital platforms to reach audiences, and especially citizen journalists who practice their craft in order to meet the information needs of communities that are generally underserved by the mainstream media, the affordability of wireless services and specifically wireless data plans without expensive caps that allow for broadband-deprived communities to access their content for less than three figures a month, is an existential concern.

In a more general sense, we also must mention here that much news and information content within rural and mobile-dependent communities is itself created and disseminated via wireless devices, due to the lack of consistent broadband access. Affordability barriers caused by shifts in the wireless marketplace that no longer reward a “maverick” carrier for seeking out those customers with a fairly comprehensive service network and lower prices, are likely to impact the presence of diverse voices and alternative sources of information coming out of those communities – to the detriment of the diversity of the public dialogue. These kinds of potential impacts must be discussed in the context of a thorough public interest analysis.

V – PUBLIC PARTICIPATION HEARINGS

Media Alliance would also support the recommendation of ORA for public participation hearings.³

² Joint Applicants Consolidated Reply to ORA's and The Joint Consumers Protests To Application p. 18

³ ORA Protest Proceeding A.18-07-011 p.9

With a smartphone in every Californian's pocket and purse, the proposed merger is a subject of wide public interest, especially given T-Mobile's role as a marketplace maverick that generally offers lower cost and very popular wireless service to a large percentage of Californians, one of which is myself. I will come right out and say that as a not for profit worker with limited financial resources, apart from my advocacy role as a party to this proceeding, it is a subject of personal interest whether I will be able to retain post-merger my T-Mobile One plan, which provides me unlimited talk, text and data at a price 30% less than I could obtain from AT&T or Verizon. I am not the only one.

The issue of how a reduction in the number of overall providers, and specifically the biggest current maverick provider that places pricing pressure on the AT&T and Verizon duopoly, may affect consumer pocketbooks in a highly concentrated market, is an issue of down-to-earth concern to all of the state, and not just to a small band of telecom policy attorneys.

Some commission proceedings are so arcane that a public participation hearing serves little to no purpose given that the issues in play are fairly obscure to the general public. Not so with the costs and speed of wireless service to the gizmo we all depend on, so we believe it is incumbent upon the Commission to provide a venue for convenient public input beyond the Public Advisor's office for this proceeding, and to make sure those venues are accessible for wireless-dependent populations.

VI - CONCLUSION

In short, we respectfully request for the Commission to:

- i. Engage in a thorough public interest balancing for both the wireline and wireless aspects of the proposed merger including competition and pricing issues.
- ii. Share the proceeding record with the Department of Justice and the Federal Communications Commission
- iii. Analyze the California-specific data points for the proposed benefits of the merger, including 5G deployment and economic synergies.
- iv. Measure the potential direct impacts on California's mobile wireless-dependent populations, including Lifeline recipients.
- v. Hold public participation hearings on the proposed merger.

Respectfully submitted.

September 10, 2018 at San Francisco, California.

/s/ Tracy Rosenberg

Tracy Rosenberg
Executive Director
Media Alliance
Tel: 415-746-9475
E-mail: tracy@media-alliance.org