

## Nonprofit Behind Broadband Expansion Supports T-Mobile, Sprint Merger

*The California Emerging Technology Fund, a nonprofit that seeks to expand availability of high-speed Internet, is supporting the merger of T-Mobile and Sprint, but a California Public Utilities Commission advocacy group has recommended its denial.*

### Speed Read

A nonprofit established to drive the availability of high-speed Internet extracted additional public benefit from T-Mobile.

If the T-Mobile-Sprint merger is approved, T-Mobile will preserve first responder equipment and work to on-board low-income customers.

However, a Public Utilities Commission advocacy group called for the merger's denial, and said it would greatly reduce competition.

A nonprofit responsible for expanding the use and availability of high-speed Internet has thrown its support behind the proposed merger of T-Mobile and Sprint, citing verifiable and ongoing benefits exacted on behalf of consumers and first responders.

The California Emerging Technology Fund (CETF), established by the California Public Utilities Commission more than a decade ago following its approval of mergers between SBC and AT&T; and between Verizon and MCI in California, said in a [news release](#) it has reached an agreement with T-Mobile USA Inc. on “public benefits” relative to its acquisition of Sprint Corp., which it would undertake if the merger is approved. The merger is now pending before the CPUC, with action expected mid-year.

Significantly, the Public Advocates Office (PAO), an independent group within CPUC set up to advocate for “utility ratepayers,” [found](#) the merger lacked “specific, measurable, and verifiable California benefits” and would irreparably damage wireless competition and the low-income consumer market. It has recommended CPUC deny it. Among the takeaways:

- T-Mobile agreed to make “upgrades to advanced 5G wireless networks available to 99 percent of California households,” CETF said in its release; and to have its pledges of coverage verified by a third-party

testing company starting in 2022.

- The communications company will also deploy high-speed Internet to 10 rural county fairgrounds; and boost its number of Lifeline customers, who are low-income and receive discounted service. T-Mobile will increase Lifeline subscribers by 332,500 households, to at least 675,000 enrolled customers; and spend up to \$5 million to promote and advertise the plan. Sunne Wright McPeak, CETF president and CEO, said the changes met the standard of “appropriate, fair and comparable public benefit for both deployment and adoption” against which it measures corporate consolidations.

- T-Mobile will also invest in digital inclusion by providing \$12.5 million for schools taking part in T-Mobile and Sprint programs, to adopt School2Home, a statewide school-improvement initiative run by CETF; and \$5 million to help cities and counties create their own digital inclusion plans. And the company will spend \$13 million to support CETF’s “core mission and other programs,” the foundation said.

“We think that the best way we close the digital divide is by true partnership between and among all of the stakeholders, public-private partners, nonprofits working with the for-profit companies in sincere partnership,” McPeak said.

- A representative of the PAO told *Techwire* its position still stands, but the organization is reviewing the CETF's Memorandum of Understanding with T-Mobile.

In testimony on various aspects of the proposed merger, the PAO said the merger would “significantly reduce wireless competition in California and consolidate an already highly concentrated industry.” It questioned whether the decommissioning of some Sprint cell sites would make it “more difficult for first responders to attain diverse and redundant cellular service.” The PAO pointed out both companies are already deploying 5G and are “capable of fully deploying 5G services as stand-alone companies.” And it said low cellphone turnover rates and lengthening lifespans make possible the prediction that 5G consumer demand won't overtake 4G until 2025.

McPeak said the merger should result in greater market penetration for the new company. She also noted T-Mobile has committed to keeping existing “temporary cellular communications facilities” both companies own, which are crucial for first responders — so-called cells on wheels (COWS); and cells on light trucks (COLTs) — and to grow their number by 50 percent by 2021.

**By [Theo Douglas](#)**

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