

California regulators think T-Mobile lied to get Sprint merger approved



According to a ruling published on Friday, T-Mobile made false and misleading statements in testimony to the California Public Utilities Commission (CPUC) about its plans for Sprint's legacy CDMA network. The company will have the opportunity to explain why it shouldn't face sanctions for violating the commission's rules.

The decision comes after a long back-and-forth that started with a petition from Dish Network in April asking the Commission to modify its decision on the Sprint acquisition. Dish claimed that T-Mobile made statements under oath that indicated the company would shut down Sprint's 3G CDMA network in a three-year timeframe. When T-Mobile announced it would decommission the network on January 1st, 2022, Dish cried foul and appealed to the commission.

A recent letter from the DOJ acknowledged 'grave concerns'
It would seem that CPUC agrees with Dish. It cited testimony

given by T-Mobile CTO Neville Ray, who it says neglected to mention that the PCS spectrum the CDMA network occupies would be needed for its 5G build-out. Ray also stated that maintaining the legacy network would not impact its plans for 5G expansion.

When Dish called out the 2022 CDMA shutdown date as premature, T-Mobile then claimed that the short timeframe was necessary because that PCS spectrum *would* be needed to support 5G services after all.

The Commission relied on the specific false statements, omissions, and/or misleading assurances T-Mobile gave regarding its use of the PCS spectrum and its repeated references to a three-year customer migration period without a degraded experience in framing D.20-04-008. Further, it appears that these false statements, omissions and/or misleading assurances and the related time references were intended to induce the Commission to approve the merger.

As a refresher, T-Mobile agreed to sell Sprint's prepaid brand Boost Mobile to Dish as a condition of the merger deal. The idea was to set Dish up to fill the void in the wireless market that Sprint would leave as the fourth national carrier. The newly acquired Boost customer base – many of who still rely on the older CDMA network – would help Dish get a running start as it built out its own wireless network.

That's... not really working out how regulators envisioned, to the surprise of nobody who was paying attention at the time. But while a recent letter from the Department of Justice to T-Mobile and Dish acknowledged "grave concerns" regarding the CDMA shutdown, this ruling from CPUC goes a step further to potentially impose sanctions on T-Mobile. If the company can't provide an adequate reason for violating the Commission's rules, it may be ordered to pay up to \$100,000 in fines for each of its offenses.

That, unfortunately, doesn't sound like a whole lot of money, especially considering what T-Mobile stands to earn from Boost customers as it attempts to convert them with waived fees and discounted plans. Regardless, T-Mobile will have the chance to defend itself at its virtual hearing scheduled for September 20th.

<https://www.theverge.com/2021/8/16/22627940/t-mobile-dish-network-cdma-sunset-cpuc-ruling>