



California Public Utilities Commission
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FOR IMMEDIATE RELEASE

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PRESS RELEASE

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CPUC OPENS CASE AGAINST METROPCS FOR FAILURE TO REMIT PUBLIC PROGRAM SURCHARGES PAID BY CUSTOMERS

SAN FRANCISCO, April 22, 2022 - The California Public Utilities Commission (CPUC) took action to maintain the health of the state's Universal Service Fund programs by opening a formal penalty consideration case that seeks to collect more than \$230 million from MetroPCS for failure to remit payments for pre-paid phone service.

MetroPCS, a prepaid wireless service provider owned by T-Mobile, failed to remit to the CPUC the full amount of surcharges and user fees that were paid by its customers in 2017 and 2018 to fund the state's Public Purpose Programs that help low income and disadvantaged consumers. CPUC staff has attempted collection, but MetroPCS disputes the amount and claims it owes nothing. MetroPCS filed a lawsuit in the Federal District Court for the Northern District of California. Yesterday the CPUC's Commissioners opened a formal penalty consideration case that is similar to a court process during which evidence and argument will be heard and a proposed resolution will ultimately come before the CPUC's Commissioners for consideration.

During the case, testimony will be heard by MetroPCS, CPUC staff, and interested parties related to penalties against MetroPCS that are proposed by CPUC staff. CPUC staff believes that MetroPCS should pay at least \$162 million in Mobile Telephony Services surcharges and fees, which includes CPUC Public Purpose Program Surcharges, the CPUC User Fee, a 9-1-1 surcharge, and local charges (e.g., Local Utility User Taxes). In addition, CPUC staff contend that MetroPCS should pay \$58 million in interest penalties; \$1.7 million in late CPUC User Fee penalties; \$10 million in additional penalty for failure to comply with CPUC rules and regulations; and other corrective measures and remedies for MetroPCS' conduct during the CPUC staff investigation.

The proposal opening the penalty consideration case is available at:

<https://docs.cpuc.ca.gov/SearchRes.aspx?docformat=ALL&docid=470546239>.

The CPUC regulates services and utilities, protects consumers, safeguards the environment, and assures Californians' access to safe and reliable utility infrastructure and services. For more information on the CPUC, please visit www.cpuc.ca.gov.

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