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For Immediate Release

**FCC REACHES \$48 MILLION SETTLEMENT WITH T-MOBILE TO ADDRESS
INADEQUATE DISCLOSURES OF
'UNLIMITED' DATA PLAN RESTRICTIONS**
*T-Mobile to Increase Transparency, Provide Consumer Benefits,
Connect Public School Students and Pay a Fine*

WASHINGTON, October 19, 2016 – The FCC’s Enforcement Bureau today announced that T-Mobile will pay a fine and provide benefits to consumers totaling at least \$48 million as part of a settlement resolving an investigation into whether the company adequately disclosed speed and data restrictions for its “unlimited” data plan subscribers. The FCC’s investigation found that company policy allows it to slow down data speeds when T-Mobile or MetroPCS customers on so-called “unlimited” plans exceed a monthly data threshold. Company advertisements and other disclosures may have led unlimited data plan customers to expect that they were buying better and faster service than what they received. The Commission’s 2010 Open Internet transparency rules require broadband Internet providers to give accurate and sufficient information to consumers about their Internet services so consumers can make informed choices.

“Consumers should not have to guess whether so-called ‘unlimited’ data plans contain key restrictions, like speed constraints, data caps, and other material limitations,” said FCC Enforcement Bureau Chief Travis LeBlanc. “When broadband providers are accurate, honest and upfront in their ads and disclosures, consumers aren’t surprised and they get what they’ve paid for. With today’s settlement, T-Mobile has stepped up to the plate to ensure that its customers have the full information they need to decide whether ‘unlimited’ data plans are right for them.”

Today’s settlement includes \$48 million in total financial commitments from T-Mobile. This includes a \$7.5 million fine in addition to \$35.5 million in consumer benefits offered to T-Mobile and Metro PCS customers with “unlimited” plans and at least \$5 million in services and equipment to American schools to bridge the homework gap facing today’s students. Eligible subscribers will be offered discounts on accessories and additional data.

The Commission has received complaints from T-Mobile and MetroPCS customers who felt misled when they discovered their “unlimited” data plan included “de-prioritized” data speeds after using a fixed amount of data each month. Under its “Top 3 Percent Policy,” T-Mobile “de-prioritizes” its “heavy” data users during times of network contention or congestion. This potentially deprived these users of the advertised speeds of their data plan. According to consumers, this policy rendered data services “unusable” for many hours each day and substantially limited their access to data. The bureau believes that the company failed to adequately inform its “unlimited” data plan customers that their data would be slowed at times if they used more than 17 GB in a given month.

Under the settlement, T-Mobile will update its disclosures to clearly explain the “Top 3 Percent Policy,” who may be affected by it, what triggers its application and the impacts on data speeds. T-Mobile will also be required to notify individual customers when their data usage approaches the threshold. The company will also adopt the FCC’s “[Consumer Broadband Label](#)” to provide more information and clarity on service terms, including speed, reliability and cost, such as fees and other add-on charges.

Under the settlement, T-Mobile is required to update and improve its disclosures regarding its “unlimited” plans. It must either: provide clear and conspicuous disclosures about all restrictions on the amount and speed of data provided for “unlimited” data plans; cease the use of the term “unlimited” to label such plans; exclude “unlimited” data plan customers from the “Top 3 Percent Policy” or any similar practice; or limit any speed reductions for “unlimited” data plan customers to the minimum speed advertised for that plan.

In addition to the \$7.5 million fine to be paid to the U.S. Treasury, the settlement requires T-Mobile to fund a \$35.5 million consumer benefit program for T-Mobile and MetroPCS “unlimited” mobile data customers. Eligible T-Mobile and MetroPCS customers will be offered both:

- Discounts of 20 percent off (up to \$20) of the regular price for any in-stock accessory.
- 4 GB of additional data if they have a mobile Internet data line – specifically T-Mobile’s “Simple Choice MINT” plan – or a tablet plan under the MetroPCS brand.

Eligible T-Mobile and MetroPCS customers will receive notice about these benefits by December 15, 2016. Consumers can obtain more information on the companies’ websites: www.T-Mobile.com/customerbenefit and www.MetroPCS.com/customerbenefit.

The FCC settlement also requires T-Mobile to spend at least \$5 million dollars – plus any unredeemed funds from the consumer benefit program – to address the “homework gap” in low-income school districts. T-Mobile will provide free devices, such as tablets, to eligible public schools that students may take home and use for school work. They will also provide mobile broadband to the devices at a reduced cost to the schools, and at no cost to the students or their families. T-Mobile is expected to start the program in October 2017 and enroll 5,000 students per quarter over four years, totaling up to 80,000 students.

This is the FCC’s second action addressing disclosures for “unlimited” data plans that are subject to fixed data thresholds and speed reductions. In June 2015, the Commission proposed a [\\$100 million fine](#) against AT&T Mobility for misleading its customers about “unlimited” mobile data plans.

Adopting order/consent decree: <http://go.usa.gov/xkd7V>

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This is an unofficial announcement of Commission action. Release of the full text of a Commission order constitutes official action. See MCI v. FCC, 515 F.2d 385 (D.C. Cir. 1974).