



State of Utah
Department of Commerce
Division of Public Utilities

FRANCINE GIANI
Executive Director

THAD LEVAR
Deputy Director

CHRIS PARKER
Director, Division of Public Utilities

GARY HERBERT.
Governor
GREG BELL
Lieutenant Governor

MEMORANDUM

To: Public Service Commission

From: Division of Public Utilities
Chris Parker, Director
Bill Duncan, Telecommunications / Water Manager
Ron Slusher, Utility Technical Consultant

Date: December 14, 2012

Re: In the Matter of the Application of Sprint Communications Company L.P. for Informal Adjudication of Indirect Transfer of Control. Docket No. 12-094-01.

RECOMMENDATION (Approve):

The Division has reviewed the joint application between Sprint Communications Company L.P. and Starburst II, Inc. and believes that the transfer of control is in the public interest. As a result of the acquisition, the Companies should be in a better position to provide expanded and advanced telecommunications services in the State of Utah.

EXPLANATION:

On or about December 04, 2012, Sprint Communications Company, L.P. ("Sprint") notified the Utah Public Service Commission ("Commission") of a transaction, which will result in a transfer of control of Sprint to Starburst II, Inc. ("Starburst"), a subsidiary of SoftBank Corp ("SoftBank") (collectively the "Applicants").

Sprint Communications Company L.P. is a publicly traded Delaware limited partnership with a principal office located at 6200 Sprint Parkway, Overland Park, Kansas, 66251. Sprint is authorized to provide competitive local exchange carrier services in Utah pursuant to a report and order issued by the Utah Commission on January 14, 1997 in Docket No. 96-094-01.

Starburst is a newly formed Delaware corporation that will hold all shares of Sprint at closing. Starburst will be renamed Sprint Corporation. Starburst's principal offices are located at 38 Glen Avenue, Newton, Massachusetts, 02459. At this time, Starburst does not provide telecommunications services or hold any telecommunications licenses.

SoftBank is a publicly traded holding company, organized and existing under the laws of Japan and headquartered in Tokyo, at 1-9-1 Higashi-Shimbashi, Minato-ku, Tokyo 105-7303 Japan.

SoftBank is a wholly owned subsidiary of SOFTBANK MOBILE Corp. which is currently the third largest wireless carrier in Japan.

Sprint and SoftBank recently entered into a series of agreements where SoftBank will invest heavily in Sprint and will acquire approximately 70 percent interest in Sprint. Sprint will have the flexibility to use this capital infusion to strengthen its balance sheet and invest in its networks to better serve its customers. After this transaction Sprint will be a wholly owned subsidiary of Starburst.

The Applicants submit that the transaction will be conducted in a manner that will be largely transparent to customers of the Sprint. The transaction will not result in a change of carrier for customers or any assignment of authorizations, and in no event will it result in the discontinuance, reduction, loss, or impairment of service to customers. No immediate change in the organizational structure of Sprint is anticipated as a result of the indirect transfer of control and they will continue to provide high-quality communications services to their customers without interruption and without immediate change in rates, terms or conditions.

The Applicants further submit that the transaction described herein will serve the public interest. The Applicants expect that the merger will enable the combined entities to better meet the needs of enterprises, wholesale buyers, and other customers. The transaction will bring together two successful carrier organizations that have proven themselves in a highly competitive marketplace. The transaction will help create a stronger competitor by bringing together each organization's respective strengths. Operating as an integrated company will allow each of the operating companies to be more competitive and to deliver greater value and variety of services to their customers than they do individually.

The Division has reviewed the joint application between Sprint Communications Company LP and Starburst II, Inc. and believes that the transfer of control is in the public interest. As a result of the acquisition, the Companies should be in a better position to provide expanded and advanced telecommunications services in the State of Utah.

Cc. James A. Holtkamp, Attorney for Sprint Communications Company LP
Justin Jetter, Assistant Attorney General, State of Utah
Patricia Schmid, Assistant Attorney General, State of Utah
Eric Orton, Utility Analyst, Office of Consumer Services, State of Utah