

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

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

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HEARING  
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TAKEN AT: Heber M. Wells Building
160 East 300 South, Room 451
Salt Lake City, Utah 84111

DATE: February 5, 2013

TIME: 9:00 a.m. to 9:12 a.m.

REPORTED BY: Michelle Mallonee, RPR

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APPEARANCES

MELANIE A. REIF
ADMINISTRATIVE LAW JUDGE
FOR SPRINT COMMUNICATIONS COMPANY L.P.:
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HOLLAND & HART

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KRISTIN L. JACOBSON, ESQ.
(Appearing telephonically)
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(Appearing telephonically)

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FOR DIVISION OF PUBLIC UTILITIES:
JUSTIN JETTER, ESQ.
UTAH ATTORNEY GENERAL'S OFFICE
160 East 300 South, 5th Floor
Salt Lake City, Utah 84111

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Hearing

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February 5, 2013

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PROCEEDINGS

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THE COURT: Good morning. I'm Melanie Reif,

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Administrative Law Judge for the Public Service Commission.

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This is the hearing which has been duly noticed in Docket

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12-094-01 entitled, "In the Matter of the Application of Sprint

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Communications Company, L.P., for Informal Adjudication of

9

Indirect Transfer of Control."

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Let's start by taking appearances.

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MR. NELSON: Good morning, your Honor. Thank

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you. Thor Nelson of the law firm Holland & Hart, appearing

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today on behalf of Sprint Communications Company. And just

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for the record, joining me by phone this morning are Kristin

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Jacobson, who represents Sprint, and Michael Pryor, who

16

represents SoftBank.

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THE COURT: Thank you, Mr. Nelson.

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Mr. Jetter.

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MR. JETTER: Justin Jetter, representing the

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Division of Public Utilities. And with me is the Division of Public

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Utilities' expert witness, Ron Slusher.

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THE COURT: Thank you very much.

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Mr. Nelson, this is your application. Would you like

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to proceed?

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MR. NELSON: Yes. Thank you, your Honor. I just

1 have a short statement to make. The materials that we provided
2 in the application hopefully did an adequate job of explaining to
3 yourself as well as the Division what's being contemplated here.

4 Just in brief, Sprint is a Utah competitive local
5 exchange company. We provide local and long distance
6 services, both on a wire line and on a wireless basis. Our
7 parent company, Spring Nextel Corporation, is entering into a
8 transaction whereby, through a complex series of affiliates,
9 ultimately what's going to happen is that a majority share of
10 Sprint Nextel will become owned through an affiliate by
11 SoftBank Corporation. SoftBank is a telecommunications
12 company that provides wireless and wireline services to
13 customers in Japan.

14 As most of this transaction is occurring upstream of
15 the operating entity that provides service currently to Utah
16 customers, this transaction will be transparent to the citizens of
17 Utah. And they will continue to receive the high quality service
18 from Sprint that they have come to expect. However, this
19 transaction is described more fully in the application. And in
20 particular the FCC statement, public interest statement, will
21 have substantial public interest benefits for the citizens of Utah.

22 Specifically, this transaction, if it is allowed to
23 proceed, will allow Sprint to take advantage of an approximately
24 \$8 billion capital infusion, which Sprint intends to use, among
25 other things, to accelerate and expand broadband deployment in

1 Utah and throughout the United States.

2 This transaction will also allow for the combined
3 corporate entities to take advantage of scale efficiencies. The
4 transaction will also allow Sprint and its affiliates to take
5 advantage of SoftBank's expertise as a leading wireless and
6 mobile internet company and a proven innovator in the
7 telecommunications marketplace.

8 As a result of these benefits and as customers in
9 Utah, we believe, will experience these benefits should this
10 transaction be allowed to proceed, Sprint respectfully requests
11 that the Commission approve the indirect transfer of control
12 that's described and set forth in the application now pending
13 before your Honor.

14 As I mentioned earlier in my discussion, we do not
15 intend to call any witnesses at this point in the proceeding,
16 understanding, as we do, that there is no objection by any other
17 party to the case. However, in case you had any questions of
18 either Sprint or our partner in this transaction, SoftBank, Ms.
19 Jacobson and Mr. Pryor are available by phone to answer any
20 more detailed questions you might have about the transaction
21 that's being proposed or the two parties to the transaction.
22 Thank you.

23 THE COURT: Thank you, Mr. Nelson.

24 Mr. Jetter, do you have any questions of the
25 applicant?

1 MR. JETTER: I have no questions.

2 THE COURT: Okay. Thank you. I, too, have no
3 questions.

4 So Mr. Jetter, you may proceed.

5 MR. JETTER: Thank you, your Honor. The
6 Division would like to swear in our witness, Ron Slusher.

7 THE COURT: Mr. Slusher, do you swear that the
8 testimony you are about to give is the truth?

9 THE WITNESS: I do.

10 THE COURT: Thank you. You may proceed.

11 RON SLUSHER, having been first duly sworn, was
12 examined and testified as follows:

13 DIRECT EXAMINATION

14 BY-MR.JETTER:

15 Q. Mr. Slusher, could you briefly state your position for
16 the record.

17 A. Yeah. My name is Ron Slusher, last name
18 S-L-U-S-H-E-R. I am a utility technical consultant for the
19 Division of Public Utilities.

20 THE COURT: Mr. Slusher, I'm going to interrupt
21 you just one moment. Could you make sure your microphone is
22 on and is actually maybe a little bit closer. I'm not sure that the
23 people on the phone can pick this up. Thank you.

24 BY MR. JETTER:

25 Q. Mr. Slusher, have you reviewed the joint application

1 proposed in this docket?

2 A. I have.

3 Q. And have you reached a recommendation?

4 A. Yes. The Division, after reviewing the application,
5 has decided that it would be in the public interest for the
6 companies to be combined.

7 Q. Okay. And did you file a memorandum in this
8 case?

9 A. I did, on December 14 of 2012.

10 Q. And does that memorandum still accurately reflect
11 the position of the Division of Public Utilities?

12 A. It is.

13 Q. And just to make sure we get this totally on the
14 record, do you believe that approval of this application would
15 result in rates and service that are just, reasonable, and in the
16 public interest?

17 A. Yes, we do.

18 Q. Thank you. I have no further questions.

19 THE COURT: Thank you.

20 Any questions, Mr. Nelson?

21 MR. NELSON: No, thank you.

22 THE COURT: Mr. Slusher, I just have a couple of
23 questions for you, please.

24 CROSS-EXAMINATION

25 BY-THE COURT:

1 Q. In reviewing your response, in some circumstances,
2 there's not an affidavit that's attached. I just wanted to ask you
3 a couple of questions so we could get those issues resolved,
4 since there is not an affidavit attached.

5 Is it your understanding that there is no opposition
6 to this application and there is not likely to be any opposition to
7 this application?

8 A. That is correct. I have not seen or heard from any
9 intervenors.

10 Q. Okay. And as such, would it be your suggestion
11 that the Commission proceed on an informal basis reviewing this
12 application?

13 A. Yes.

14 Q. Okay. Thank you very much. That's all I have.

15 THE COURT: Just a couple of things. I do want to
16 take administrative notice of the application, and do take
17 administrative notice of the application that was filed on
18 December 27, 2012. That application is received, as well as Mr.
19 Nelson's request to be admitted pro hac vice, which was
20 submitted to the Commission on January 23, 2013, along with
21 an acknowledgment document from the Utah State Bar received
22 on January 28, 2013.

23 (The aforementioned documents were received into evidence.)

24 THE COURT: The motion that was filed has been
25 granted. It was granted on the 24th. So, Mr. Nelson, you can

1 be assured that your appearance today is on full authority.

2 MR. NELSON: That's excellent. Always pleased
3 not to be violating Utah rules of attorney conduct.

4 THE COURT: And thank you for going to such very
5 thorough efforts in making sure that all of this was taken care of
6 advance. We really appreciate that.

7 MR. NELSON: My pleasure.

8 THE COURT: I wish also to take notice of the
9 Division's memorandum, which was filed on December 17 with
10 the Commission, December 17, 2012. And those are all part of
11 the record in this case.

12 (The Division's memorandum was received into evidence.)

13 THE COURT: And is there anyone here who wishes
14 to object to the application?

15 Hearing no objection, and having no objection filed,
16 I wish to note that under Rule 746-349-7, the application is
17 presumed -- it is presumed by the Commission that approval of
18 the transaction is in the public interest. And an order will be
19 produced.

20 So we'll be adjourned, unless there are any
21 questions.

22 MR. NELSON: No. Thank you very much, your
23 Honor.

24 THE COURT: Thank you very much for being here.

25 MR. JETTER: Thank you.

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(The matter concluded at 9:12 a.m.)

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CERTIFICATE

State of Utah)

ss.

County of Salt Lake)

I, Michelle Mallonee, a Registered Professional Reporter in and for the State of Utah, do hereby certify:

That the proceedings of said matter was reported by me in stenotype and thereafter transcribed into typewritten form;

That the same constitutes a true and correct transcription of said proceedings so taken and transcribed;

I further certify that I am not of kin or otherwise associated with any of the parties of said cause of action, and that I am not interested in the event thereof.

Michelle Mallonee, RPR, CSR