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Submitted July 13, 2018

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.	Application of Sprint Communications Company L.P. for Informal Adjudication of Indirect Transfer of Control Docket No. 18-094-02
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Sprint Communications Company L.P. (“Sprint Communications” or “Applicant”), through its undersigned counsel and pursuant to Utah Code Ann. §§ 54-4-28, 54-4-29, 54-4-30, 54-8b-3(1)(b) and 63G-4-203 and Utah Admin. Code R746-349-7 and R746-110, requests that the Utah Public Service Commission (“Commission”) approve, through informal adjudication, to the extent that approval is required, a transaction that will result in Sprint Communications becoming an indirect wholly owned subsidiary of T-Mobile USA, Inc. (“T-Mobile USA”) (the “Indirect Competitive Local Exchange Carrier (CLEC) Acquisition”). Because the Indirect CLEC Acquisition will occur by virtue of a transaction at the parent holding company level, Sprint Communications will continue to be an indirect wholly owned subsidiary of Sprint Corporation (“Sprint”), and there will be no transfer of the operating authority held by Sprint Communications.

Pursuant to Utah Code Ann. §§ 54-4-28, 54-4-29 and 54-4-30, the Indirect CLEC Acquisition does not require approval by the Commission because it does not involve a “public utility” on both sides of the transaction. Approval is not required for a transaction involving a commercial mobile radio service (“CMRS”) provider like T-Mobile USA, because the definition

of “public utility” and “telephone corporation” in §§ 54-2-1(21) and (31), respectively, excludes CMRS providers.

Sprint Communications respectfully requests that the Commission expeditiously review this Application and either rule that approval is not necessary to allow Sprint Communications to consummate the Indirect CLEC Acquisition or grant approval. In support of its Application, Sprint Communications provides the following information:

I. INTRODUCTION

A. Applicant and Other Entities Involved in the Transaction

1. Sprint Communications and Sprint Corporation

Applicant Sprint Communications is a Delaware limited partnership authorized to provide competitive local exchange services and interexchange services in Utah pursuant to a report and order issued by the Commission on January 14, 1997 in Docket No. 96-094-01.¹ Sprint Communications is an indirect wholly owned subsidiary of Sprint, a publicly traded² Delaware corporation.³

2. T-Mobile USA, Inc.; T-Mobile US, Inc.; and Deutsche Telekom AG

T-Mobile US, Inc. (“T-Mobile”) is a publicly traded⁴ Delaware corporation headquartered in Bellevue, Washington, and is sole parent to T-Mobile USA, also a Delaware corporation. T-Mobile is controlled by Deutsche Telekom AG (“Deutsche Telekom”), which indirectly holds

¹ Sprint Communications has no residential customers in Utah. Sprint Communications has a limited number of enterprise and wholesale IXC customers to which it provides private line or data services pursuant to contract. Sprint Communications notified those customers in 2016 that they would have to either disconnect service, or transfer to Voice over Internet Protocol (“VoIP”) services, which are unregulated by this Commission. Sprint Communications is in the process of either disconnecting or transferring those final customers and expects all customers to be transferred by no later than December 2018. Once those customers are no longer on Sprint’s TDM network, Sprint Communications will be providing only unregulated VoIP services, Internet Access, and IP-based private network services to business and enterprise customers in Utah. In addition, Sprint Communications will continue to comply with its obligations as the provider of Telecommunications Relay Service (“TRS”) in Utah.

² Sprint is traded on the New York Stock Exchange as “S.”

³ Various Sprint subsidiaries hold Federal Communications Commission (“FCC”) licenses and authorizations. Appropriate applications with the FCC for approval of the indirect transfer of those licenses and authorizations have been filed.

⁴ T-Mobile is traded on the NASDAQ as “TMUS.”

approximately 62 percent of T-Mobile's stock. Deutsche Telekom is based in Bonn, Germany, and provides fixed broadband and wireless services to customers in more than fifty countries around the world. Neither T-Mobile nor its subsidiaries have a registered entity that provides services regulated by the Commission in Utah.

3. SoftBank Group Corp.

SoftBank Group Corp. ("SoftBank") is a Japanese corporation and holding company that is publicly traded on the Tokyo Stock Exchange. SoftBank is based in Tokyo, Japan, and provides mobile and fixed-line services in Japan through SoftBank Corp., its telecommunications subsidiary.

In July 2013, following approval by the necessary federal and state regulatory authorities, SoftBank, through its subsidiary holding companies, acquired approximately a 78 percent indirect interest in the entity that is now Sprint (the "2013 Transaction").⁵ In particular, SoftBank obtained this interest via Starburst I, Inc. ("Starburst"), a Delaware corporation, and Galaxy Investment Holdings, Inc. ("Galaxy"), also a Delaware corporation.⁶ As of December 31, 2017, SoftBank held approximately an 84.2 percent indirect interest in Sprint: 77.2 percent through Starburst and 7.0 percent through Galaxy.⁷

4. New Merger Entities

In anticipation of the transaction, T-Mobile has formed two indirect subsidiaries: (1) Huron Merger Sub LLC ("Huron"), a Delaware limited liability company and wholly owned subsidiary

⁵ Docket No. 12-094-01, *In the Matter of the Application of Sprint Communications Company L.P. for Informal Adjudication of Indirect Transfer of Control*, Order Approving Indirect Transfer of Control (February 15, 2013).

⁶ Starburst and Galaxy are not regulated operating entities but were created to operate as intermediary holding companies through which Softbank owns Sprint, and for use in the 2013 Transaction.

⁷ Sprint Communications also provided the Commission with a notification regarding a corporate reorganization at the holding company level. See Docket Nos. 18-094-01 and 18-2521-01, *Notice of Change of Control*, filed on February 1, 2018. All operations were unchanged as a result of the corporate reorganization.

of T-Mobile; and (2) Superior Merger Sub Corporation (“Superior”), a Delaware corporation and a wholly owned subsidiary of Huron. Neither company is a regulated operating entity.

B. Contact Information

Questions, correspondence, orders, and other communications concerning this Application should be directed to the following:

Sprint Communications Company L.P.	With a Copy to: T-Mobile USA, Inc.
Diane Browning, Counsel Sprint Communications Company L.P 6450 Sprint Parkway Overland Park, Kansas 66251 Email: diane.c.browning@sprint.com Phone: 913-315-9284	Teri Ohta, Principal Corporate Counsel T-Mobile USA, Inc. 12920 SE 38th Street Bellevue, Washington 98006 Email: teri.ohta@t-mobile.com Phone: 425-383-5532
With a copy to:	And an additional copy to:
Sharon M. Bertelsen Ballard Spahr LLP 201 South Main Street, Suite 800 Salt Lake City, Utah 84111-2221 Email: bertelsens@ballardspahr.com Phone: 801-531-3000	Elizabeth Brereton Snell and Wilmer 15 West South Temple Suite 1200 Salt Lake City, Utah 84101 Email: lbrereton@swlaw.com Phone: 801-257-1916

II. APPLICATION

As required by Utah Admin. Code R746-349-7, to the extent it applies, Sprint Communications provides the following information:

1. Identification that Applicant is Not an ILEC.

Sprint Communications certifies that it is not an incumbent local exchange carrier (“ILEC”) in Utah.

2. Identification that Applicant Seeks Approval of the Application Pursuant to Utah Admin. Code R746-349-7.

As noted above, under Utah Code Ann. §§ 54-4-28, 54-4-29 and 54-4-30, the Indirect CLEC Acquisition does not require approval by the Commission because it does not involve a “public utility” on both sides of the transaction, and because the definitions of “public utility” and “telephone corporation” in §§ 54-2-1(21) and (31), respectively excludes CMRS providers such as T-Mobile USA’s subsidiaries. However, to the extent that the Commission deems approval is required, Sprint Communications declares that it is seeking approval for this Application pursuant to Utah Admin. Code R746-349-7.

Sprint Communications further requests that the Commission issue a report and order granting this Application without a hearing consistent with Utah Code Ann. § 54-8b-3(1)(b) and Utah Admin. Code R746-110. If Sprint Communications’ request for informal adjudication is unopposed, the Application in the present case meets the conditions of Section 54-8b-3(1)(b) because this matter is not one of the proceedings described in Section 54-1-3(2)(a) and Sprint Communications has requested that the Application be adjudicated informally. In that situation, the Commission should designate this Application as an informal adjudicative proceeding, determine that approval of the Indirect CLEC Acquisition is in the public interest pursuant to R746-349-7(A)(3), and grant the Application without a hearing.

3. A Reasonably Detailed Description of the Transaction for Which Approval is Sought

T-Mobile and Sprint, among others, have entered into an agreement (the “Business Combination Agreement”),⁸ which sets forth the structure and steps of a proposed transaction (the “Merger Transaction”). In short, the Merger Transaction will be a merger of Sprint into an indirect wholly owned subsidiary of T-Mobile, with Sprint surviving as a direct subsidiary of T-Mobile USA. This will be accomplished through several, virtually simultaneous steps.

⁸ The multiple agreements that constitute the Business Combination Agreement may be accessed via the following URL: https://www.sec.gov/Archives/edgar/data/101830/000110465918028087/a18-12444_1ex2d1.htm#Exhibit2_1_122313.

At closing, if certain conditions are met, the first step will be that SoftBank subsidiaries, Galaxy and Starburst, which currently collectively own approximately 84 percent of Sprint, will merge with and into Huron, with Huron continuing as the surviving corporation. Next, Superior will merge with and into Sprint, with Sprint continuing as the surviving entity.⁹ As a final step, Huron will distribute Sprint stock to T-Mobile, which T-Mobile will then contribute to its direct subsidiary, T-Mobile USA. Following completion of these steps, Sprint will be a wholly owned subsidiary of T-Mobile USA. Deutsche Telekom and SoftBank are expected to hold approximately 42 percent and 27 percent of the fully diluted shares of T-Mobile Common Stock, respectively, with the remaining approximately 31 percent of the fully diluted shares of T-Mobile Common Stock held by public stockholders.

Attachment A to this Application depicts the pre- and post-closing structures relating to the Merger Transaction. Sprint Communications is one of the subsidiaries included in the “Sprint Subs” represented in the diagram.

Following the Merger Transaction, Sprint Communications will become an indirect wholly owned subsidiary of T-Mobile USA but will not otherwise experience a change of control and will continue to operate as an indirect subsidiary of Sprint. T-Mobile USA will continue to be a wholly owned subsidiary of T-Mobile. T-Mobile will continue to operate as T-Mobile and trade as “TMUS.” T-Mobile will retain its headquarters in Bellevue, Washington, and maintain a secondary headquarters in Overland Park, Kansas.

The Merger Transaction is conditioned upon receipt of the approval of both T-Mobile and Sprint shareholders and the required regulatory and other governmental consents. In particular, the Merger Transaction discussed herein is subject to approval by the FCC and review by the U.S.

⁹ If the first step above does not occur because the requisite conditions are not met, Sprint shares held by Galaxy and Starburst will be converted into T-Mobile shares in this step.

Department of Justice (“DOJ”). Applications seeking FCC approval were filed on June 18, 2018. Both Deutsche Telekom and SoftBank filed their individual notices with the DOJ on May 24, 2018. T-Mobile and Sprint intend to consummate the Merger Transaction as promptly as possible after the necessary FCC and other federal and state regulatory approvals have been received and all other preconditions have been met.

4. Copies of Any Filings Required by the Federal Communications Commission or Any Other State Utility Regulatory Agency in Connection with the Transaction.

Due to the voluminous nature of these filings, Sprint provides links or lists of the corresponding filings in lieu of copies of the filings as required by R746-349-7(A)(1)(d), and to the extent necessary, Sprint requests a waiver of such rule.

- **Attachment B.** A link to the Public Interest Statement filed with the FCC by T-Mobile and Sprint.
- **Attachment C.** A link to the Domestic and International Section 214 Application filed with the FCC by T-Mobile and Sprint.
- **Attachment D.** A list of the filings made with the FCC and state utility regulatory agencies to date. Applicant will provide a list of any additional filings, or copies of the individual state filings, at the request of the Commission or the parties to this docket.

5. Copies of Any Notices, Correspondence or Orders from any Federal Agency or Other State Utility Regulatory Agency Reviewing the Transaction, Which is the Subject of the Application.

Sprint Communications has not yet received any notices, correspondence or orders from any federal agency or state utility regulatory agency reviewing the Indirect CLEC Acquisition. To

the extent requested by the Commission, Sprint Communication will forward any orders or similar actions granting or denying the request for approval of transfer of control.

III. Public Interest Considerations

The Indirect CLEC Acquisition is in the public interest. As noted above, Sprint Communications, the certificated entity operating in this State, will remain a wholly owned indirect subsidiary of Sprint. There is no risk of competitive harm resulting from the wireline operations of Sprint Communications being acquired by a new corporate parent. Neither T-Mobile USA nor its subsidiaries have a registered entity in this State that provides wireline services in competition with Sprint Communications.

The Indirect CLEC Acquisition will be seamless to existing customers of Sprint Communications in Utah. Upon consummation of the Indirect CLEC Acquisition, Sprint Communications will continue to provide the services that it currently provides to customers in this State, subject to Sprint Communications' existing plans to discontinue its TDM services and transition customers to Internet Protocol ("IP") services. All existing Sprint Communications contracts will be honored, including transitioning customers to IP services.

Moreover, the Indirect CLEC Acquisition will increase the managerial, technical, and financial resources available to Sprint Communications. Sprint Communications will become part of a much larger scale entity with substantial financial resources. This will benefit existing Sprint Communications customers by creating the opportunity to deploy a more extensive network. As a result of the Indirect CLEC Acquisition, Sprint Communications will be able to offer a wider array of services that can be bundled with wireless services. This will permit Sprint Communications to compete more effectively in the marketplace to the benefit of consumers in the State.

In addition, the Merger Transaction described herein will bring numerous other public interest benefits to the residents in this State.¹⁰ The Merger Transaction will accomplish a goal critical to enhancing consumer welfare throughout this country, including in this State: the rapid and widespread deployment of 5G networks in a market structure that spurs rivals to invest in increased capacity, and, correspondingly, to drop the price of data per gigabyte. The new T-Mobile (“New T-Mobile”) will be able to leverage a unique combination of complementary assets to unlock synergies in order to build a world-leading nationwide 5G network. This next-generation wireless technology will deliver unprecedented services to consumers, increasingly disrupt the wireless industry, and ensure U.S. leadership in the race to deploy 5G. This new nationwide 5G network will also bring improved high-speed broadband services to rural consumers in this State and nationwide. Finally, New T-Mobile’s increased investment and rapid growth—and resultant accelerated roll-out of 5G services—will stimulate thousands of additional jobs throughout the U.S. economy.

IV. Conclusion

For the foregoing reasons, Sprint Communications submits that the public interest would be served by the transaction described herein.

Wherefore, Sprint Communications respectfully requests a statement by the Commission that review and approval of the Indirect CLEC Acquisition is not required or, in the alternative, expeditious approval of the Indirect CLEC Acquisition, and such other relief as this Commission deems just and proper.

¹⁰ The Indirect CLEC Acquisition is the subject of this filing. Discussion of the public interest benefits of the associated Merger Transaction is included only for informational purposes. In submitting this filing, the Applicant reserves its rights under federal law, including the Communications Act.

Respectfully submitted this 13th day of July, 2018,

Sprint Communications Company L.P.

/s/ Sharon M. Bertelsen

Sharon M. Bertelsen

Ballard Spahr LLP

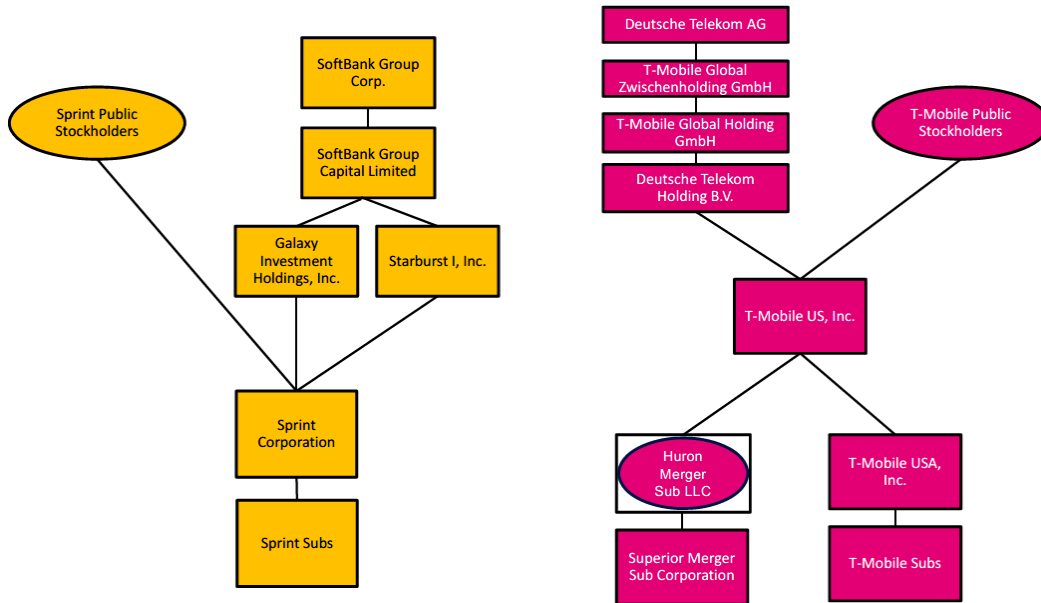
201 South Main Street, Suite 800

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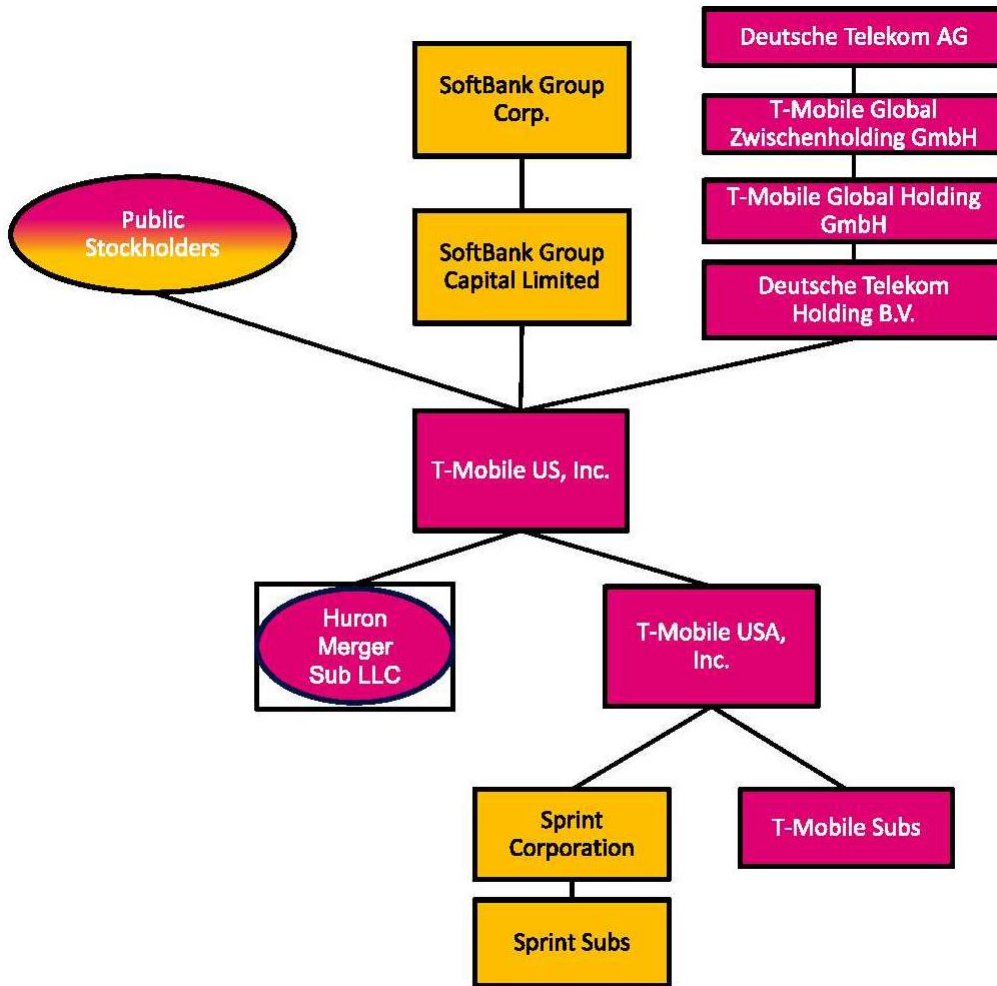
Attachment A

Diagrams of the Pre- and Post-Transaction Corporate Organization Structures

Pre-closing:



Post-closing:



Attachment B

Public Interest Statement Filed with the FCC by T-Mobile and Sprint

A link to the Public Interest Statement filed with the FCC by T-Mobile and Sprint is available at the following URL: [https://ecfsapi.fcc.gov/file/10618281006240/Public Interest Statement and Appendices A-J \(Public Redacted\) .pdf](https://ecfsapi.fcc.gov/file/10618281006240/Public_Interest_Statement_and_Appendices_A-J_(Public_Redacted).pdf).

Attachment C

Domestic and International Section 214 Application filed with the FCC

A link to the Domestic and International Section 214 Application filed with the FCC by T-Mobile and Sprint is available at the following URL:

<https://ecfsapi.fcc.gov/file/1061884849864/Joint%20Domestic-Intl%20214%20Application%20061818.pdf>.

Attachment D

List of FCC and State Utility Regulatory Agency Filings to Date

1. Joint Application for Consent to Transfer Control of International and Domestic Authority Pursuant to Section 214 of the Communications Act of 1934, as amended, from Sprint Corporation to T-Mobile US, Inc., FCC Docket No. WTB-197 (June 18, 2018).
2. Hawaii Public Utilities Commission, T-Mobile and Sprint Notice of CMRS Merger, Docket No. 03-0186, Decision and Order No. 20890 filed on April 7,-2004 (June 22, 2018).
3. North Carolina Utilities Commission, Notice of Indirect Transfer of Control of Sprint Communications Company L.P. to T-Mobile USA, Inc., Docket P-294 (June 25, 2018).
4. Hawaii Public Utilities Commission, T-Mobile USA, Inc. and Sprint Communications Company L.P.'s Joint Application, Exhibit "A," Verifications and Certificate of Service, Docket No. 2018-0157 (July 6, 2018).
5. New York Public Service Commission, Joint Application of T-Mobile USA, Inc. and Sprint Communications Company L.P. Concerning an Indirect Transfer of Control, Docket No. 18-C-0396 (July 6, 2018).
6. Pennsylvania Public Utility Commission, Application of Sprint Communications Company L.P. for Approval of a General Rule Transaction of the Indirect Change in Control By Merger of Applicant from SoftBank Group Corp. to T-Mobile US, Inc., Docket No. A-2018-3003259 (July 6, 2018).
7. Louisiana Public Service Commission, letter to Brandon M. Frey, Executive Secretary, Re: T-Mobile USA, Inc. and Sprint Corporation, ex parte, In Re: Section 301.M Notice of Change in Ownership Involving Subsidiaries of T-Mobile USA, Inc. and Sprint Corporation (July 9, 2018).

VERIFICATION

State of Kansas

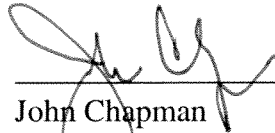
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County of Johnson

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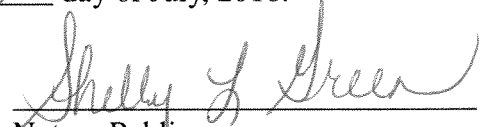
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I, John Chapman, state that I am Vice President and Assistant Secretary of Sprint Communications Company L.P. ("Sprint Communications"); that I am authorized to represent Sprint Communications and to make this Verification on its behalf; that I have read the foregoing Application; and that the statements therein with respect to Sprint Communications are true and correct to the best of my knowledge, information and belief.



John Chapman
Vice President and Assistant Secretary

SWORN TO AND SUBSCRIBED BEFORE ME on the 12th day of July, 2018.



Notary Public

My commission expires 1/5/2020



Docket No. 18-094-02

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the filing was served by electronic mail the 13th day of July, 2018, on the following:

Utah Office of the Attorney General:

Patricia Schmid	pschmid@agutah.gov
Justin Jetter	jjetter@agutah.gov
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Robert Moore	rmoore@agutah.gov

Division of Public Utilities:

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William Duncan	wduncan@utah.gov
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Shauna Benvengnu-Springer	sbenvegn@utah.gov

Office of Consumer Services:

Michele Beck	mbeck@utah.gov
Cheryl Murray	cmurray@utah.gov

/s/ Sharon M. Bertelsen