



State of Utah
Department of Commerce
Division of Public Utilities

FRANCINE GIANI
Executive Director

CHRIS PARKER
Director, Division of Public Utilities

GARY HERBERT.
Governor
SPENCER J. COX
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: July 30, 2018

Re: In the Matter of the Joint Application of Sprint Communications Company L.P. for Informal Adjudication of Indirect Transfer of Control. Docket No. 18-094-02.

RECOMMENDATION (Allow):

The Division of Public Utilities (“Division”) has reviewed the joint application between Sprint Communications Company L.P. and T-Mobile USA, Inc. The public interest will be promoted by the Public Service Commission (“Commission”) allowing this Indirect Transfer of Control. 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.

The Division expects that, based on history that a filing of this type and with the information submitted by the company, there will be no objections or opposition to this recommendation. Therefore, the Division requests that this docket be adjudicated informally in accordance with R746-110-1.

EXPLANATION:

On or about July 13, 2018, Sprint Communications Company L.P. (“Sprint”) and T-Mobile USA, Inc. (“T-Mobile”) notified the Commission of a transaction, which will result in a transfer of control of Sprint to T-Mobile.

Sprint Communications Company L.P. is a Delaware limited partnership headquartered at 6200 Sprint Parkway, Overland Park, KS, 66251. It is a wholly-owned subsidiary of Sprint Corporation. Sprint was authorized to provide public telecommunications services in the State of Utah by the Commission on January 14, 1997, Docket No. 97-094-01.

T-Mobile USA, Inc. is a Delaware corporation headquartered at 12920 SE 38th Street, Bellevue, WA, 98006. It is a wholly-owned subsidiary of T-Mobile US, Inc. T-Mobile provides wireless telecom service in the State of Utah.

T-Mobile US, Inc. and Sprint Corporation, the parent companies, have entered into an agreement whereby Sprint Corporation will merge with T-Mobile US, Inc. Following the merger, 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 be an indirect wholly owned subsidiary of Sprint Corporation and there will be no transfer of the operating authority held by Sprint Communications.

The Applicants submit that the transaction described herein will serve the public interest. Sprint, the certificated entity operating in Utah, will remain a wholly owned indirect subsidiary of Sprint Corporation. 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 Utah that provides wireline services in competition with Sprint Communications.

The Applicants further submit that the transaction will be conducted in a manner that will be largely transparent their customers. 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.

Cc. Diane Browning, Counsel for Sprint Communications Company L.P.
Sharon M. Bertelsen, Ballard Spahr LLP
Teri Ohta, Principal Corporate Counsel for T-Mobile USA, Inc.
Elizabeth Brereton, Snell and Wilmer
Justin Jetter, Assistant Attorney General, State of Utah
Office of Consumer Services, State of Utah