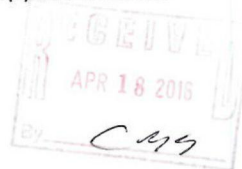




ATTORNEYS AT LAW

APR 18 2016

MAIL RECEIVED

James C. Meyer  
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jmeyer@riker.com  
Reply to: Morristown

April 18, 2016

**Via Hand Delivery**Irene Kim Asbury, Secretary  
Board of Public Utilities  
44 South Clinton Ave., 3d Floor, Suite 314  
Trenton, NJ 08625-0350

TM16050417

**RE: Sprint Communications Company L.P.'s Notification of Intra-Company Change at Holding Company Level**

Dear Secretary Asbury:

Sprint Communications Company L.P. ("Sprint"), through Sprint's undersigned counsel, hereby notifies the New Jersey Board of Public Utilities ("Board") of an intra-company change, at the holding company level only, that will result in the insertion of a wholly owned subsidiary into the vertical ownership chain between SoftBank Group Corp. ("SoftBank"), Sprint's ultimate parent company, and the holding companies in which its Sprint Corporation ("Sprint Corp.") shares are currently held. This intra-company change will not result in any change in control of Sprint. Further, there will be no transfer of certificates, assets or customers as a result of this transaction, and the intra-company change will be transparent to Sprint customers. Nonetheless, Sprint believes that it is appropriate to notify the Board and its Staff of this matter.

As part of this notification, Sprint provides the following information:

**I. Description of the Entities**

SoftBank<sup>1</sup> is a Japanese kabushiki kaisha (corporation) and holding company that is publicly traded on the Tokyo Stock Exchange. SoftBank's subsidiaries and affiliates are engaged in a number of information technology and Internet-related businesses, including mobile communications, broadband infrastructure, fixed-line telecommunications, e-commerce and web portals. In July 2013, following approval by regulatory authorities, including this Board,<sup>2</sup>

Cms  
LEGAL  
DAGRPA  
M. BEYER  
C. ARFALEH. Bond  
L. Gilbert  
TELEC

R. Della-Serra

<sup>1</sup> The entity formerly known as SOFTBANK CORP. has changed its name to SoftBank Group Corp.<sup>2</sup> This Board approved the transaction through an Order dated March 20, 2013 in Docket No. TM12111044.

SoftBank acquired an approximately 78% indirect interest in the entity that is now Sprint Corp.<sup>3</sup> As of December 31, 2015, SoftBank held an approximately 83.4% indirect interest in Sprint Corp. through two wholly owned subsidiaries: Starburst I, Inc. ("Starburst") and Galaxy Investment Holdings, Inc. ("Galaxy"). Specifically, SoftBank held a 77.5% interest in Sprint Corp. through Starburst, and a 5.9% interest through Galaxy. Softbank holds no authorizations from the Board and has no customers in the state of New Jersey; thus, it does not provide regulated telecommunications services or telephone access line service in New Jersey.

SoftBank Group International GK<sup>4</sup> is a Japanese godo kaisha (limited liability company). It was previously a dormant investment holding company, and it is a wholly owned direct subsidiary of SoftBank. SoftBank Group International GK is also authorized to conduct other business, including: information provision services; information processing services; acquiring, holding and managing securities; advertising agency services; and any business related to or incidental to the foregoing. SoftBank Group International GK holds no authorizations from the Board and has no customers in the state of New Jersey; thus, it does not provide regulated telecommunications services or telephone access line service in New Jersey.

Sprint Corp. is a publicly traded Delaware corporation and global communications company that, through its subsidiaries, offers a comprehensive range of wireless and wireline voice and data products and services to residential, business, government, and reseller consumers throughout the United States and around the world. Sprint Corp. offers wireless and/or wireline voice and data services in all fifty states, the District of Columbia, Puerto Rico, and the U.S. Virgin Islands. Sprint Corp. is primarily a holding company, with most operations conducted by its subsidiaries, including, but not limited to, Sprint, Virgin Mobile USA, L.P., and Sprint Spectrum L.P.<sup>5</sup> Sprint Corp. holds no authorizations from the Board and has no customers in the state of New Jersey; thus, it does not provide regulated telecommunications services or telephone access line service in New Jersey.

Sprint is a Delaware limited partnership with a principal business office at 6200 Sprint Parkway, Overland Park, Kansas 66251. Sprint is an indirect wholly owned subsidiary of Sprint Corp. Sprint is authorized to provide service as a Competitive Local Exchange Carrier

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<sup>3</sup> The initial transactions resulting in SoftBank's acquisition of Sprint are further described in the FCC's 2013 Order approving the transactions. See generally *In re Applications of SoftBank Corp., Starburst II, Inc., Sprint Nextel Corp., and Clearwire Corporation*, Memorandum Opinion and Order, Declaratory Ruling, and Order on Reconsideration, 28 FCC Rcd 9642 (2013).

<sup>4</sup> SoftBank Group International GK was previously named BM Holdings GK. On March 31, 2016, it was internally resolved to change BM Holdings GK's name to SoftBank Group International GK. Formal registration of the name change was completed in Japan on April 13, 2016, after Sprint had filed applications associated with the transaction with the FCC. Sprint is in the process of notifying the FCC of the name change in accordance with the FCC's rules.

<sup>5</sup> Sprint Spectrum, L.P. and Nextel of New York, Inc. are indirect wholly owned subsidiaries of Sprint Corp. that operate as facilities based wireless carriers in New Jersey. Virgin Mobile USA, L.P. is a wholly owned subsidiary of Sprint designated by the Board as an Eligible Telecommunications Carrier for the limited purpose of offering wireless Lifeline services in New Jersey. See Order of Approval, *In the Matter of Virgin Mobile USA, L.P. Petition for Limited Designation as an Eligible Telecommunications Carrier*, Docket No. TO10020093 (entered August 4, 2010). The Board does not regulate wireless telephone services under Title 48.

("CLEC") and an Interexchange Carrier ("IXC") in New Jersey.<sup>6</sup> However, in 2015, Sprint discontinued the provision of consumer wireline long-distance services and features in New Jersey, following submission of the required notices to the Board and customers pursuant to Board rules.

## **II. Description of the Intra-Company Change**

On March 7, 2016, SoftBank's Board of Directors resolved to reorganize SoftBank's intermediate and holding companies. As part of this internal restructuring, SoftBank intends to insert a wholly owned subsidiary – SoftBank Group International GK – into the vertical ownership chain between SoftBank and the holding companies (i.e., Starburst and Galaxy) in which its Sprint Corp. shares are currently held. Specifically, and subject to any necessary regulatory approvals, Softbank will transfer 100% of Galaxy shares and approximately 70.4% of SoftBank's interest in Starburst to SoftBank Group International GK. Diagrams showing the relevant changes to SoftBank's corporate structure are attached to this application as Exhibit A. A copy of filings made at the FCC regarding this intra-company change can be found at: <http://wireless2.fcc.gov/USApp/ApplicationSearch/appMain.jsp?applID=9583247> and [http://licensing.fcc.gov/cgi-bin/ws.exe/prod/ib/forms/reports/swr031b.htm?q\\_set=V\\_SITE\\_ANTENNA\\_FREQ.file\\_numberC/File+Number%3D/ISPPDR2016041100006&prepare=&column=V\\_SITE\\_ANTENNA\\_FREQ.file\\_numberC/File+Number](http://licensing.fcc.gov/cgi-bin/ws.exe/prod/ib/forms/reports/swr031b.htm?q_set=V_SITE_ANTENNA_FREQ.file_numberC/File+Number%3D/ISPPDR2016041100006&prepare=&column=V_SITE_ANTENNA_FREQ.file_numberC/File+Number).

This intra-company change does not involve a change of operating authority, assets, or customers, or changes to the services provided, in New Jersey or elsewhere. Sprint will continue to hold all of the authorizations that it holds prior to the intra-company change. The current customers of Sprint will remain customers of Sprint following the proposed intra-company change. Accordingly, the intra-company change will be seamless to customers.

## **III. Public Interest Statement**

The intra-company change will serve the public interest, including Sprint's customers and the State of New Jersey. The purpose of SoftBank's proposed reorganization is to separate SoftBank's global and domestic operations, which will enable SoftBank to provide greater transparency to its shareholders in reporting the performance of its business operations in Japan and its business operations abroad. This, in turn, will serve the public interest by increasing efficiency in corporate operations and improving SoftBank's value. There will be no changes to SoftBank's stock, or to the ultimate ownership of SoftBank's voting or equity interests in Sprint Corp., as a result of the proposed transaction. Sprint Corp.'s direct owners (Starburst and Galaxy) will remain the same and their ownership percentages of Sprint Corp. will not change. Similarly, the owners of New Jersey's regulated entity, Sprint Communications Company, L.P., will not change. Likewise, the insertion of SoftBank Group International GK into the SoftBank corporate structure will have no immediate impact on Sprint's operations, certificated entities,

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<sup>6</sup> The Board approved Sprint to provide intrastate interexchange service statewide in Docket No. TM8603294, to provide intrastate intraLATA toll service statewide in Docket No. TE92111047, and to provide CLEC services statewide in Docket No. TE96060479.

ultimate ownership, or ultimate control, and thus will be seamless for Sprint's customers, who will receive the same services over the same facilities following the reorganization. However, as SoftBank's subsidiary, Sprint will ultimately benefit from the increased efficiency and improved transparency effected by the restructuring. As a result of reorganizing in a way that improves its value, SoftBank will be better positioned to manage and invest in Sprint's operations over the long term, which will enhance its competitiveness.

The intra-company change will not negatively affect Sprint's employees. Indeed, Sprint Corp.'s regulated entity in New Jersey does not have employees of its own. The intra-company change also will not have any negative impact on rates or the provision of services to Sprint customers, which will continue to be provided as they currently are.<sup>7</sup> We have attached hereto a verification regarding the statements made in this letter.

#### ***IV. Notification to the Board is Appropriate for this Intra-Company Change***

Sprint respectfully submits that prior Board approval of this intra-company change is not required under N.J.S.A. 48:2-51.1 or any other state statute or regulation. First, the intra-company change occurs above the holding company level rather than at the "public utility" level. Second, and importantly, there is no resulting change in control of Sprint because SoftBank will be the ultimate parent company in control after the intra-company change, just as it is now, with the only change being the insertion of SoftBank Group International GK, a wholly owned intermediary subsidiary. Finally, the New Jersey Legislature in P.L. 2008, c. 87 exempted financial transactions of parent corporations of telecommunications companies from Board review and approval. See e.g. N.J.S.A. 48:2-51.1.b. Here, Board review and approval is not required because Sprint's parent company (Sprint Corp.) does not itself provide regulated telecommunications services or telephone access line service in New Jersey. Also, the holding company being inserted into Softbank's corporate structure, SoftBank Group International GK, similarly does not provide regulated telecommunications services or telephone access line service in New Jersey. SoftBank Group International GK also does not own a controlling interest in another entity which provides telecommunications services or telephone access line service in New Jersey. N.J.S.A. 48:2-51.1.b.

To the extent the Board nonetheless determines that Board approval is required, Sprint respectfully urges that the intra-company changes will not result in any harm to Sprint's employees, rates or services, but rather will serve the interests of the public, including Sprint's customers and the State of New Jersey.

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<sup>7</sup> All of Sprint's non-wireless retail services have been deemed competitive such that the Board does not regulate their rates or terms.

**V. Contact Information**

For purposes of this notification letter, the contact for the parties is as follows:

James C. Meyer  
Riker Danzig Scherer Hyland & Perretti LLP  
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**VI. Expedited Approval**

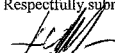
Sprint requests that Staff promptly notify it that Board approval is not required. Alternatively, to the extent the Board determines that approval of this intra-company change is required, Sprint requests that the approval be granted on an expedited basis, with approval issued not later than the Board's May 25, 2016 Agenda Meeting.

**VII. Conclusion**

For the reasons discussed above, the Board should advise Sprint that this intra-company change may proceed without further approval of the Board, or, in the alternative, should issue an order granting expedited approval for the intra-company change on an expedited basis.

An original and twelve (11) copies of this notification letter are enclosed for filing. Kindly return one copy stamped filed in the enclosed postage-paid envelope. If you have any questions or need any further information, please do not hesitate to contact the undersigned.

Respectfully submitted,

  
James C. Meyer  
Attorney for Sprint

Enclosures

Irene Kim Asbury, Secretary  
April 18, 2016  
Page 6

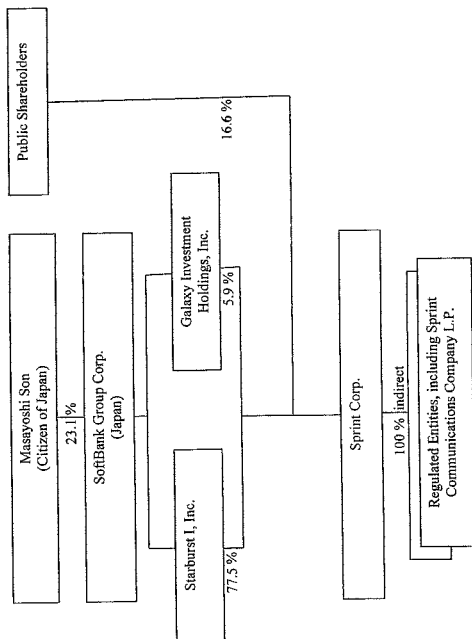
cc:

Via Hand Delivery and Email

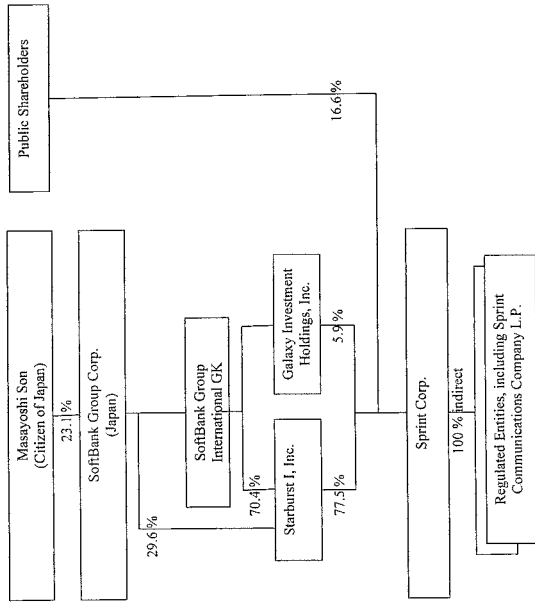
Lawanda Gilbert, Director, Division of Cable/Telecommunications  
Mark Beyer, Office of the Economist  
Harold Bond, Board Staff  
Carol Artale, Counsel's Office  
Stefanie Brand, Director, Division of Rate Counsel  
Maria Novas-Ruiz, Division of Rate Counsel

Via U.S. Mail and Email

Christopher Psihoules, Esq., DAG  
Patricia Krogman, Esq., DAG

Diagram of Organization Structure Prior to Reorganization<sup>1</sup>**Key**<sup>1</sup> All ownership 100% direct unless otherwise noted.

**Diagram of Organization Structure After Reorganization<sup>2</sup>**



**Key**

<sup>2</sup> All ownership 100% direct unless otherwise noted.



**BEFORE THE  
NEW JERSEY BOARD OF PUBLIC UTILITIES**

Sprint Communications Company L.P.                     )  
Notification of Intra-Company Change at                 )  
Holding Company Level   )

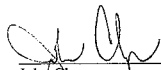
STATE of KANSAS                     )

COUNTY of JOHNSON                 )

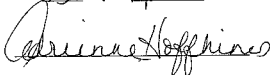
**VERIFICATION**

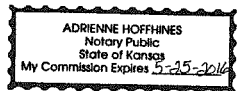
John Chapman, of full age, being duly sworn according to law, on his oath deposes and says:

1. I am the Vice President and Assistant Secretary of Sprint Communications Company L.P.
2. I am authorized to represent Sprint Communications Company L.P. and to make this verification on its behalf.
3. I have read the letter notice to the New Jersey Board of Public Utilities regarding the above-captioned matter and the statements contained therein are true and correct to the best of my knowledge and belief.

  
\_\_\_\_\_  
John Chapman  
6450 Sprint Parkway  
Overland Park, KS 66251

Sworn and subscribed before me  
this 13 day of April, 2016





**SERVICE LIST****Sprint Communications Company L.P.'s Notification of Intra-Company Change****Board of Public Utilities**

Irene Kim Asbury

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