



State of New Jersey
DIVISION OF RATE COUNSEL
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BOARD OF PUBLIC UTILITIES
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Governor

KIM GUADAGNO
Lt. Governor

STEFANIE A. BRAND
Director

May 19, 2016

Irene K. Asbury,
Board Secretary
New Jersey Board of Public Utilities
44 South Clinton Avenue, 3rd Fl., Ste. 314
P.O. Box 350
Trenton, New Jersey 08625-0350

Re: I/M/O Sprint Communications Company L.P.'s Notification of Intra-
Company Change at the Holding Company Level.
BPU Docket No. TM16050417

Dear Secretary Asbury:

The Division of the Rate Counsel ("Rate Counsel") has reviewed the above-captioned Notification Filing of Sprint Communications Company L.P. ("Sprint") to the New Jersey Board of Public Utilities ("Board") of an intra-company change /corporate restructuring at the Holding Company level designed to streamline operations and generate efficiencies.¹ Petitioners have requested expedited treatment of this filing. Rate Counsel submits the within comments for consideration by the New Jersey Board of Public Utilities ("Board") on this matter. Enclosed with this original please find ten copies kindly return a time/date stamp copy to Rate Counsel. For the reasons that follow, Rate Counsel does not oppose the Board's grant of approval of this transaction on an expedited basis.

Sprint is a Delaware limited partnership headquartered in Overland Park, Kansas that provides local exchange and interexchange telecommunications services in New Jersey.² Sprint is an indirect wholly-owned subsidiary of Sprint Corp., which is directly owned by Starburst, Inc., and Galaxy Investment Holdings, Inc., which are directly owned by Softbank Group Corp., (Japan). The transaction will insert a wholly owned subsidiary, SoftBank Group International GK into the vertical ownership chain between SoftBank Group Corp and its holding companies Starburst and Galaxy.³ The corporate restructuring will be transparent to customers.⁴ There will be no negative impact on customers as Sprint's services will continue to be provided under the same rates, terms and conditions. Sprint has no employees in New Jersey, therefore there will not be any impact on New Jersey employees or employment.⁵ The Petitioner states that the

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^{1/} Filing under Section III. "Public Interest Statement," at pp. 3-4.

^{2/} See, BPU Dockets TM8603294, TE92111047 and TE96060479.

^{3/} Filing under Section II. "Description of Intra-Company Change," at p. 3.

^{4/} Filing at pp. 3-4.

^{5/} *Id.* at p. 4.

reorganization will improve SoftBank's value and ability to manage and invest in Sprint's operations over the long term, thus enhance its competitiveness.⁶

Sprint contends that Board approval is not required under the facts herein as the corporate restructuring "occurs above the holding company level rather than at the 'public utility' level," and "Sprint's parent company Sprint Corp., does not itself provide the regulated telecommunications services nor access line service in New Jersey."⁷ Nonetheless, Rate Counsel believes there is sufficient nexus to require Board review and approval of the transaction under *N.J.S.A. 48:2-51.1*. The Board is required to evaluate the impact of the transaction on rates, employees of the utilities involved. Petitioners submit that the transaction will have no adverse impact on employees in New Jersey, and that service will be provided on the same terms, rates and conditions. Petitioners submit that the corporate reorganization will increase efficiencies and hence increase their competitive position in the New Jersey telecommunications market. Petitioners herein have met the regulatory standards for approval of such a transaction.

Rate Counsel hopes that the corporate reorganization will in fact promote competition in the New Jersey telecommunications market to the benefit of both residential and business customers in this State. Accordingly, Rate Counsel recommends that the Board grant approval of the intra-company change.

Thank you for your attention to this matter.

Very truly yours,

STEFANIE A. BRAND,
DIRECTOR
NEW JERSEY DIVISION OF RATE COUNSEL



Maria T. Novas-Ruiz,
Assistant Deputy Rate Counsel

cc: Service List (*via regular mail*)

⁶ *Id.*

⁷ Filing at p. 4.

**Sprint Communications Co.,
L.P.'s Notification of an
Intra-Company Change**

Doc # 93380

BPU Docket No.: TM16050417

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