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JUL 16 2018

BOARD OF PUBLIC UTILITIES
TRENTON, NJ

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July 13, 2018

Via Federal Express

Hon. Aida Camacho
Secretary
New Jersey Board of Public Utilities
44 S. Clinton Avenue, 9th Floor
P.O. Box 350
Trenton, NJ 08625-0350

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MAIL ROOM

JUL 16 2018

BOARD OF PUBLIC UTILITIES
TRENTON, NJ

TM18070730

Re: Notice of Indirect Transfer of Control of Sprint Communications Company L.P.

Dear Secretary Camacho:

T-Mobile USA, Inc. ("T-Mobile USA"), a Delaware corporation, and Sprint Communications Company L.P. ("Sprint Communications"), a Delaware limited partnership, (collectively, the "Parties"), through the undersigned counsel for Sprint Communications, hereby notify the New Jersey Board of Public Utilities (the "Board") of a transaction that will result in Sprint Communications becoming an indirect wholly owned subsidiary of T-Mobile USA (the "Indirect Certificated Entity Acquisition").

Sprint Communications is a non-dominant carrier that holds authority from the Board to provide interexchange services and local services as a reseller and facilities-based carrier to business and residential customers statewide.¹ The Indirect Certificated Entity Acquisition will occur by virtue of a merger at the parent holding company level; therefore, Sprint Communications will not experience a change in its direct control. Sprint Communications will continue to be an indirect wholly owned subsidiary of Sprint Corporation ("Sprint"), which will become a direct, wholly owned subsidiary of T-Mobile USA. As part of this Notice, which is verified, the Parties offer the following information:

CMS
C. Antale
DAG
RPA
L. Gilbert
H. Bond
TELEC (4)

¹ The Board approved Sprint Communications to provide intrastate interexchange service statewide in Docket No. TM8603294, to provide intrastate intraLATA toll service statewide in Docket No. TE92111047, and to provide competitive local exchange carrier ("CLEC") services statewide in Docket No. TE96060479.

Description of the Parties and Related Entities

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

T-Mobile US, Inc. (“T-Mobile”) is a publicly traded² 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 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 50 countries around the world.

Sprint Communications and Sprint Corporation

Sprint Communications is authorized to provide telecommunications services in New Jersey as an interexchange carrier (“IXC”) and a CLEC.³ Sprint Communications is an indirect wholly owned subsidiary of Sprint, a publicly traded⁴ Delaware corporation.⁵

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”).⁶ In particular,

² T-Mobile is traded on the NASDAQ as “TMUS.”

³ Sprint Communications has no residential customers in New Jersey. 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 the Board. 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 New Jersey. In addition, Sprint Communications will continue to comply with its obligations as the provider of Telecommunications Relay Service (“TRS”) in New Jersey.

⁴ Sprint is traded on the New York Stock Exchange as “S.”

⁵ 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.

⁶ See *In the Matter of the Notification of Indirect Transfer of Control of Sprint Commc'ns Co. L.P. to Starburst II, Inc.*, TM12111044, 2013 WL 1344488 (N.J. B.P.U. Mar. 20, 2013).

SoftBank obtained this interest via Starburst I, Inc. (“Starburst”), a Delaware corporation, and Galaxy Investment Holdings, Inc. (“Galaxy”), also a Delaware corporation.⁷ 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.

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 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.

Description of Transaction Resulting in the Indirect Certificated Entity Acquisition

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 subsidiary of T-Mobile, with Sprint surviving as a direct subsidiary of T-Mobile USA. This will be accomplished through several, virtually simultaneous steps.

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.

Exhibit A to this Notice 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

⁷ Starburst and Galaxy are not regulated operating entities but were created to operate as intermediary holding companies through which SoftBank owns Sprint. Starburst and Galaxy were created for use in the 2013 Transaction.

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.

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.

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. Department of Justice ("DOJ"). Applications seeking FCC approval were filed on June 18, 2018.¹⁰ 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 met.

Public Interest Statement

The Indirect Certificated Entity 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. Sprint Communications' operations will not change as a result of the Indirect Certificated Entity Acquisition. Sprint Communications does not have any employees in New Jersey, so there will not be a detrimental impact to any employees of the certificated entity.

The Indirect Certificated Entity Acquisition will be seamless to existing customers of Sprint Communications. Upon consummation of the Indirect Certificated Entity Acquisition, Sprint Communications will continue to provide the same 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. Sprint Communications will continue to provide safe and adequate services at just and reasonable rates to its customers.

Moreover, the Indirect Certificated Entity 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 Certificated Entity Acquisition, Sprint Communications will be able to offer a wider array of services that can be bundled with wireless

¹⁰ See Joint Application for Consent to Transfer Control of International and Domestic Authority Pursuant to Section 214 of the Communications Act of 1934, as Amended (June 18, 2018), <https://ecfsapi.fcc.gov/file/1061884849864/Joint%20Domestic-Intl%20214%20Application%20061818.pdf>.

services. This will permit Sprint Communications to compete more effectively in the marketplace to the benefit of consumers in New Jersey.

In addition, the Merger Transaction described herein will bring numerous other public interest benefits to the State of New Jersey and New Jersey telecommunications customers.¹¹ The Merger Transaction will accomplish a goal critical to enhancing consumer welfare throughout this country, including in New Jersey: 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 New Jersey 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.

Notification to the Board is Appropriate

It is respectfully submitted that prior approval of the Indirect Certificated Entity Acquisition is not required under section 48:2-51.1 of the New Jersey Statutes, or any other state statute or regulation, for two reasons.

First, the Indirect Certificated Entity Acquisition will occur by virtue of a merger at the parent holding company level only, and not at the “public utility” level contemplated in Section 48:2-51.1. Second, the New Jersey Legislature has expressly exempted from Board review and approval those financial transactions that occur at the parent holding company level. *See* N.J.S.A. 48:2-51.1b; 48:3-7.g; 48:3-9.b; 48:3-10.b.

Here, Board review and approval is not required because Sprint Communications’ parent company – Sprint – does not itself provide regulated telecommunications or telephone access line services in New Jersey and seeks to merge into an entity that does not directly provide regulated telecommunications or telephone access line service in New Jersey and does not, directly or through affiliates, own a controlling interest in another entity that does. *See* N.J.S.A. 48:2-51.1b. Nevertheless, the Indirect Certificated Entity Acquisition is in the public interest, for the reasons shown herein.

¹¹ The Indirect Certificated Entity Acquisition is the subject of this filing. Discussion of the public interest benefits of the associated Merger Transaction is included only for informational purposes. The Board does not regulate wireless services. *See I/M/O the Petition of Mobilitie, LLC For Approval of a Municipal Consent Pursuant to N.J.S.A. 48:2-14*, BPU Docket No. TE17080927, Order (Jan. 31, 2018). In submitting this filing, the Parties reserve their rights under federal law, including the Communications Act.

Contact Information

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

T-Mobile USA, Inc.	Sprint Communications Company L.P.
T-Mobile USA, Inc. 12920 SE 38th Street Bellevue, Washington 98006 Attention: Michele Thomas, Senior National Directory State Regulatory Affairs Email: michele.thomas@t-mobile.com	Sprint Communications Company L.P. 12502 Sunrise Valley Dr. Reston, Virginia 20196 Attention: Michelle Painter, Counsel Email: michelle.painter@sprint.com
With a copy to:	With a copy to:
Daniel R. LeCours Harris Beach PLLC 677 Broadway, Suite 1101 Albany, NY 12207 518-427-9700 Email: dlecours@harrisbeach.com	James Meyer Riker Danzig Scherer Hyland Perretti, LLP Headquarters Plaza One Speedwell Avenue Morristown, NJ 07962 973-451-8464 Email: jmeyer@riker.com

Conclusion

The undersigned is counsel for Sprint Communications, but notes that T-Mobile joins in this submission and has authorized the undersigned to submit this letter on its behalf as well. For the reasons discussed above, the Parties respectfully request that the Board advise that the Indirect Certificated Entity Acquisition may proceed without further approval of the Board.

An original and twelve copies of this Notice are enclosed for filing. Kindly date-stamp the two extra copies and return them in the enclosed envelope. Please do not hesitate to contact the undersigned with any questions or requests for further information.

Respectfully submitted,


James C. Meyer
Attorney for Sprint Communications Company L.P.

Cc: Via U.S. Mail and Email
Attached Service List