BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Joint Application of Sprint Communications Company L.P. (U-5112) and T-Mobile USA, Inc., a Delaware Corporation, for Approval of Transfer of Control of Sprint Communications Company L.P. Pursuant to California Public Utilities Code Section 854(a).

In the Matter of the Joint Application of Sprint Spectrum L.P. (U-3062-C), and Virgin Mobile USA, L.P. (U-4327-C) and T-Mobile USA, Inc., a Delaware Corporation for Review of Wireless Transfer Notification per Commission Decision 95-10-032 Application 18-07-011

Application 18-07-012

JOINT APPLICANTS' MOTION FOR IMMEDIATE APPROVAL OF THE TRANSFER OF SPRINT COMMUNICATIONS COMPANY L.P. TO T-MOBILE USA, INC.

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JOINT APPLICANTS' MOTION FOR IMMEDIATE APPROVAL OF THE TRANSFER OF SPRINT COMMUNICATIONS COMPANY L.P. TO T-MOBILE USA, INC.

Pursuant to Rule 11.1 of the California Public Utilities Commission ("Commission")

Rules of Practice and Procedure, Sprint Communications Company L.P. (U-5112-C) ("Sprint

Wireline") and T-Mobile USA, Inc. ("T-Mobile USA") (collectively, the "Joint Applicants")

respectfully request that the Commission approve the application for transfer of control of Sprint

Wireline to T-Mobile USA, pursuant to California Public Utilities Code § 854(a)¹ without further

delay.

As explained in Joint Applicants' Post-Hearing Opening Brief Requesting Immediate

Approval of the Transfer of Sprint Communications Company L.P. to T-Mobile USA, Inc. filed

April 26, 2019 ("Wireline Opening Br."), the Wireline Approval Application readily satisfies the

¹ See the Joint Application for Approval of Transfer of Control of Sprint Communications Company L.P., Application No. A-18-07-011, filed July 13, 2018 ("Wireline Approval Application"), as supplemented by the Joint Applicants' Consolidated Reply to ORA's and the Joint Consumers' Protests to Application for Approval of Wireline Transfer of Control, filed Aug. 27, 2018 ("Reply to Wireline Protests"), Prehearing Conference Statement, Consolidated Applications Nos. 18-07-011 & 18-07-012, filed Sept. 12, 2018 ("Prehearing Conference Statement"), and subsequent written and live testimony. Separately from their Wireline Approval Application, the Joint Applicants filed a Joint Application for Review of Wireless Transfer Notification, Application No. A-18-07-012, filed July 13, 2018 (the "Wireless Notification").

Commission's well-established standard for approving similar wireline transfers under California Public Utilities Code § 854(a). The undisputed facts established in the Wireline Approval Application, the parties' written testimony, and the testimony presented at the hearings, as well as the arguments set forth in the parties' opening briefs, demonstrate that the Wireline Approval Application involves a straightforward transfer of a competitive local exchange carrier ("CLEC") and non-dominant interexchange carrier ("NDIEC") to a fully qualified acquiring company that does not currently provide wireline services of any kind in California or elsewhere in the United States.

The wireline transaction will be seamless for Sprint Wireline's customers (all of which are enterprise or wholesale customers) and will have no adverse impact on competition in California or elsewhere. To the contrary, approving the wireline transaction will affirmatively advance the public interest, because Sprint Wireline will benefit from the substantial telecommunications experience and greater financial resources of T-Mobile USA – better enabling Sprint Wireline to compete against other providers of CLEC and NDIEC wireline services in California. T-Mobile and Sprint established these facts in the Wireline Approval Application and testimony presented to the Commission, no party has disputed them, and the record does not contain any evidence to the contrary. The Wireline Application should therefore be approved without further delay.

Although the Commission consolidated these two matters for joint proceedings, the record, testimony, and briefing before the Commission conclusively demonstrate not only that there is no factual or legal dispute about whether the wireline transfer satisfies the standard of section 854(a) but also that there is no basis for continued consolidation of the proceedings. Therefore, the Commission should sever these two matters and issue a decision approving the Wireline Approval Application forthwith.

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Neither the Opening Testimony filed by the Intervenors, nor the proceedings that followed – including four days of testimony – raised any impediment to approving the wireline transfer that is the subject of the Application. The Intervenors' opening briefs further confirm that there are no disputed issues concerning the wireline transfer, as no Intervenor contests the substantial evidence in the record demonstrating that the wireline transaction is in the public interest. Indeed, the Intervenors' opening briefs do not even discuss the merits of the wireline transaction. In its brief, the California Public Advocates Office candidly acknowledges that its "protest and testimony focuses on the wireless application."² The briefs of The Utility Reform Network ("TURN"), DISH Network Corporation, and the Communications Workers of America District 9 are similarly focused exclusively on the wireless transaction, and the brief of the Greenlining Institute also does not mention the wireline transaction. In short, the Intervenors' challenges relate only to the merger of the wireless entities. There is thus no benefit gained from continued consolidation of these proceedings and no barrier to granting approval of the Wireline Approval Application based on the record before the Commission.

TURN's brief asserts in passing that "the wireline and wireless transaction are inextricably linked."³ But the fact that the wireline transaction and the wireless transaction are both components of a larger corporate merger⁴ does not change either the nature of the Commission's review of the Wireline Approval Application or the standard applicable to that review. SoftBank's acquisition of Sprint in 2013 also involved the transfer of both wireline and wireless entities, and the Commission correctly approved that acquisition based on its review of

² Opening Brief of the Public Advocates Office, at 6 n. 23, Consolidated Applications Nos. 18-07-011 & 18-07-012 (Apr. 26, 2019) ("Cal. PA Opening Br.").

³ Opening Brief of The Utility Reform Network, at 5, Consolidated Applications Nos. 18-07-011 & 18-07-012 (Apr. 26, 2019) ("TURN Opening Br.").

⁴ TURN Opening Br. at 5.

only the wireline portion of the transaction.⁵ The discovery, hearings, and now the opening briefs in this proceeding have underscored that the Wireline Approval Application and the Wireless Notification present fundamentally distinct factual and legal issues.⁶ Moreover, as Joint Applicants have previously noted, established Commission precedent,⁷ consistent with federal law,⁸ recognizes the need to treat the wireline transaction – which requires Commission approval – separately from the wireless transaction, which does not require, and is not otherwise subject to, any such approval.

Because nothing in the undisputed record before the Commission provides *any* reason – much less a "compelling reason"⁹ – why the Wireline Approval Application should not be granted, there is nothing standing in the way of the Commission approving that Application without further delay. On March 12, 2019, Joint Applicants submitted a letter to Commissioner Rechtschaffen highlighting and reiterating the need for prompt resolution of these proceedings. The letter urged the ALJ and the Commission "to continue to take all appropriate steps to ensure issuance of a final decision and the conclusion of the Commission's review expeditiously, and as early within the second quarter of 2019 as possible." To that end, to expedite the Commission's

⁵ See Joint Application of Sprint Communications Company, L.P. (U-5112-C), and Starburst II, Inc. for Approval of an Indirect Transfer of Control of Sprint Communications Company, L.P. to Starburst II, Inc., Decision Authorizing Transfer of Control, D. 13-05-018 (May 23, 2013), 2013 Cal. PUC LEXIS 277, at *3-4, *12-16 (May 23, 2013) (analyzing and approving application to transfer Sprint Wireline pursuant to section 854(a); noting that Sprint wireless entities had "provided 30-days advance notice of the proposed transaction to the Commission by letter, pursuant to Commission Decision 95-10-032, that they are parties to the transaction, and that, as a result of the transaction, there will be an indirect transfer of control of the Sprint wireless entities to SoftBank").

⁶ See Wireline Opening Br. at 9-19.

⁷ Investigation on the Commission's Own Motion Into Mobile Telephone Service and Wireless Communications, D. 95-10-032, 1995 Cal. PUC LEXIS 888, at *25-26 (Oct. 18, 1995).

⁸ Joint Applicants' Post-Hearing Opening Brief on the Joint Application for Review of Wireless Transfer Notification per Commission Decision 95-10-032, at 15-16, Consolidated Applications Nos. 18-07-011 & 18-07-012 (Apr. 26, 2019).

⁹ See e.g., Application of SJW Corp. for Approval of Reincorporation, D. 16-05-037, 2016 Cal. PUC LEXIS 296, at *8 (May 26, 2016).

approval of the Wireline Approval Application, the Joint Applicants also ask the Commission to sever its consideration of that application from the Commission's review of the Wireless Notification.

For the foregoing reasons, the Joint Applicants respectfully request that the Commission sever the consolidated proceedings and approve the Wireline Approval Application pursuant to Public Utilities Code § 854(a) without further delay.

Respectfully submitted this 6th day of May, 2019.

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[PROPOSED] ORDER GRANTING JOINT APPLICANTS' MOTION

On May 6, 2019, Sprint Communications Company L.P. (U-5112-C) and T-Mobile USA,

Inc. (collectively referred to as the "Joint Applicants") filed a motion seeking immediate

approval of the transfer of Sprint Communications Company L.P. to T-Mobile USA, Inc., as

requested in the Joint Application for Approval of Transfer of Control of Sprint Communications

Company L.P., Application No. A-18-07-011, filed July 13, 2018.

The Commission has considered the Joint Applicants' Motion and, good cause having been shown, grants the Joint Applicants' Motion. Accordingly, it is hereby ORDERED that the Joint Applicants' Motion is granted; Application 18-07-011 is severed from Application 18-07-012, and a proposed decision approving the transfer of control of Sprint Communications Company to T-Mobile USA shall be issued promptly.

Dated ______, 2019 at San Francisco, California.

Administrative Law Judge