

**PENNSYLVANIA PUBLIC UTILITY COMMISSION
HARRISBURG, PENNSYLVANIA 17105-3265**

**Application of Sprint Communications
Company L.P. for Approval of a
General Rule Indirect Transfer of
Control from SoftBank Group Corp.
to T-Mobile US, Inc.**

**PUBLIC MEETING: May 23, 2019
3003259-TUS**

Docket No. A-2018-3003259

MOTION OF COMMISSIONER ANDREW G. PLACE

Before us for disposition is the Application of Sprint Communications Company L.P. (Sprint Communications, Sprint, or Applicant), seeking approval of a merger transaction (Transaction) that will result in Applicant's indirect transfer of control from SoftBank Group Corp. (SoftBank) to T-Mobile US, Inc. (T-Mobile).

A. Voluntary Commitments & Treatment of Transfer of Control Transaction

In furtherance of the affirmative public benefits associated with the proposed transaction the Applicant has offered a number of voluntary commitments involving statewide deployment of 5G wireless network facilities and services encompassing increased availability of broadband access in rural areas of Pennsylvania, inclusive of all of its 67 counties.¹ These voluntary 5G wireless deployment commitments will be carried out by the New T-Mobile, a wireless carrier. The exact terms of these voluntary commitments are not reproduced in the text of the present Motion. However, it is understood that the download and upload broadband access speed standards associated with these voluntary commitments are compatible with more current federal standards. Based on the Application as it has been supplemented by the Applicant's voluntary commitment representations, it is my opinion that there are sufficient affirmative public benefits — inclusive of the 5G wireless deployment — to approve the proposed Transaction.

In view of the affirmative public benefits associated with the present transaction and the voluntary commitments made in the area of 5G wireless deployment throughout Pennsylvania, specifically including rural areas, and for purposes of this proceeding alone, I do not believe that the Applicant should be obliged to provide notice or offer conditions that may have been committed to in other states. This is not a departure from established precedent in adjudicating transfer of control proceedings involving telecommunications carriers that operate under our jurisdiction. Rather, it is a fact-based recognition of the unique factual elements and circumstances and the affirmative public benefits associated with this transaction (i.e., voluntary commitments involving 5G wireless deployment), that should guide the Commission's approach in this matter.²

B. Bureau of Audits Review of Past Financial Reporting and Related Accounting Parameters

During the course of the Commission's examination of the proposed Transaction and related data and information discovery, a number of discrepancies were identified in Sprint's annual financial reporting to this agency over a number of years. These discrepancies were mainly centered on Sprint's past exclusion of intrastate wholesale revenues (e.g., revenues associated with the provision of

¹ Sprint Responses to Staff Inquiries, May 13, 2019, Set No. 5, Item No. 6, p. 8.

² See also *Applications of T-Mobile US Inc. and Sprint Corporation for Consent to Transfer Control of Licenses and Authorizations*, FCC WT Docket No. 18-197, Sprint and T-Mobile Ex Parte Submission, May 20, 2019.

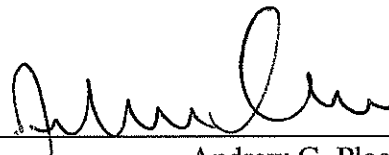
intrastate wholesale access services), from its annual financial and fiscal assessment reports to the Commission. In response to appropriate requests, the Applicant has already submitted amended annual financial and fiscal assessment reports for the years 2015 through 2017 and has provided additional revised annual reporting data for the 2013-2014 period.³

In light of this issue, I believe that our Bureau of Audits should conduct an appropriate review of Applicant's financial reporting to the Commission and relevant accounting data for the period of 2009-2017. This review should determine and validate, to the extent possible and practicable, the appropriate annual level of reportable and assessable intrastate revenues of the Applicant during this time period. Also, this review, if possible and practicable, should ascertain whether Applicant's services have been properly included in its intrastate annual revenues for reporting and fiscal assessment purposes. Furthermore, the Applicant should be directed to preserve and maintain all relevant accounting records whether in electronic or hard paper form, including records or memoranda involving internal guidance, assumptions, methodologies, and jurisdictional allocations, in advance of this review by our Bureau of Audits.

THEREFORE, I move that:

1. For purposes of this proceeding alone, Sprint Communications Company L.P. is relieved from the obligation to provide notice or offer conditions that may have been committed to in other states in relation to the merger transaction.
2. The Commission's Bureau of Audits will conduct a review of the Sprint Communications Company L.P.'s financial reporting to the Commission and relevant accounting data for the period of 2009-2017 consistent with this Motion.
3. Sprint Communications Company L.P. is directed to preserve and maintain all accounting records in advance of the Bureau of Audits' review consistent with this Motion.
4. The merger transaction be approved in all other respects inclusive of the voluntary commitments that have been made on the record of this proceeding and the associated reporting obligations.
5. The Bureau of Technical Utility Services with the assistance of the Law Bureau prepare the appropriate Order consistent with this Motion.
6. That a copy of the entered Order in this proceeding be served on all parties to the proceeding including the Office of Small Business Advocate, the Office of Consumer Advocate, and the Commission's Bureau of Investigation and Enforcement.

Dated: May 23, 2019



Andrew G. Place
Commissioner

³ Sprint Responses to Staff Inquiries, December 3, 2018, Set No. 3, Item No. 14.c, p. 35, and Proprietary Attachment to Item No. 14.a.