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*Via Courier*

June 21, 2013

Public Utilities Commission of Ohio  
Attention: Docketing Division  
180 East Broad Street  
Columbus, OH 43215-3793

RECEIVED-DOCKETING DIV  
2013 JUN 21 PM 3:17  
PUCO

**RE: Case 12-3089-TP-CIO – Supplemental Informational Letter to Notification of Indirect Transfer of Control of Sprint Communications Company L.P. to Starburst II, Inc.**

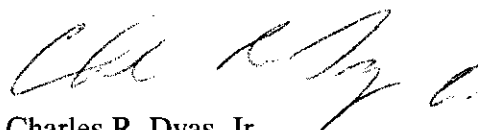
Dear Sir or Madam:

On November 27, 2012 and pursuant to Ohio Administrative Code Section 4901:1-6-29, Sprint Communications Company, L.P. ("Sprint Communications") and Starburst II, Inc. ("Starburst II") (collectively, the "Parties"), through their undersigned counsel, notified the Public Utilities Commission of Ohio ("Commission") of a transaction whereby Starburst II will acquire indirect control of Sprint Communications, a non-dominant carrier that holds authority from the Commission to provide interexchange services and local services as a reseller and facilities-based carrier to business and residential customers statewide.

As a supplement to the November 27, 2012, filing with the Commission we are providing this informational letter to the Commission of the Parties modification of certain terms of their merger agreement as described in the attached filing with the Federal Communications Commission ("FCC") and the accompanying press release.

Should the Commission or Staff have any questions please feel free to contact the undersigned counsel on behalf of Sprint.

Sincerely,



Charles R. Dyas, Jr.

Enclosure

cc: Kenneth A. Schiffman, Esq. (via e-mail)  
Diane Browning, Esq. (via e-mail)  
Jennifer Reed, PUCO, Staff

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Technician                      Date Processed JUN 21 2013

June 11, 2013

**VIA ECFS**

Marlene H. Dortch  
Secretary  
Federal Communications Commission  
445 12th Street, SW  
Washington, DC 20554

**Re: Applications of Sprint and SoftBank, IB Docket No. 12-343  
IBFS File No. ISP-PDR-20121115-00007**

Dear Ms. Dortch:

Sprint Nextel Corporation (“Sprint”), Starburst I, Inc., (“Starburst I”), Starburst II, Inc. (“Starburst II”) and SOFTBANK CORP. (“SoftBank,” and collectively with Sprint, Starburst I and Starburst II, the “Applicants”) hereby submit this letter to describe certain modifications to their merger agreement. On June 10, 2013, SoftBank and Sprint agreed to modify the merger agreement to change certain terms related to the purchase of Sprint shares held by the public:

- The aggregate cash consideration payable to Sprint’s stockholders will increase by \$4.5 billion from \$12.14 billion to \$16.64 billion. Of this amount, \$1.5 billion is being funded by new cash contributed by SoftBank, and \$3.0 billion is being funded by reducing from \$4.9 billion to \$1.9 billion the portion of SoftBank’s aggregate cash contribution that will remain in New Sprint’s cash balances immediately following consummation of the merger.<sup>1</sup>
- Following consummation of the merger, SoftBank will own approximately 78 percent of the fully diluted equity of New Sprint (increased from approximately 70 percent), and the former stockholders and other equityholders of Sprint will own approximately 22 percent (decreased from approximately 30 percent).
- Sprint stockholders may elect to receive \$7.65 in cash (a \$0.35 increase from the \$7.30 option previously provided under the merger agreement) or one share of stock of New Sprint for each share of Sprint they hold (subject to proration).

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<sup>1</sup> In conjunction with the transaction, SoftBank already has invested \$3.1 billion in Sprint in the form of a convertible bond. See Public Interest Statement at 8 n.10, attached as Exhibit 2 to Joint Applications for Consent to Transfer International and Domestic Authorizations Pursuant to Section 214, IB Docket No. 12-343 (Nov. 15, 2012, filed Nov. 16, 2012) (“Public Interest Statement”). (Unless otherwise noted, all filings referenced herein were filed in IB Docket No. 12-343.) Thus, SoftBank will invest \$1.9 billion in New Sprint at closing, which in addition to the \$3.1 billion convertible debt investment, will bring SoftBank’s total capital investment in New Sprint to \$5.0 billion.

- The total value of the transaction will increase from approximately \$20.1 billion to \$21.6 billion.<sup>2</sup>

The Applicants have demonstrated that the Commission should approve the transaction because it will provide substantial public interest benefits with no countervailing harms.<sup>3</sup> This public interest demonstration is unaffected by the June 10, 2013 modifications to the SoftBank/Sprint merger agreement. After the merger Sprint will have full access to SoftBank's technical expertise and innovation; will benefit from SoftBank's experience in tailoring service plans to meet consumer needs; will have a substantially stronger balance sheet and greater resources for deploying its advanced LTE network; will be able to take advantage of the lessons SoftBank learned in taking on the dominant wireless providers in Japan; and will benefit from the scale economies and improved access to new technology that will result from having a Sprint/SoftBank customer base that is comparable in size to that of AT&T and Verizon Wireless.

There has been no serious dispute in this proceeding regarding the substantial public interest benefits and lack of competitive harm arising from the transaction. The transaction already has been approved by the U.S. Department of Justice, the District of Columbia, all 23 states that were required to review it, the Committee on Foreign Investment in the United States, and Team Telecom.

In their Petition for Declaratory Ruling, the Applicants also demonstrated that it is in the public interest for the Commission to allow SoftBank's indirect foreign ownership of Sprint to exceed the 25 percent benchmark set forth in Section 310(b)(4) of the Communications Act, as amended.<sup>4</sup> With the modifications to the merger agreement, SoftBank's proposed ownership in Sprint will increase from approximately 70 percent to approximately 78 percent.<sup>5</sup>

This change in SoftBank's total ownership of Sprint has no meaningful impact on the companies' foreign ownership showing. In the Petition, the Applicants requested a declaratory ruling allowing 100 percent aggregate foreign ownership in Sprint and its licensee subsidiaries upon consummation of the proposed transaction. In addition, as demonstrated in the Petition and subsequent filings, SoftBank has determined that investors from WTO countries (including the United States) hold at least 92.46 percent of SoftBank's equity and voting rights. Sprint has

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<sup>2</sup> See Sprint Nextel Corp., Current Report (Form 8-K) (June 11, 2013), <http://investors.sprint.com/Cache/c17407337.html>. Attached to this letter is a joint press release issued by SoftBank and Sprint regarding the changes to their merger agreement.

<sup>3</sup> Public Interest Statement at 13-30; Joint Opposition to Petitions to Deny and Reply to Comments of Applicants at 2-14 (Feb. 12, 2013) (the "Joint Opposition").

<sup>4</sup> Petition for Declaratory Ruling, appended as Attachment 5 to Public Interest Statement, also found at IBFS File No. ISP-PDR-20121115-00007 (Nov. 15, 2012) ("Petition").

<sup>5</sup> As noted above, it is anticipated that after all elements of the transaction are completed, SoftBank will hold approximately 77.667 percent of Sprint. However, this percentage may change by an immaterial amount in light of potential adjustments under the terms of the Merger Agreement, so the final percentage may be as high as 78 percent.

determined that investors from the United States hold at least 77.56 percent of its outstanding shares while investors from nine WTO jurisdictions hold an aggregate of 7.98 percent of its outstanding shares, for a total of at least 85.54 percent of Sprint shares held by investors from the United States and other WTO countries.<sup>6</sup> Thus, following completion of the transaction, investors from the United States and other WTO countries will hold at least 90.91 percent of the shares of Sprint. This is well above the Commission's threshold of 75 percent United States and WTO ownership, and higher than the percentage of United States and WTO ownership that would have resulted under the terms of the original merger agreement.<sup>7</sup>

The amended transaction will produce significant public interest benefits with no competitive harms. The Commission should grant the applications and the Petition promptly.<sup>8</sup>

Sincerely,

**SPRINT NEXTEL CORPORATION**

/s/ Regina M. Keeney

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*Its Counsel*

**SOFTBANK CORP.  
STARBURST I, INC.  
STARBURST II, INC.**

/s/ John R. Feore

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Attachment

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<sup>6</sup> Petition at 11-12 (SoftBank ownership); Letter from Regina M. Keeney, counsel to Sprint, to Marlene H. Dortch, Secretary, Federal Communications Commission, Attachment at 5 nn.7-8 (Apr. 4, 2013) (Sprint ownership).

<sup>7</sup> The amended transaction remains subject to the Commission's presumption that foreign ownership in excess of 25 percent from WTO member countries is in the public interest and the record demonstrates that the transaction is consistent with the Commission's foreign ownership policies. See Petition at 2, *citing* Rules and Policies on Foreign Participation in the U.S. Telecommunications Market, *Report and Order and Order on Reconsideration*, 12 FCC Rcd 23891, ¶ 51 (1997).

<sup>8</sup> Sprint and SoftBank anticipate closing the SoftBank transaction in early July 2013, subject to the remaining closing conditions.

Marlene H. Dortch  
June 11, 2013  
Page 4

cc (w/att.):	Louis Peraertz	Kathleen Collins
	David Goldman	Paul Murray
	Priscilla Delgado Argeris	Aaron Goldschmidt
	Courtney Reinhard	Christopher Sova
	Troy Tanner	Wayne McKee
	David Krech	Neil Dellar
	Joel Rabinovitz	Best Copy & Printing

## **Sprint and SoftBank Amend Merger Agreement to Deliver Greater Value to Sprint Stockholders**

***Increases Cash Consideration Paid to Sprint Stockholders at Closing by \$4.5 Billion***

***Sprint's Special Committee and Board of Directors Unanimously Approve Amended Merger Agreement***

***Sprint's Special Committee Unanimously Determines that DISH Preliminary Proposal Not Reasonably Likely to Lead to a Superior Offer***

***Sprint to Adjourn June 12, 2013 Stockholder Meeting until June 25, 2013***

10 June 2013

OVERLAND PARK, Kan. & TOKYO---Sprint Nextel Corporation (NYSE: S) ("Sprint") and SoftBank Corp. (TSE: 9984) ("SoftBank") announced today that they have amended the previously announced merger agreement (the "Merger Agreement") between the two companies to deliver greater cash consideration and increased certainty to Sprint stockholders. Sprint's Special Committee and Board of Directors have unanimously approved the amended Merger Agreement and have unanimously recommended to stockholders to vote FOR the revised SoftBank transaction. Sprint and SoftBank anticipate closing the SoftBank transaction in early July 2013, as previously communicated.

Under the amended Merger Agreement, SoftBank will deliver an additional \$4.5 billion of cash to Sprint stockholders at closing, bringing the total cash consideration available to Sprint stockholders to \$16.64 billion.

- The cash available to stockholders has increased by \$1.48 per share, from \$4.02 to \$5.50, based on the June 7, 2013 share count (assuming full proration).
- The \$4.5 billion of additional cash at closing will be funded by a reallocation of \$3 billion of SoftBank's previously proposed \$4.9 billion primary investment in New Sprint and by \$1.5 billion of incremental capital from SoftBank.
- The price at which SoftBank will acquire shares from current Sprint shareholders will be increased from \$7.30 per share to \$7.65 per share, a 52% premium to the unaffected trading price prior to announcement in October 2012.

As part of the amended Merger Agreement, the pricing of SoftBank's \$1.9 billion primary investment will be increased by 19% from the previously agreed \$5.25 per share to \$6.25 per share. Pro forma for the transaction, the current Sprint stockholders' resulting equity ownership in a stronger, more competitive New Sprint will be 22% while SoftBank will own approximately 78%.

SoftBank will continue to invest \$1.9 billion in New Sprint at closing, which in addition to the \$3.1 billion convertible debt investment made by SoftBank in October 2012, brings SoftBank's total investment in Sprint to \$5.0 billion. SoftBank and Sprint believe that the reallocation of primary capital to Sprint stockholders is warranted given the companies' refined operating and capital expenditure synergy

expectations resulting from extensive due diligence over the past nine months, as well as Sprint's improving profitability and execution of its Network Vision plan.

Sprint also announced today that its Special Committee and Board of Directors have unanimously determined that the proposal submitted by DISH Network Corporation ("DISH") on April 15, 2013 is not reasonably likely to lead to a "superior offer" under the Merger Agreement. Sprint has engaged with DISH since April 15 and, after receiving waivers from SoftBank under the Merger Agreement, allowed DISH due diligence to commence on May 21. Despite the Special Committee's diligence, DISH has not put forward an actionable offer. As a consequence of the lack of progress with DISH and the improved terms from SoftBank, the Special Committee ended its discussions with DISH and will request that DISH destroy all of the Sprint confidential information made available in the course of its diligence.

"The amended agreement announced today delivers more upfront cash to Sprint stockholders, while still achieving our goal of creating a well-capitalized Sprint that is better positioned to bring meaningful competition to the US market," said SoftBank Chairman and CEO, Masayoshi Son. "Our transaction offers significant value for Sprint stockholders and the opportunity to realize that value in just a few weeks, without the risks associated with any other potential transaction. We look forward to working with the Sprint management team to accelerate the build out of a nationwide LTE network, increase competition in the US market and drive subscriber growth in the years ahead."

Chairman of the Special Committee of the Sprint Board of Directors, Larry Glasscock, said, "As amended, the SoftBank transaction provides a significant cash premium, maximizes value and certainty for Sprint stockholders, and enhances Sprint's long-term value by creating a company with an improved balance sheet, greater financial flexibility and a stronger competitive position. The amended agreement allows Sprint shareholders to receive substantial cash and to begin to participate in SoftBank upside on an expedited and low-risk basis. We believe this preserves the timing and closing certainty of the original SoftBank transaction."

Glasscock continued, "We have expended substantial time and energy engaging with DISH over the past nine weeks, including an extensive due diligence process, but these efforts did not lead, in the Special Committee's view, to a proposal that was reasonably likely to lead to a proposal superior to SoftBank's."

The revised merger agreement creates a deadline of June 18, 2013 for DISH to provide its 'best and final' offer and for the completion of deliberations by the Special Committee and notice to SoftBank.

The Special Committee made its decision and recommendation after long and careful deliberation. Specific steps taken by the Special Committee include:

- Proactively hired network and spectrum consultants and regulatory counsel (in addition to its previously announced financial and legal advisors) to independently advise it on certain matters and these individuals participated in the extensive due diligence that was performed on DISH and its spectrum and network plans;
- Directed Sprint to respond to nearly all of DISH's numerous requests for written diligence materials;
- Enabled representatives of the Committee and Sprint, as well as members of Sprint management, to engage in multiple in-person meetings with DISH as well as numerous conference calls to discuss a wide variety of diligence subjects such as network deployment, HR, IT, marketing and tax and;

- Participated in numerous calls between the Committee and Sprint and their advisors and DISH and its advisors.

Additional terms of the agreement:

- Amend the definition of "Superior Offer" to exclude any proposal that is not fully financed pursuant to binding commitments from recognized financial institutions.
- Require Sprint to adopt a shareholder rights plan.
- Increase the non-refundable fiduciary termination fee payable by Sprint to SoftBank in certain circumstances from \$600 million to \$800 million.

To give Sprint stockholders time to evaluate the amended agreement, Sprint and SoftBank have agreed to adjourn the Special Meeting of Stockholders to be convened on June 12, 2013 until June 25, 2013.

Supplemental proxy materials will be filed with the SEC and distributed to stockholders in the near future and such materials and an election form will be distributed to stockholders in the near future.

Consummation of the Sprint-SoftBank merger remains subject to various conditions to closing, including receipt of approval of the Federal Communications Commission and adoption of the merger agreement by Sprint's stockholders. Sprint and SoftBank anticipate the merger will be consummated in July 2013, subject to the remaining closing conditions.

All holders of record of Sprint common stock at the close of business on April 18, 2013 are eligible to vote at the special stockholders' meeting. If you have any questions or need assistance in voting your shares, please call Sprint's proxy solicitor and the information agent for the offering, Georgeson Inc., toll free at 1-866-741-9588 (banks and brokers call 212-440-9800). You can also contact SoftBank's proxy solicitor Morrow & Co., LLC toll free at 1-800-662-5200 (banks and brokers call 203-658-9400). Proxy materials and other important information relevant to the SoftBank-Sprint transaction can be found at: [www.SoftbankSprintTransaction.com](http://www.SoftbankSprintTransaction.com).

The Raine Group LLC is serving as lead financial advisor to SoftBank. Mizuho Securities, Goldman Sachs, Deutsche Bank, JP Morgan and Credit Suisse also served as advisors. SoftBank's legal advisors include Morrison & Foerster LLP as lead counsel, Mori Hamada & Matsumoto as Japanese counsel, Dow Lohnes PLLC as regulatory counsel, Potter Anderson Corroon LLP as Delaware counsel, and Foulston & Siefkin LLP as Kansas counsel.

The Special Committee of the Sprint Board of Directors is being advised by Bank of America Merrill Lynch, Shearman & Sterling LLP, and Bingham and Spectrum Management Consulting. Citigroup Global Markets Inc., Rothschild Inc. and UBS Investment Bank are co-lead financial advisors for Sprint. Sprint's legal advisors include Skadden, Arps, Slate, Meagher and Flom LLP as lead counsel, Lawler, Metzger, Keeney and Logan as regulatory counsel, and Polsinelli PC as Kansas counsel.

#### Cautionary Statement Regarding Forward Looking Statements

This document includes "forward-looking statements" within the meaning of the securities laws. The words "may," "could," "should," "estimate," "project," "forecast," "intend," "expect," "anticipate," "believe," "target," "plan," "providing guidance" and similar expressions are intended to identify information that is not historical in nature.



This document contains forward-looking statements relating to the proposed transactions between Sprint Nextel Corporation ("Sprint") and SoftBank Corp. ("SoftBank") and its group companies, including Starburst II, Inc. ("Starburst II"), and the proposed acquisition by Sprint of Clearwire Corporation ("Clearwire"). All statements, other than historical facts, including, but not limited to: statements regarding the expected timing of the closing of the transactions; the ability of the parties to complete the transactions considering the various closing conditions; the expected benefits of the transactions such as improved operations, enhanced revenues and cash flow, growth potential, market profile and financial strength; the competitive ability and position of SoftBank or Sprint; and any assumptions underlying any of the foregoing, are forward-looking statements. Such statements are based upon current plans, estimates and expectations that are subject to risks, uncertainties and assumptions. The inclusion of such statements should not be regarded as a representation that such plans, estimates or expectations will be achieved. You should not place undue reliance on such statements. Important factors that could cause actual results to differ materially from such plans, estimates or expectations include, among others, that (1) there may be a material adverse change of SoftBank; (2) the proposed financing may involve unexpected costs, liabilities or delays or may not be completed on terms acceptable to SoftBank, if at all; and (3) other factors as detailed from time to time in Sprint's, Starburst II's and Clearwire's filings with the Securities and Exchange Commission ("SEC"), including Sprint's and Clearwire's Annual Reports on Form 10-K for the year ended December 31, 2012 and Quarterly Reports on Form 10-Q for the quarter ended March 31, 2013, and other factors that are set forth in the proxy statement/prospectus contained in Starburst II's Registration Statement on Form S-4, which was declared effective by the SEC on May 1, 2013, and in other materials that will be filed by Sprint, Starburst II and Clearwire in connection with the transactions, which will be available on the SEC's web site ([www.sec.gov](http://www.sec.gov)). There can be no assurance that the transactions will be completed, or if completed, that such transactions will close within the anticipated time period or that the expected benefits of such transactions will be realized.

All forward-looking statements contained in this document and the documents referenced herein are made only as of the date of the document in which they are contained, and none of Sprint, SoftBank or Starburst II undertakes any obligation to update any forward-looking statement to reflect events or circumstances after the date on which the statement is made or to reflect the occurrence of unanticipated events except as required by law. Readers are cautioned not to place undue reliance on any of these forward-looking statements.

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