

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service
Commission held at its office in
Jefferson City on the 9th day of
September, 2008.

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| In the Matter of Joint Application of Sprint |) | |
| Communications Company, L.P. and STi |) | <u>Case No. TO-2008-0413</u> |
| Prepaid, LLC for Authority to Transfer |) | Tracking No. YX-2009-0114 |
| Certain Assets |) | |

**ORDER APPROVING TRANSFER OF ASSETS
AND APPROVING TARIFF**

Issue Date: September 9, 2008

Effective Date: September 11, 2008

On June 27, 2008, STi Prepaid, LLC, and Sprint Communications Company, L.P. ("Sprint") filed a joint application for authority to transfer all of Sprint's assets related to the provision of prepaid calling card services to STi Prepaid.

The Commission issued notice of the application on July 18, 2008, requiring that any party wishing to request a hearing or to intervene do so on or before August 6, 2008. There were no requests for a hearing or to intervene. The Staff of the Commission filed its Recommendation on August 18, 2008.

The Parties

STi Prepaid is a limited liability company organized under the laws of the state of Delaware. In the joint application, STi Prepaid indicated that in Case No. TO-2007-0391, STi Prepaid provided a copy of its certificate of authority from the Missouri Secretary of State's Office to transact business in Missouri as a foreign limited liability company. STi Prepaid will provide service under the fictitious names of: Telco Group, Telco, TGI,

Dialaround Enterprises, Dialaround, VOIP Enterprises, VOIP, and DEI. These fictitious names have been registered with the Missouri Secretary of State. STi Prepaid further stated in the joint application that the aforementioned items and information are current and correct, and requested that pursuant to 4 CSR 240-2.060(1)(G), the information previously furnished in Case No. TO-2007-0391 be incorporated by reference.

Sprint is an indirect wholly-owned subsidiary of Sprint Nextel Corporation existing under the laws of the State of Delaware. Sprint is duly authorized to provide competitive local exchange and interexchange services in Missouri. Sprint is registered as a CLEC in Missouri and has been granted a certificate in Case Numbers TA-96-424 and TA-97-269. Sprint provides local exchange, long distance and data telecommunications services. Sprint has submitted the information in subsections (1)(B)-(F) of 4 CSR 240-2.060 in previous applications and requested that it be incorporated by reference.

The joint applicants state that they do not have any pending action or final unsatisfied judgments or decisions related to the prepaid calling card service assets being transferred pursuant to this application, except Sprint has a claim pending against it in the Circuit Court of Cook County, Illinois from a retailer seeking refunds for certain calling cards.

The Transactions

On April 7, 2008, Sprint and certain of its affiliates (collectively, "Sellers") entered into an Asset Purchase Agreement with STi Prepaid pursuant to which the Sellers agreed to transfer to STi Prepaid, all of their assets related to the provision of prepaid calling card services, including tangible prepaid card inventory, customer agreements and contracts, vendor agreements and contracts, prepaid card point-of-sale and promotional materials,

and rights to host personal identification numbers used to make prepaid calling card calls (“Assets”).

The Transaction will not result in any change of control or ownership in either Sprint or STi Prepaid. Both carriers will continue to offer intrastate telecommunications services in Missouri pursuant to their Commission-issued authorizations. No certificates of authority are being transferred. Once the Transaction is consummated, any prepaid calling cards remaining in the market that list Sprint as the provider of the prepaid calling card service will continue to be available for use by consumers. STi Paid will continue to provide the underlying telecommunications services associated with any prepaid calling cards previously served by Sprint. Sprint will not remove its prepaid service from its Missouri state tariff for at least twelve (12) months following the closing date of the Transaction.

The joint applicants state that customer notice is not required in this case because Sprint does not have a dedicated customer base. Sprint’s prepaid calling card services can be used by any person at any time. Sprint has no knowledge of the identity of the persons utilizing its prepaid calling card services. Therefore, customer notification of this Transaction is unnecessary and almost impossible.

As a resource for customers, Sprint intends to provide notice on its website informing consumers of the change in provide of the prepaid calling card service. In addition, cardholder customers using Sprint-branded cards that dial the access number and input their PIN will be informed that the prepaid calling card service is now being provided by STi Prepaid rather than Sprint.

Staff's Recommendation

Staff noted that a transfer of assets for a telecommunications company is governed by Section 392.300¹ and 4 CSR 240-3.520. Applicable case law provides that the Commission may “not withhold its approval of the disposition of assets unless it can be shown that such disposition is detrimental to the public interest.” *State ex rel. Fee Fee Trunk Sewer, Inc. v. Litz*, 596 S.W.2d 466, 468 (Mo. App. E.D. 1980), citing *State ex rel. City of St. Louis v. Public Serv. Comm’n of Mo.*, 73 S.W.2d 393, 400 (Mo. banc 1934). In Staff’s opinion, the proposed transactions will not be detrimental to the public interest. Staff noted, also, that since the customers involved in the transactions are prepaid calling card customers and cannot be identified, Staff did not recommend notice to customers as a prerequisite for approval.

Staff recommended that the Commission approve the joint application. Further, Staff recommended that if the joint application for transfer of assets is approved, the Commission approve STi’s tariff sheets effective September 11, 2008.

Discussion

The Commission has reviewed the joint application and Staff’s Recommendation, which are hereby admitted into evidence. Based upon its review, the Commission concludes that the proposed transactions do not pose a detriment to the public interest. Therefore, the Commission will approve the transactions and the accompanying tariff.

¹ All statutory references are to the Revised Statutes of Missouri (RSMo), revision of 2000, unless otherwise specified.

IT IS ORDERED THAT:

1. The Joint Application, filed on June 27, 2008, by STi Prepaid, LLC, and Sprint Communications Company, L.P. is approved.
2. STi Prepaid, LLC, and Sprint Communications Company, L.P. are authorized to enter into and perform in accordance with the Asset Purchase Agreement referred to above.
3. The proposed tariff sheets submitted under Tracking File No. YX-2009-0114 by STi Prepaid, LLC are approved, effective on and after September 11, 2008. The specific tariff sheets approved are:

PSC Mo. No. 1

1st Revised Sheet No. 1, Replacing Original Page No. 1

1st Revised Sheet No. 3, Replacing Original Page No. 3

Original Sheet No. 56

Original Sheet No. 57

Original Sheet No. 58

Original Sheet No. 59

Original Sheet No. 60

Original Sheet No. 61

Original Sheet No. 62

Original Sheet No. 63

Original Sheet No. 64

4. This order shall become effective on September 11, 2008.

BY THE COMMISSION

A handwritten signature in black ink, appearing to read 'Colleen M. Dale', with a stylized, cursive script.

Colleen M. Dale
Secretary

(S E A L)

Davis, Chm., Murray, Clayton,
Jarrett, and Gunn, CC., concur.

Dale, Chief Regulatory Law Judge