## JOHN N. HUGHES ATTORNEYAT LAW PROFESSIONAL SERVICE CORPORATION 124 WEST TODD STREET FRANKFORT, KENTUCKY 40601

**TELEPHONE: (502) 227-7270** 

INHUGHES@fewpb.net

TELEFAX (502) 875-7059

RECEIVED

March 17, 2006

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PUBLIC SERVICE COMMISSION

VIA HAND DELIVERY Ms. Beth A. O'Donnell Executive Director Kentucky Public Service Commission 211 Sower Boulevard Frankfort, KY 40602-0615

Re: Notice of Sprint'Nextel's Proposed Acquisition of Nextel Partners, Inc.

Dear Beth:

The purpose of this letter is to give notice of the plan of Sprint Nextel Corporation ("Sprint Nextel") to acquire Nextel Partners, Inc. ("Partners"). As you know, Partners and Sprint Nextel's wireless subsidiaries are not subject to the jurisdiction of this Commission with respect to entry regulation. The ownership changes from the acquisition involve only Partners; there will be no changes to the Sprint Nextel entities operating in the Commonwealth of Kentucky as a result of this transaction.

## **Introduction and Overview**

The acquisition of Partners will become effective upon the closing of the transfer, which is expected to occur by the end of the second quarter of 2006. When the transfer is complete, Sprint Nextel will own 100 percent of the common stock of Partners. Today, Sprint Nextel owns approximately 32 percent of Partners' outstanding common stock. There will be no change of control of current Sprint Nextel entities operating in Kentucky<sup>1</sup> as a result of this acquisition, nor will there be a transfer of any applicable operating authority held by these entities.

<sup>&</sup>lt;sup>1</sup> The regulated Sprint Nextel entities operating in Kentucky are Sprint Communications Company L.P., Sprint Payphone Services, Inc., and ASC Telecom. The wireless Sprint Nextel entities operating in Kentucky are Sprint

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Partners, incorporated in Delaware and headquartered in Kirkland, Washington, was formed as a separate company in 1999 through a joint venture among Nextel Communications, Inc. ("Nextel") and several financial investors. Subsequently, Partners became a publicly-traded company. Partners currently provides digital wireless communications services using its own Integrated Digital Enhanced Network ("iDEN®") under the Nextel brand name in mid-sized, secondary and rural U.S. markets, including certain parts of Kentucky. On December 16, 2004, this Commission issued an Order designating Partners as an eligible telecommunications carrier ("ETC") for the requested rural and non-rural service areas in Kentucky.<sup>2</sup> Upon closing of this acquisition, Sprint Nextel will fulfill all of Partners' ETC obligations in Kentucky.

## **Description of Transaction**

Sprint Nextel and Partners have requested FCC consent to the transfer of control of Partners to Nextel WIP Corp., a wholly-owned subsidiary of Sprint Nextel. The shareholders of Partners have chosen to exercise "put rights" pursuant to the Partners' Certificate of Incorporation that require Sprint Nextel to purchase the remaining capital stock of Partners, subject to and contingent upon the satisfaction of various closing conditions, including the receipt of necessary FCC approvals.

Specifically, under the terms of the Certificate of Incorporation, Partners' shareholders had the right, exercisable by majority vote at a meeting held for that purpose, to require Sprint Nextel to (i) purchase the Partners shares it does not own and (ii) seek FCC approval to transfer the licenses under Partners' control. On October 24, 2005, Partners' shareholders voted to exercise these "put rights." Accordingly, the proposed transaction contemplates that Sprint Nextel will purchase the remaining outstanding common stock of Partners (approximately 68 percent of this stock), thereby acquiring 100 percent ownership. Sprint Nextel and Partners jointly filed an application at the FCC on January 24, 2005 requesting FCC consent to this transfer, and amended that application on February 2, 2006. On March 15, 2006, the application was placed on Public Notice by the FCC and remains pending.

Sprint Nextel's regulated Kentucky entities will continue to comply with the tariffs currently on file (an Adoption Notice is attached ).

Spectrum, L.P. and SprintCom, Inc., d/b/a Sprint PCS, and Nextel South Corp.

<sup>&</sup>lt;sup>2</sup> Case No. 2003-00143, In the Matter of Petition of NPCR, Inc. d/b/a Nextel Partners for Designation as an Eligible Telecommunications Carrier in the State of Kentucky, Order (issued December 16, 2004).

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Thank you for your consideration and please call me if you have any questions regarding the preceding notice of the upcoming Sprint Nextel-Partners transaction.

John N. Hughes

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Attachment

Todd Lantor, Esq. cc: William R. Atkinson, Esq.

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## **ADOPTION NOTICE**

Following the acquisition of Nextel Partners, Inc. by Sprint Nextel Corporation, Sprint Communications Company L.P. and ASC Telecom, Inc. will remain wholly-owned subsidiaries, and will continue to provide telecommunications services under all filed and approved tariffs and supplements containing rates, rules and administrative regulations for furnishing telecommunications service in the Commonwealth of Kentucky, as filed with the Public Service Commission by Sprint Communications Company L.P. and ASC Telecom, Inc.

This notice is issued on the 17<sup>th</sup> day of March, 2006, in conformity with Section 11 of P.S.C. Tariff administrative regulations adopted by the Public Service Commission.

By:

Margaret R. (Peg) Prendergast Manager, Tariffs Sprint Nextel 6450 Sprint Parkway KSOPHN0304-3B300 Overland Park, KS 66251-6100