

DT 99-159

**SPRINT COMMUNICATIONS COMPANY L.P. AND
TRANS NATIONAL COMMUNICATIONS, INC.**

Acquisition of Trans National Communication Customer Base

Order Approving Acquisition of Customer Base

O R D E R N O. 23,526

July 6, 2000

On September 24, 1999, Sprint Communications Company L.P. (Sprint L.P.) filed a letter of notification (LON) with the New Hampshire Public Utilities Commission (Commission) of a proposed transfer of Trans National Communications, Inc. (TNC), d/b/a Members' Long Distance Advantage (MLDA), customer base to Sprint L.P.

Sprint L.P. included in the LON a copy of the Petition for Waiver (PFW) it filed at the Federal Communications Commission(FCC) on September 21, 1999. The PFW requests a limited waiver of the FCC's authorization and verification rules (47 CFR §§64.1100-64.1190) to enable Sprint L.P. to transfer the TNC subscribers to Sprint L.P.'s customer base without first obtaining subscribers' authorization and verification. The FCC, by the issuance of its order, granted Sprint's request. Sprint L.P.'s action to acquire TNC's customers was precipitated by TNC defaulting on promissory notes due Sprint's parent, Sprint Corporation (Sprint Corp.),

and Sprint L.P. for past indebtedness to both entities. Such default caused Sprint L.P. and Sprint Corp. to file a complaint in the U.S. District Court for the District of Kansas on August 11, 1999 to protect their security interest in TNC.

On October 26, 1999, Sprint L.P. filed a second letter notifying the Commission that on October 19, 1999, a foreclosure sale of the assets of TNC occurred in Boston, Massachusetts at which time, Sprint purchased the assets of TNC, including TNC's entire customer base.

TNC is a registered Competitive IntraLATA Toll Provider in New Hampshire pursuant to Authorization No. IXC01797 dated March 11, 1993. TNC is a switchless reseller of long distance communications services and Sprint is TNC's underlying facilities-based carrier. Sprint is also an authorized Competitive IntraLATA toll Provider in New Hampshire pursuant to Authorization No. IXC00497 dated January 21, 1991.

Sprint L.P. states that the transfer of TNC's customers to Sprint will not affect the quality or cost of customers' long distance services. Sprint informed the former TNC's customers by letter "that they will continue to receive long distance service upon the transfer, at rates . . . terms and conditions comparable to or better than the rates, terms

and conditions of their service with TNC." In addition, at the time of the LON, customers were notified of the transaction and change in carriers. Additionally, in the letter to TNC consumers, Sprint detailed the actions the customer would have to take if they chose to receive long distance service from another carrier.

TNC's system to be transferred consists of tangible and intangible assets encompassing, *inter alia*, customer base, computerized billing systems, and collection rights. The Commission cannot approve a transfer of a customer base unless the provisions of RSA 374:28-a are met. See RSL Com U.S.A., Inc., Order No. 23,234 (June 1999). RSA 374:28-a prohibits changes of a customer's service provider without the customer's knowledge or consent, a practice known as slamming. Sprint L.P. has satisfied the requirements of RSA 374:28-a as it provided notice to all of TNC's customer of his/her opportunity to choose, without additional charge, another long distance carrier as detailed in PFW to the FCC on September 21, 1999. Since the purchase of TNC's assets by Sprint has already occurred, and the FCC has granted Sprint's PFW, and finding that the requirements of RSA 374:28-a are satisfied, the Commission will approve the requested transfer.

Based upon the foregoing, it is hereby

ORDERED, that the transfer of Trans National Communications, Inc.'s assets to Sprint Communications Company L.P. is hereby APPROVED; and it is

FURTHER ORDERED, that Trans National Communications, Inc.'s New Hampshire Competitive IntraLATA Telecommunication certificate of authority is RECINDED.

By order of the Public Utilities Commission of New Hampshire this sixth day of July, 2000.

Douglas L. Patch
Chairman

Susan S. Geiger
Commissioner

Nancy Brockway
Commissioner

Attested by:

Thomas B. Getz
Executive Director and Secretary