APPENDIX A

SETTLEMENT AGREEMENT

This Settlement Agreement ("Agreement") is made and entered into by and between Sprint Telephony PCS LLP ("Sprint") and the Utility Consumers' Action Network ("UCAN") (sometimes referred to collectively as the "Parties" or individually as a "Party"). This Agreement is made pursuant to the following terms and conditions as of the date set forth below:

DEFINITIONS

"Text Message Service" is a digital content text message sent by Sprint to a Sprint wireless service subscriber that is either sent for free or charged directly to a Sprint customer's bill or withdrawn directly from a Sprint customer's prepaid account.

"Text Message Service Subscriber" or "TMS Subscriber" is a person who receives Text Message Service from Sprint.

"Commission" is the California Public Utilities Commission.

"Non-Comm Rules" refers to the Commission's Interim Decision No. 01-07-030, establishing rules governing the inclusion of non-communications-related charges on telephone bills.

RECITALS

A. On July 22, 2005, UCAN filed Case No. 05-07-021 before the Commission against Sprint alleging that Sprint was failing to comply with the Non-Comm Rules and sections 2890(a) and (e) of the Public Utilities Code regarding sending and then billing for certain Text Message Services that were Sprint advertisements.

B. Sprint acknowledges that such billing did in fact take place, and that it was brought to Sprint's attention by UCAN. However, Sprint contends billing for such advertisements was inadvertent and resulted from a computer error that has since been corrected, and has provided UCAN documentation to verify these facts.

C. UCAN believes the claims asserted against Sprint possess substantial merit. Except as set forth above, Sprint expressly denies and disclaims any wrongdoing or liability of any kind whatsoever with regard to the claims set forth by UCAN in Case No. 05-07-021.

D. Despite the respective positions of the parties, in order to settle their disputes and to avoid the costs of further pursuing this matter before the Commission, the Parties have negotiated a settlement of the disputed claims, which is set forth below, and will ask the Commission to enter an Order to approve this settlement .

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AGREEMENT

For and in consideration of the commitments made herein, Sprint and UCAN agree as follows:

1. Sprint agrees that all TMS Subscribers will not be charged for Text Message Service Sprint advertisements sent by Sprint to such subscribers or to any other Sprint customers.

2. For all TMS Subscribers or other Sprint customers who were previously charged for Sprint Text Message Service advertisements, Sprint either has or will identify all such persons and has or will automatically credit their accounts for the full amounts of any such charges.

3. Sprint has or will implement all appropriate systems, processes and training as may be reasonably necessary to ensure that TMS Subscribers and all other Sprint customers are not charged for future Sprint advertisements sent via its Text Message Service.

4. The details of Text Message Service charges and Sprint's commitment that it will not charge its TMS Subscribers or other Sprint customers for Sprint's Text Message Service advertisements will be disclosed in a readily available manner.

5. Sprint agrees that it has or will describe and/or provide descriptions of Sprint's billing procedures regarding Sprint's Text Message Service for advertisements of Sprint's products and services to UCAN for verification.

6. Sprint agrees that it was not aware of the billing for Text Message Service advertisements error at issue in this Commission proceeding, and agrees that UCAN was responsible for bringing this error to the attention of Sprint.

7. If UCAN believes that a breach of this Agreement has occurred, it will notify Sprint of the potential breach and provide Sprint an opportunity to promptly cure such breach before filing any complaint with the Commission over such breach. Any complaint filed for breach of this Agreement will be filed with the Commission, who all parties hereto agree shall have continuing supervisory jurisdiction to enforce the terms hereof.

8. The positions taken herein, and the actions taken in furtherance of this Agreement, are in settlement of disputed claims. Nothing in this Agreement shall be deemed as an admission of any allegation raised in any of the pleadings submitted in connection with Case No. 05-07-021, or any concession such claims are not without substantial merit. The Parties agree that the actions required to be taken by them pursuant to this Agreement are without prejudice to positions each Party has taken, or may hereafter take, in any other proceeding.

9. Implementation of this Agreement is subject to final approval by the Commission of this Agreement in its entirety and entry of an appropriate Order by the Commission adopting such terms. The Parties agree jointly to support the provisions of this Agreement and jointly to urge its adoption by the Commission in its entirety.

10. The Parties further agree to actively defend this Agreement if opposed by others and to consult with each other regarding the development of a defense to any issues that may be raised by others in opposition to this Agreement.

11. No Party shall seek, directly or indirectly, to have the Commission modify the terms of this Agreement without the express written consent of all other parties.

12. In the event the Commission rejects or modifies this Agreement, the Parties reserve their rights under Rule 51.7 of the Commission's Rules of Practice and Procedure. The Parties agree to a good faith renegotiation process in the event the Commission modifies this Agreement. To the extent that the renegotiation process proves unsuccessful, each Party reserves its right to terminate the Agreement on 10 days' prior written notice to counsel for the other Party.

13. The Parties each acknowledge that they have had a full and unhindered opportunity to consult with attorneys of their own choosing before entering into this Agreement.

14. The Parties represent and acknowledge that in executing this Agreement, they do not rely and have not relied upon any representation or statement made by the other Party or by the other Party's agents, representatives or attorneys with regard to the subject matter, basis or effect of this Agreement or otherwise, other than those matters expressly stated in the Agreement.

15. This Agreement sets forth the entire agreement between the Parties and fully supersedes any and all prior agreements or understandings of any kind whatsoever, whether written, oral, express, implied or otherwise. Any modification or amendment to this Agreement must be in writing and must be signed and dated by all of the Parties, and must explicitly state that it is intended to be an amendment to or modification of this Agreement.

16. This Agreement may be executed in any number of counterparts and by different Parties hereto in separate counterparts, with the same effect as if all Parties had signed one and the same document. All such counterparts shall be deemed to be an original and shall together constitute one and the same Agreement.

17. The undersigned hereby acknowledge and covenant that they have been duly authorized to execute this Agreement on behalf of their respective principals and that such execution is made within the course and scope of their respective agency and/or employment.

18. The Parties each agree, without further consideration, to execute and/or cause to be executed any other documents, and to take any other action as may be reasonably necessary, to effectively consummate the subject matter of this Agreement.

19. This Agreement is made and entered into in a Commission proceeding, and shall in all respects be interpreted, enforced and governed under the laws and regulations of the Commission.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement.

Dated: August 11, 2006.

UCAN

By: _____
Name: Michael Shames
Its: Executive Director

Dated: August ___, 2006

Sprint Telephony PCS LLP

By: _____
Name:
Its:

The undersigned attorneys at law for the respective parties represent that they have fully explained this Agreement to their respective clients, who have acknowledged an understanding of these terms and conditions and the legal effect thereof.

Dated: August 15, 2006.

By: _____
Alan M. Mansfield
Attorneys for UCAN

Dated: August ___, 2006.

By: _____
Rich Morris
Attorney for Sprint Telephony PCS LLP

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18. The Parties each agree, without further consideration, to execute and/or cause to be executed any other documents, and to take any other action as may be reasonably necessary, to effectively consummate the subject matter of this Agreement.

19. This Agreement is made and entered into in a Commission proceeding, and shall in all respects be interpreted, enforced and governed under the laws and regulations of the Commission.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement.

Dated: August ___, 2006.

UCAN

By: _____
Name:
Its:

Dated: August 11, 2006

Sprint Telephony PCS LLP

By: Kristin Jacobson
Name:
Its:

The undersigned attorneys at law for the respective parties represent that they have fully explained this Agreement to their respective clients, who have acknowledged an understanding of these terms and conditions and the legal effect thereof.

Dated: August ___, 2006.

By: _____
Alan M. Mansfield
Attorneys for UCAN

Dated: August 11, 2006.

By: Kristin Jacobson
Kristin Jacobson
Attorney for Sprint Telephony PCS LLP

(END OF APPENDIX A)