

DESCRIPTION OF THE TRANSACTION AND PUBLIC INTEREST STATEMENT

Cook Inlet Region, Inc., (“CIRI”) and T-Mobile USA, Inc. (“T-Mobile USA”)¹ (collectively, the “Applicants”) request Federal Communications Commission (“FCC” or “Commission”) consent to transfer control of Cook Inlet/VS GSM VII PCS, LLC (“CIVS VII”) from CIRI to T-Mobile USA pursuant to Section 310(d) of the Communications Act of 1934, as amended (the “Act”) and Section 1.948 of the Commission’s rules.² As further discussed below, the proposed transfer of control serves the public interest and is fully consistent with the Act. Moreover, the transaction raises no competitive concerns. Accordingly, the Commission should promptly approve this transaction.

I. DESCRIPTION OF THE PARTIES AND THE TRANSACTION

CIVS VII is a wireless licensee managed and controlled by Cook Inlet Voice and Data Services, Inc. (“CIVDS”), which in turn is wholly-owned and controlled by CIRI, an Alaska Native Corporation. T-Mobile USA holds an indirect non-controlling equity interest in CIVS VII. CIRI has caused CIVDS to exercise its right under an Exchange Rights Agreement by and between T-Mobile USA and CIVDS, dated December 21, 2010 and amended as of February 28, 2013, by which CIVDS would exchange its ownership rights in CIVS VII for cash, subject to FCC approval. Accordingly, upon consummation of the proposed transaction, CIVS VII will become a wholly-owned and controlled indirect subsidiary of T-Mobile USA.

T-Mobile USA’s financial, technical and legal qualifications to control FCC licenses and consummate the transaction are matters of public record, and were recently approved in the *T-Mobile – MetroPCS Order*.³ An FCC Form 602 for T-Mobile USA showing the ownership of CIVS VII as proposed in this transaction has been filed with the Commission.

¹ On March 12, 2013, the Commission approved the combination of T-Mobile USA and MetroPCS Communications, Inc. See *Applications of Deutsche Telekom AG, T-Mobile USA, Inc. and MetroPCS Communications, Inc.*, Memorandum Opinion and Order and Declaratory Ruling, WT Docket No. 12-301, DA 13-384 (rel. Mar. 12, 2013) (“*T-Mobile – MetroPCS Order*”). The T-Mobile – MetroPCS transaction has not yet been consummated, but it is anticipated that it will close prior to consummation of the instant transaction. Accordingly, the exhibits to this application reflect the final ownership structure of T-Mobile USA as described and approved in the *T-Mobile – MetroPCS Order*. The parties request that the Commission’s approval of this application similarly reflect the ownership structure of T-Mobile USA (or any successor entity) as described and approved in the *T-Mobile – MetroPCS Order*. In the event the consummation of the T-Mobile – MetroPCS transaction necessitates an update to this application, it should be treated as a minor amendment pursuant to Sections 1.927 and 1.929 of the Commission’s rules, 47 C.F.R. §§ 1.927, 1.929.

² 47 U.S.C. § 310(d); 47 C.F.R. § 1.948.

³ See *T-Mobile – MetroPCS Order*, ¶¶ 18-19.

II. PUBLIC INTEREST STATEMENT

Section 310(d) of the Act requires that the Commission determine whether the transaction described herein is consistent with the public interest, convenience and necessity. To make that assessment, the Commission considers whether the transaction: (1) would result in the violation of the Act or any other applicable statutory provision; (2) would result in a violation of Commission rules; (3) would substantially frustrate or impair the Commission's implementation or enforcement of the Act or interfere with the objectives of that and other statutes; and (4) promises to yield affirmative public interest benefits.⁴ The Commission has long held that transfers of control applications that demonstrate on their face that a transaction will yield affirmative competitive public interest benefits and will neither violate the Act or Commission rules, nor frustrate or undermine policies and enforcement of the Act by reducing competition or otherwise, do not require extensive review or merit expenditures of scarce Commission resources.⁵ Indeed, no detailed showing of benefits is required for transactions where there are no anti-competitive or other foreseeable adverse effects.⁶ The proposed transaction meets this standard and should be granted promptly.

The proposed transfer of control of CIVS VII fully complies with Commission rules and regulations and will not result in any violation of the Act or any other applicable statutory provision. Moreover, the transaction does not frustrate or impair the Commission's implementation, enforcement, or objectives under the Act or other statutes.

The transaction also will yield affirmative public interest benefits. A T-Mobile USA subsidiary is currently a wholesale customer of airtime of CIVS VII. But as T-Mobile USA has previously stated, it is experiencing rapidly rising demand for data services while at the same time facing spectrum constraints despite substantial investments in spectrum and network facilities. Acquiring control of CIVS VII will allow T-Mobile USA to better utilize the spectrum and facilitate its deployment of LTE. The proposed transfer of control will help augment T-Mobile USA's network and coverage, meet increasing consumer demand, and offer improved services to its customers, thereby enabling the company to become a stronger competitor and enhancing competition.

⁴ *Applications of SBC Communications Inc. and BellSouth Corporation*, 15 FCC Rcd 25459, 25463-64 (WTB/IB 2000) (citation omitted); *Applications of Ameritech Corp. and SBC Communications Inc.*, 14 FCC Rcd 14712, 14737-38 (1999) ("Ameritech-SBC"); *Application of WorldCom, Inc. and MCI Communications Corp.*, 13 FCC Rcd 18025, 18030-33 (1998); *Merger of MCI Communications Corporation and British Telecommunications plc*, 12 FCC Rcd 15351, 15367-68 (1997).

⁵ See *Applications of Tele-Communications, Inc. and AT&T Corp.*, 14 FCC Rcd 3160, 3170 (1999); *Ameritech-SBC*, 14 FCC Rcd at 14740-42.

⁶ *Applications of Southern New England Telecomm. Corp. and SBC Communications Inc.*, 13 FCC Rcd 21292, 21315 (1998); see also *Applications of Pacific Telesis Group and SBC Communications Inc.*, 12 FCC Rcd 2624, 2626-27, 2661 (1997) ("A demonstration that benefits will arise from the transfer is not... a prerequisite to our approval, provided that no foreseeable adverse consequences will result from the transfer.").

Finally, all licenses held by CIVS VII were auctioned more than three years ago; therefore the reporting obligations of Section 1.2111(a) of the Commission's rules⁷ are not triggered. There are no unjust enrichment penalties triggered by the instant transfer because none of the licenses held by CIVS VII is subject to installment financing, and all of the CIVS VII licenses were granted more than five years ago so they are not subject to ownership restrictions or bidding credit unjust enrichment.⁸

III. SPECTRUM AGGREGATION AND COMPETITION ANALYSIS

The proposed transfer of control raises no competitive or other public interest concerns. Because T-Mobile USA currently holds a greater than 10 percent interest in CIVS VII, the spectrum held by CIVS VII has already been attributable to T-Mobile USA under the Commission's "spectrum screen." Accordingly, post-consummation T-Mobile USA's attributable spectrum will remain at the same level that existed prior to the transaction and which was recently approved in the *T-Mobile – MetroPCS Order*. As shown in Exhibit 2, T-Mobile USA's spectrum holdings currently and post-consummation will not trigger the spectrum screen in any area.

Moreover, as shown in Exhibit 3, the CIVS VII markets are already served by a number of other carriers. The transaction also does not involve the acquisition of end user customers given that CIVS VII's wholesale customer of airtime is a subsidiary of T-Mobile USA. Thus, the transaction would not result in a reduction of actual competitors providing service in the CIVS VII markets.

IV. FOREIGN OWNERSHIP

T-Mobile USA has filed a petition for declaratory ruling pursuant to Section 310(b)(4) of the Act to allow up to 100 percent indirect foreign ownership of CIVS VII consistent with the foreign ownership levels and conditions approved in the *T-Mobile – MetroPCS Order*.⁹ A copy of that petition is attached hereto as Exhibit 4.

V. COMPLIANCE WITH NATIONAL SECURITY AGREEMENT

T-Mobile USA requests that the Commission condition its grant of this application on compliance with the provisions of the National Security Agreement entered into on January 12, 2001, as amended, between Deutsche Telekom AG, T-Mobile USA, Inc. and MetroPCS Communications Inc., on the one hand, and the U.S. Department of Justice, the Federal Bureau

⁷ 47 C.F.R. § 1.2111(a).

⁸ 47 C.F.R. § 1.2111. An unjust enrichment payment also was made in a prior transaction for license WQON998.

⁹ See *T-Mobile – MetroPCS Order*, ¶ 96.

of Investigation, and the Department of Homeland Security on the other.¹⁰ Section 7.2 of the National Security Agreement provides:

DT agrees that in its applications or petitions to the FCC for licensing or other authority filed with the FCC after the Effective Date, except with respect to *pro forma* assignments or *pro forma* transfers of control, it shall request that the FCC condition the grant of such licensing or other authority on DT's compliance with the terms of this Agreement....¹¹

The National Security Agreement prescribed that the following specific language be included in the conditional grant of interests in FCC licenses in the specific context of the DT/VoiceStream merger:

It is further ordered, that authorizations and the licenses related thereto are subject to compliance with the provisions of the Agreement between Deutsche Telekom AG, VoiceStream Wireless Corporation, VoiceStream Wireless Holding Corporation on the one hand, and the Department of Justice (the "DOJ") and the Federal Bureau of Investigation (the "FBI") on the other, dated January 12, 2001, which Agreement is designed to address national security, law enforcement, and public safety issues of the FBI and the DOJ regarding the authority granted herein. Nothing in this Agreement is intended to limit any obligation imposed by Federal law or regulation including, but not limited to, 47 U.S.C. § 222(a) and (c)(1) and the FCC's implementing regulations.¹²

T-Mobile USA hereby requests that the Commission impose a similar condition on the grant of the instant application.

¹⁰ See National Security Agreement, which was appended by the Commission to *Applications of VoiceStream Wireless Corporation, Powertel, Inc. and Deutsche Telekom AG*, Memorandum Opinion and Order, 16 FCC Rcd 9779 (2001). The National Security Agreement was amended in 2008 and 2013. See *Applications of T-Mobile USA, Inc. and SunCom Wireless Holdings, Inc.*, Memorandum Opinion and Order, 23 FCC Rcd 2515 (2008) (appending amendment) and *T-Mobile – MetroPCS Order* (appending amendment).

¹¹ National Security Agreement at § 7.2

¹² *Id.* at Exhibit A.