

**JOINT DECLARATION OF
TODD ROWLEY AND ROBERT FINCH**

We, Todd Rowley and Robert Finch, hereby declare as follows:

Background and Qualifications

1. My name is Todd Rowley, and I serve as Vice President – Spectrum Management in Sprint's corporate strategy and development group, managing Sprint's PCS, MMDS/ITFS (BRS/EBS), and other wireless assets and business development activity relating to the company's spectrum assets. I have served in this capacity since September 2003 and in similar roles in Sprint's broadband wireless group since September 1999. Prior to joining Sprint, I held several development and operations positions in the wireless and cable industries over the past 17 years, most recently as Senior Vice President of corporate development for People's Choice TV prior to Sprint's acquisition of the company in 1999. I currently serve on the boards of the Wireless Communications Association, International, where I serve on the WCA's executive committee and am the chairman of the WCA's government relations committee, and the National ITFS Association. I received my Bachelors in Business Administration in Finance and Marketing from the University of Iowa.
2. My name is Robert Finch, and I serve as Vice President – Spectrum Development for Nextel Communications, Inc., managing Nextel's MMDS/ITFS (BRS/EBS) assets and business development activity relating to the company's spectrum assets. I have served in this capacity since joining Nextel in July 2004. Beginning in 2003, I provided consulting services to Nextel through Cirpass, LLC, a consulting firm I founded in 2002. Prior to launching Cirpass, I held corporate development,

operations, and engineering positions in the wireless, Internet, and telecom industries with 19 years total experience. From 2001-2002, I served as Senior Vice President, Corporate Development for CIENA Corporation. From 1986-2000, I held a series of positions with MCI WorldCom where my last position was Vice President, Strategic Development. I currently serve on the boards of directors of ScanSoft, Inc. and the Wireless Communications Association, International, where I also serve on the executive committee. I received my Bachelors of Science, Mechanical Engineering from the University of California, Davis and my Masters of Science in Engineering Economic Systems from Stanford University.

Introduction

3. The 2.5 GHz spectrum offers the potential of supporting services that change the way people communicate comparable to the communications revolution that accompanied the introduction of cellular mobile devices. Delivering cutting-edge services in the 2.5 GHz band to consumers will require carriers to overcome obstacles both inherent in the spectrum itself and the result of more than forty years of legacy command-and-control regulation. A combined Sprint Nextel will prove able to overcome these impediments more successfully than either company acting alone.¹
4. While many elements of the 2.5 GHz business plan remain unsettled and subject to change in response to emerging market, technology, and regulatory developments, the

¹ Sprint and Nextel are licensed and lease spectrum in the 2150-2162 MHz and 2496-2690 MHz bands allocated to the Broadband Radio Service (formerly the Multipoint Distribution Service) and the Educational Broadband Service (formerly the Instructional Television Fixed Service). Under the new bandplan adopted in the *Report and Order* in WT Docket No. 03-66, the spectrum will be refarmed into a single band at 2496-2690 MHz. Therefore, for the sake of simplicity, the spectrum in both current bands will collectively be referred to as the “2.5 GHz Band.”

goal of the combined company's nationwide service offering would be to go beyond simply offering wireless broadband access. By sharing assets, expertise, personnel, investments, and technology, Sprint and Nextel intend to provide customers with integrated wireless solutions by incorporating devices, applications, and smart network technologies into an intuitive user service. Sprint and Nextel seek to provide customers with an experience that is context specific, device aware, and content optimized. This new differentiated service, which we refer to as a wireless interactive multimedia service, has the potential to propel the development of innovative applications and devices and enrich the lives of millions of Americans through increased productivity, improved cost efficiency, and enriched user experience that integrates the application, the network, and the device. In addition, the 2.5 GHz service could provide alternatives to traditional fixed backhaul and other data transport services.

5. As currently envisioned, a combined Sprint Nextel would deploy wireless interactive multimedia services using the 2.5 GHz band spectrum. Sprint and Nextel anticipate that these services will be extraordinarily fast with initial average downlink throughput rates per carrier of 2 Mbps to 4 Mbps and that they will be available at home, in the office, and anywhere in between. Unlike commercial mobile radio service ("CMRS") offerings in the 800 MHz and 1.9 GHz bands, wireless interactive multimedia services over the 2.5 GHz band will likely be data-centric and focused on stationary and portable consumer electronic and computing-oriented devices and hardware. These wireless interactive multimedia services would enable consumers and business users to interact with high bandwidth applications through visual-centric

services, such as video-on-demand, online gaming, document collaboration, and video conferencing.

6. At sufficient scale, the 2.5 GHz spectrum holds the promise of providing consumers integrated access to high-speed data, video-on-demand, and interactive delivery services. To overcome the technical and operational limitations inherent in the 2.5 GHz band, however, licensees must develop innovative, technically sophisticated uses of the spectrum that differ from the types of services offered in lower-frequency bands. Absent adequate investment incentives to overcome the barriers intrinsic to this band, the new and innovative services that these bands can support will not be realized.

Spectrum for Wireless Interactive Multimedia Services

7. Sprint and Nextel have independently acquired their interests in 2.5 GHz spectrum licenses and leases. The majority of the spectrum that a combined Sprint Nextel would hold in the 2.5 GHz band is leased, not owned, because more than sixty percent of the 2.5 GHz spectrum is ineligible for commercial licensing. In fact, Sprint Nextel would hold licenses for only 19 percent of the Broadband Radio Service (“BRS”) and Educational Broadband Service (“EBS”) spectrum available in the band. Although educators and non-profit institutions may choose to lease a portion of their licensed EBS spectrum to commercial operators, these leases are subject to Commission-mandated restrictions, and other businesses remain free to enter lease arrangements with individual educational institutions. Sprint Nextel will need to negotiate a large number of new leases with BRS and EBS license

incumbents on the open market and must continuously negotiate renewals of existing leases that are already in place.

8. With few exceptions, the combination of 2.5 GHz spectrum portfolios does not increase the amount of spectrum – licensed or leased – that the combined company would have in a given area above the amount currently available to either company. Each company focused its spectrum-acquisition activities on different geographic areas. As a result, the majority of Nextel’s BRS/EBS licenses and leases are located in the Northeast, the Central states and the South, while the vast majority of Sprint’s BRS/EBS licenses and leases are located in the West and Upper Midwest. In the few Basic Trading Areas (“BTAs”) in which both Sprint and Nextel hold spectrum, the company with the smaller spectrum position generally has an inconsequential holding.
9. In Attachment 1 to this declaration, Sprint and Nextel identify every MHz-pop in the nation that could be served by a 2.5 GHz license or lease held by the combined company.² By fully attributing all leases to Sprint Nextel, the analysis over-attributes the number of MHz-pops that Sprint Nextel would actually control. EBS leases, for example, are subject to Commission-mandated minimum educational programming

² As a result of the forty-year licensing history of the 2.5 GHz band, the Commission has assigned a wide variety of different, sometimes irregularly shaped or non-contiguous geographic service areas to 2.5 GHz licensees. To provide the Commission with the most granular analysis of the license and leasehold interest of the combined company possible, Sprint and Nextel plotted the geographic service area of all of BRS and EBS licenses in each of the thirty-three BRS and EBS channels in the 2.5 GHz band. The Applicants then identified the licenses and leases that Sprint and Nextel hold. Using the geographic composite data for each company, the Applicants then tallied the total 2.5 GHz MHz-pops covered by licenses or leases first for Sprint, then for Nextel, and finally for the combined company. The results of this highly granular analysis, which accounts for every 2.5 GHz MHz-pop in the nation, is appended as Attachment 1 to this declaration.

requirements and some EBS licensees use substantially more of their licensed EBS spectrum than the Commission-mandated minimums require; therefore, lessees of EBS spectrum cannot cover all of the MHz-pops that an EBS licensee can. Similarly, some of the EBS leases to which Sprint and Nextel are a party prohibit the lessee from providing anything other than one-way or video delivery service.

10. Most importantly, the 2.5 GHz interests that Sprint or Nextel hold often do not cover an entire BTA. Even where both carriers have some interest in a BTA, it does not necessarily mean that the individual carriers could have provided service to the same areas within the BTA, or that both individual carriers have rights that allow them to serve all or even most of the area or population in the BTA. For purposes of the analysis, however, all leases – and all of the MHz-pops they cover – are fully attributed to each company and to the combined Sprint Nextel. Despite employing a methodology that in this and similar ways overstates the combined company's license and leasehold interest in the 2.5 GHz spectrum, the results of this highly granular MHz-pop-by-MHz-pop analysis demonstrate that, after the merger, the combined company generally will not hold appreciably more 2.5 GHz spectrum in any given BTA than either company did prior to the merger.
11. In 408 of the 493 BTAs throughout the nation, no more than one or none of the two merging companies has *any* license or leasehold interest in the BTA. In the Birmingham BTA, for example, Nextel's 2.5 GHz licenses and leases cover 58% of the MHz-pops in the BTA and Sprint 2.5 GHz licenses and leases cover 0% of the MHz-pops in the BTA. In this BTA and in the 407 other similarly situated BTAs throughout the country, the merger does nothing to change the combined company's

2.5 GHz position in the geographic area. All told, both carriers have a presence in only eighty-five of the nation's 493 BTAs. These 85 BTAs are the only BTAs in which Sprint Nextel will have any more license or leasehold interests in the 2.5 GHz band than one of the carriers does today.

12. In the BTAs where both carriers have a presence, one carrier or another generally covers only a minimal percentage of the MHz-pops in that BTA. In sixty-eight of the eighty-five BTAs where both carriers have some type of presence, one of the two carriers covers no more than 10% of the MHz-pops. For 80% of the relevant 85 BTAs where both carriers have a presence, in other words, either Sprint or Nextel covers only a *de minimis* percentage of the total MHz-pops. Moreover, the combined Sprint Nextel spectrum position in a given BTA increases by an average of only 4.3 percentage points on a MHz-pops basis across these eighty-five BTAs. In the Canton-New Philadelphia BTA, for example, Sprint covers 38% of the MHz-pops in the BTA and Nextel covers 1% of the MHz-pops in the BTA. Combining the two companies' license and leasehold interests increases the number of MHz-pops covered within the BTA by just one percent to a total of 39% of the MHz-pops in the BTA. This change is not significant. Therefore, while the merger will expand the geographic reach of the company's 2.5 GHz spectrum holdings, the merger generally will not increase the actual number of megahertz that the combined company would control in any given geographic area. Indeed, on a nationwide basis, a majority of the MHz-pops will remain available for other carriers to use.
13. While not significantly adding to the depth of the combined company's holdings, a Sprint Nextel merger greatly expands the geographic breadth that the combined

company can serve. By combining their geographically disparate holdings, Sprint Nextel will have access to a 2.5 GHz footprint covering nearly 85% of the population in the top 100 BTAs. While short of an entirely nationwide position, Sprint's and Nextel's combined spectrum portfolio provides the necessary scale to justify the substantial research, development, implementation, and operational costs required to make use of the band in a manner that will prove viable over the long term, yet leaves sufficient 2.5 GHz spectrum available for competing operators. Moreover, this national footprint will ensure that the combined company can deploy a common technology over a portion of the 2.5 GHz band, which will provide consumers the ability to receive the same interactive, multimedia services in most areas of the country. Furthermore, the scale achieved by combining the 2.5 GHz assets of the companies will enhance the prospects of deploying low-cost, standards-based technologies. A national footprint will also create operating scale that would allow the combined entity to conduct national advertising and work with national company accounts.

Initial Deployments and Technology Trials

14. To prepare for deployment, Sprint and Nextel have each conducted significant analyses of emerging technologies. The companies have evaluated both consensus-driven international standards, such as WiMAX and TDD-UMTS, and proprietary technologies, such as Flash-OFDM. While a coordinated technical approach to deploying service will not be determined until the merger is complete, Sprint and Nextel have learned valuable technical and marketing lessons from their experiences,

which will help facilitate nationwide deployment of high-speed, interactive, multimedia service applications to the public.

15. For example, five years ago Sprint invested approximately \$400 million to deploy a line-of-sight (“LOS”) first-generation technology from Hybrid Networks for fixed residential wireless high-speed data access utilizing 2.5 GHz spectrum. Sprint offered service in 14 markets ranging from large metropolitan areas like San Francisco/San Jose to smaller cities like Wichita. Sprint was able to attract nearly 50,000 subscribers in less than 12 months, but faced significant technical and operational challenges. The technical limitations included installation difficulty because of LOS requirements, which mandated professional installation (the costs of which were magnified by the number of truck rolls made to homes that proved unable to receive the service because of a lack of LOS), capacity limitations, and technology immaturity. Sprint also initiated a next-generation technology evaluation group focused on solving these technology issues and developing a vibrant marketplace of vendors that would provide hardware, software, services, content, and other solutions (a “vendor ecosystem”) for new wireless high speed-data services.
16. Sprint discontinued further buildout of its first-generation technology in the 2.5 GHz band during 2001, primarily because of the high rate of failures in installation and the uneconomical business case. Sprint later developed second-generation fixed wireless technology requirements and issued a RFP for second-generation non-line-of-sight (“NLOS”) networks. A major field trial was conducted in Seattle, Washington with NLOS V-orthogonal frequency division multiplexing (“OFDM”) technology from Cisco Systems that proved unsuccessful due to limitations in NLOS capabilities.

Additional technical trials were conducted with start-up Iospan Wireless' advanced smart antenna technology MIMO-OFDM. The trial also proved unsuccessful due to the high cost of the solution.

17. In 2002-2003, Sprint focused on self-install NLOS technology with a fixed-to-portable broadband migration. Sprint championed efforts with start-up companies to test the concepts and technology of the next generation of wireless products and conducted a major technology trial in the Houston market with Navini Networks – a company with adaptive beamforming Time Division Duplex (“TDD”) smart antenna technology based on synchronous Code Division Multiple Access (“CDMA”). The six-month evaluation included lab and field testing as well as marketing tests of more than 300 households to gather user perceptions. Sprint also conducted a separate trial with another start-up vendor, IPWireless, Inc., that utilized wideband-CDMA.
18. Starting in 2003, Sprint began to work on standards development in the Institute of Electrical and Electronics Engineers (“IEEE”) with the formation of a new group, 802.20, focused on wireless broadband access. The divergent interests of existing manufacturers hindered the development of 802.20, however, and no solutions have been delivered. Sprint then commenced relationships with vendors to begin standardization of advanced OFDM technology into IEEE with 802.16e—a variant of the 802.16 family of standards known as WiMAX. In early 2004, Sprint led the formation of a private operator development forum comprising major international operators and domestic spectrum holders. The Broadband Wireless Forum (“BWF”) continues to focus on developing harmonized technical and business requirements and driving an open intellectual property rights (“IPR”) global standard for wireless

high-speed data services. Sprint has been elected to chair the BWF organization and continues to take a leadership role in driving operator needs in international forums as well as driving key operator requirements into IEEE 802.16e.

19. Nextel has also actively tested and developed high-speed data technology. For the past year, Nextel has conducted a broadband data trial in Raleigh, North Carolina that uses the Flash-OFDM standard. Flash-OFDM, which is short for “Fast Low-latency Access with Seamless Handoff – Orthogonal Frequency Division Multiplexing,” supplies highly secure, high-speed data access. In its Raleigh trial, Nextel configured more than 100 transmitter sites to support Flash-OFDM broadband data. Customers access the network using either (i) a small Personal Computer Manufacturer Interface Adaptor (“PCMIA”) card intended for laptop computers, or (ii) a desktop modem. Typical downlink speeds are up to 1.5 Mbps with burst rates of up to 3.0 Mbps. Typical uplink speeds are up to 375 kbps with burst rates of up to 750 kbps.
20. Nextel’s Raleigh trial uses spectrum in the 1850-1995 MHz range. Spectrum in the 2.5 GHz band differs greatly from the 1.9 GHz band. One of the most important differences is the diminished propagation characteristics of the 2.5 GHz band relative to the CMRS spectrum. Other things being equal, the higher the frequency, the shorter the propagation distance of a radiofrequency signal. Licensees that seek to deploy a low-site, low-power communications system with a high rate of frequency reuse will likely have to deploy far more transmitters to cover the same area at 2.5 GHz than they would have to deploy at 1.9 GHz or 800 MHz and, therefore, cannot take full advantage of the installed base of infrastructure that already exists in other, lower-frequency bands. Moreover, the progressive weakening of radio signals in the

2.5 GHz band as they travel away from their point of origin limits the ability of signals in the 2.5 GHz band to penetrate walls, floors, and ceilings in homes and offices. Despite these important differences in spectrum propagation characteristics between the 1.9 GHz trial band and the 2.5 GHz spectrum, Nextel's Raleigh trial has provided invaluable information concerning how best to deploy, manage, service, and sell a wireless broadband network service. Nextel has also identified strong demand for an easy-to-use, secure service that delivers true broadband wireless service with nearly ubiquitous coverage.

21. In separate studies, Nextel has evaluated Time Division ("TD") CDMA technology for several years. TD-CDMA technology is capable of operating on 5 MHz, 10 MHz, or 20 MHz carriers in a TDD mode. A Frequency Division Duplex ("FDD") mode has recently been developed for this technology. TD-CDMA FDD could support much higher bandwidth to the end user devices or increase system capacity significantly – attributes that a carrier could combine to offer never-before-seen levels of service. In addition, Nextel recently commenced a laboratory technology trial with IPWireless, which offers a wireless broadband technology based on the Universal Mobile Telecommunications System ("UMTS") TDD standard. UMTS TDD, which is also known as TD-CDMA, is a global standard that can be used by operators and manufacturers worldwide.

Challenges to Deploying Wireless Interactive Multimedia Services in the 2.5 GHz Band

22. The combination of Sprint's and Nextel's 2.5 GHz band spectrum, personnel, and expertise will bring significant public interest benefits. Nevertheless, the realization of these benefits will require substantial investment, development, research, trial, and

business risk, largely because the technology is evolving, key standard-setting processes are still underway, and the regulatory environment that will govern the band remains unsettled in several critical respects. As described below, Sprint and Nextel plan to combine their visions for the potential development of the spectrum. While both companies are optimistic about the possibilities, the companies must research, invest, execute, and incur business risks to make any of these opportunities a reality. The following paragraphs summarize these risks and challenges—most of which were noted above. The key point, however, is that the merger for the first time creates a real possibility for overcoming these concerns and delivering attractive, new solution-oriented wireless capabilities to customers.

- Because radio signals propagate over shorter distances at 2.5 GHz than at lower bands, service providers will face challenges in developing network infrastructure capable of providing reliable services covering large areas. The effects of signal attenuation in the 2.5 GHz band compared to lower frequency ranges will require 2.5 GHz licensees to develop their own network deployment plans, and identify and secure their own costly transmitter locations. As a result, service providers will need to either construct more infrastructure than necessary in lower frequency bands, or cover less territory than would be possible using lower frequency bands.
- As a result of the need to accommodate legacy 2.5 GHz high-power video operations, the regulatory regime for the 2.5 GHz band that became effective on January 10, 2005 effectively requires the completion of a complex process of transitioning to the newly-adopted 2.5 GHz bandplan before services can be effectively deployed in most major urban areas. Transitions will take time, and the complexity of the process will remain uncertain until the Commission acts upon the more than twenty pending petitions for reconsideration of the *Report and Order* and on the *Further Notice of Proposed Rulemaking* in WT Docket No. 03-66.
- Because the Commission has maintained eligibility restrictions that prevent commercial operators from directly holding licenses for 120 MHz of the 2.5 GHz band (and even more in many major urban areas), system operators face significant transaction costs and risks associated with aggregating contiguous blocks of spectrum. Commercial operators can access sixty percent of the available 2.5 GHz spectrum only by reaching leases with individual licensees, and these leases are subject to

Commission-mandated restrictions. Following the five-year transition, moreover, the 42 MHz in the Middle Band Segment will be optimized for high-site, high-power video transmissions, which are generally not compatible with the low-site, low-power transmissions necessary for wireless interactive multimedia services.

- To provide licensees in the 2.5 GHz band with technological flexibility, the Commission permits both FDD and TDD technologies to operate in the same and adjacent band segments. Unfortunately, TDD and FDD do not easily coexist. When used in proximity, each must operate under certain constraints to ensure operations do not cause harmful interference. While permitting both FDD and TDD operations in the same spectrum offers a technology-neutral means of permitting broadband use of the 2.5 GHz band, the absence of a common technical interface will present unique challenges to system operators. Operators will sometimes need to overcome interference resulting from simultaneous adjacent operation of TDD and FDD systems.
- Unlike other bands, common control channels, standardized emission characteristics, and other common performance measurements recognized by national and international standards bodies have not been established for the 2.5 GHz band. The lack of common operating parameters further complicates operations in the band.
- Two of the thirteen channels available to commercial operators are at 2150-2162 MHz and must be migrated to the 2496-2690 MHz band to be incorporated into new portable high-speed data services. The Commission has not yet adopted rules governing that migration process. Moreover, whether one of the channels in the band will prove suitable for widespread use will depend upon future Commission action. The BRS-1 channel has been moved to a relatively hostile interference environment where Industrial, Scientific, Mobile, Mobile Satellite Service, and Broadcast Auxiliary Service licensees already operate. To make this spectrum more useable, Sprint, Nextel, and other parties filed petitions for reconsideration on September 8, 2004 to have the incompatible, in-band services relocated or restrained. These petitions remain pending.

23. Despite these obstacles, the promise of a large potential customer base creates significant incentives to take opportunities and risks to deploy emerging new technologies. Scale, strong branding, and technical investment in innovative services will be essential to successfully deploying services in the 2.5 GHz band. Combining their disparate and scattered holdings across the country would give Sprint and

Nextel, for the first time in the band's long and troubled history, a large footprint of 2.5 GHz spectrum suitable for widespread deployment of wireless interactive multimedia services.

Consumer Demand for Wireless Interactive Multimedia Services

24. Customers of all types value high-speed data access and have indicated that they want access to the same high-speed data applications available on tethered computers while on the go. The companies' respective trials have provided the insight that consumers and business users want – and are willing to pay for – portability, broader high-speed network coverage, and an end-to-end integrated experience of applications, networks, and digital devices. Wireless interactive multimedia services have the potential to revolutionize the way people interact.
25. Today, for example, law enforcement, first responders, and government officials rely primarily on voice and narrowband data services to complete their missions. The new network infrastructure that Sprint and Nextel envision for the 2.5 GHz band, however, could allow for instant fingerprint identification, biometric scanning, and instantaneous access to detailed maps and building designs that would help identify criminals on the street and prevent needless loss of life. The new network infrastructure could also deliver live video from cameras on the scene to officers on the ground or allow a patrolman to access multiple closed-circuit television systems while engaged in a two-way video call with his commanding officer. The enhanced access to detailed, video-based information could improve the ability of our nation's law enforcement officials to protect public safety and safeguard their own lives in the event of an emergency.

26. Educators would also benefit from the new services that the combined Sprint Nextel could deploy. A portion of the EBS spectrum must be reserved and used for educational purposes, and Sprint's and Nextel's planned deployment can strengthen and enhance the unique public-private partnership that exists in this band. Educators will be able to take advantage of the coverage, economics, and depth of network deployment required for successful commercial operation to enhance their own capital investments, training, expertise, and system performance. While high-speed Internet access has offered an enormous bounty of material to students and teachers, much of the material must remain static and cannot easily be configured to allow easy-to-use, two-way interactive access. Wireless interactive multimedia services offer the promise of significantly enhancing "distance learning" by seamlessly integrating students and teachers across an easy-to-use network with a nearly nationwide footprint. Students could check into the supplemental interactive and multimedia content assigned by the teacher and even wirelessly download a recorded lecture for review while waiting for the school bus. Because the video is stored on his device, the student could fast forward through the portions that he fully understood and repeat the difficult sections for a better understanding of the course material while on his ride to school.
27. Consumers similarly would find significant benefits in the integration of applications, a smart network, and day-to-day digital devices. A growing number of people, for example, watch DVD movies on laptops, play on-line games, and listen to digital music. Today, these entertainment activities require consumers to anticipate their future entertainment needs or carry many costly devices with them at all times. The

selection and choice of the experience is also limited by the physical environment and further constrained by lack of high-speed broadband coverage. Through a wireless interactive multimedia services connection, however, a consumer about to leave for the airport to catch a return flight after a vacation would be able to search from an online movie catalog, purchase a movie, and stream it to her entertainment device for instant or subsequent viewing. If fully realized, the Sprint Nextel network would be smart enough to know that the consumer is streaming the movie to an entertainment device with a smaller size screen and would optimize the movie to ensure that the consumer has a superior viewing experience. Additionally, if the customer's flight is delayed, she could play a game online or exchange digital-quality video over the same wireless device with multiple users across the country while listening to streaming audio. Before the flight departs, in a matter of a few seconds, she could wirelessly upload vacation pictures from her entertainment device to her family's online web site for the instant viewing pleasure of her friends and relatives.

28. The business applications of wireless interactive multimedia services are also significant. The construction industry is just one example of the many business segments that could realize significant productivity gains from using wireless interactive multimedia services. In the construction segment, there are three key business issues that the service could help address: (1) construction sites are often remote with no broadband connectivity, (2) collaboration between various entities (*i.e.*, architect, civil engineer, general contractor, electrician, inspector) slows down due to lack of an immediate access to visual information, and (3) relevant media and computing devices are not portable. With wireless interactive multimedia services,

applications and devices can be optimized to support bandwidth-intensive applications, such as digital images and rich data files. Using a rugged, video/camera-enabled Tablet PC, for example, a general contractor could capture images of a specific problem area on a construction site and wirelessly transmit them to the engineer or architect at their offices. The engineer and general contractor could then use the video functionality of the Tablet PC to conduct a wireless videoconference to solve the problem. In addition to seeing and talking with one another, all participants would be able to propose, see, and critique changes to the Computer Aided Design (“CAD”) plans for the building. In this and other ways, wireless interactive multimedia services will increase productivity, reduce costs, and improve quality.

29. Sprint and Nextel anticipate widespread consumer demand for these services. Wi-Fi technology has given users a taste of the convenience of unwired broadband, but has only been able to deliver it in extremely limited hotspots with limited security and little integration of devices, network, and applications. As a result, and as demonstrated by Sprint’s and Nextel’s broadband trials, customers are increasingly willing to purchase wireless broadband services, and this demand will increase as more devices are enabled for wireless broadband operation. Wireless interactive multimedia services will enhance the ability of consumers to take their digital applications with them wherever they may go.
30. As noted above, while plans are necessarily not certain or final, and will evolve in response to technological progress, market changes, and competitive developments, Sprint and Nextel anticipate that wireless interactive multimedia services will include

at least some of the following characteristics, which we believe will address emerging business and consumer requirements:

- High-speed, low-latency access to high-quality multimedia content at reasonable prices;
- National, wide-area radio network;
- An end-to-end all Internet Protocol (“IP”) network;
- IP quality of service support for interactive multimedia applications;
- Integrated wireless backhaul capability; and
- Technology embedded into handheld data computing devices.

31. Given the promise of wireless interactive multimedia services, Sprint and Nextel in 2004 explored the potential of a joint venture including both companies’ 2.5 GHz spectrum assets. The joint venture would have consisted of pooling the companies’ spectrum assets and operating a network joint venture, with the joint venture contracting services from its parents, Sprint and Nextel.
32. This effort was abandoned for several reasons. First, the governance of joint ventures is inherently complicated and difficult to manage. The companies were concerned about their abilities to control their own destinies through this structure. Second, the companies realized that it would be complicated to make decisions within the joint venture and that there were tensions about a complex, long-term relationship. Third, decision-making can become especially difficult when interests or priorities are not aligned. Both companies were concerned about the joint venture’s ability to move swiftly, and both were concerned about its ability to develop unique products and service applications.

33. The companies also concluded that it would be difficult to realize the synergies of the companies' combined network assets through a joint venture structure. Many of the operating synergies that the merged company will realize were not available through a joint venture. Both companies would still be maintaining independent wireless networks, in addition to the 2.5 GHz network being operated by the joint venture. Finally, the companies were concerned about becoming reliant on this third-party joint venture. The parties were also concerned about the possibility that material changes in the other company could occur (e.g. the other company could be acquired by a party with different strategic interests or become distressed and unable or unwilling to fulfill its commitments under the agreement).

I, Todd Rowley, declare under penalty of perjury under the laws of the United States that the foregoing declaration is true and correct to the best of my knowledge and belief.

/s/ Todd Rowley

Todd Rowley

Executed on February 8, 2005.

I, Robert Finch, declare under penalty of perjury under the laws of the United States that the foregoing declaration is true and correct to the best of my knowledge and belief.

/s/ Robert Finch

Robert Finch

Executed on February 8, 2005.