

**DESCRIPTION OF TRANSACTION
AND PUBLIC INTEREST STATEMENT**

By this FCC Form 603 assignment application, the applicants respectfully request consent to the assignment of 700 MHz A-Block (“700 MHz”) spectrum by Big Wave Ventures, LLC (“Assignor”) to T-Mobile License LLC (“Assignee” and, together with Assignor, the “Parties”), as described herein.

These assignments involve only the transfer of spectrum; they do not involve any transfer of network or other assets or customers. The assignments will augment the spectrum holdings of Assignee, expanding capacity and thereby benefiting consumers. For the reasons set forth below, the Parties submit that Commission approval of the proposed assignments is consistent with the public interest, convenience and necessity.

Description of the Parties

Assignee is a wholly-owned subsidiary of T-Mobile USA, Inc. (“T-Mobile USA”) and, indirectly, T-Mobile US, Inc. (“T-Mobile US”), a publicly traded company, and part of the family of companies that operate under the T-Mobile® brand names. Deutsche Telekom AG, a publicly-traded German company based in Bonn, Germany (“DT”), holds a 66.21 percent interest in T-Mobile US through its wholly-owned subsidiary T-Mobile Global Zwischenholding GmbH (“T-Mobile Global”). This subsidiary owns all of the equity and voting interests of T-Mobile Global Holding GmbH (“T-Mobile Holding”), which owns all of the equity and voting interests of Deutsche Telekom Holding B.V. (“DT Holding B.V.”), which in turn holds the 66.21 percent interest in T-Mobile US. The remaining 33.79 percent interest in T-Mobile US is held by public shareholders. Led by a management team with decades of collective experience in the telecommunications industry, T-Mobile US is headquartered in Bellevue, Washington, offers nationwide wireless voice and data services to consumer and business customers and provides service to over 50 million subscribers. The Commission has repeatedly found that Assignee and its controlling companies have the requisite character and qualifications to hold Commission authorizations.¹ An FCC Form 602 providing current ownership information for Assignee is on file with the Commission.²

¹ See, e.g., *Applications of Deutsche Telekom AG, T-Mobile USA, Inc., and MetroPCS Communications, Inc. for Consent to Transfer of Control of Licenses and Authorizations*, Memorandum Opinion and Order and Declaratory Ruling, 28 FCC Rcd 2322, ¶ 19 (WTB/IB 2013) (“*T-Mobile-MetroPCS Order*”); *Applications of T-Mobile USA, Inc. and SunCom Wireless Holdings, Inc.*, Memorandum Opinion and Order, 23 FCC Rcd 2515, 2519-20 ¶ 10 (2008).

² Based on prior guidance from the Wireless Telecommunications Bureau, the Form 602 filing for T-Mobile USA satisfies the ownership reporting requirements of Sections 1.919 and 1.2112(a) of the Commission’s rules for its wholly-owned subsidiaries. See 47 C.F.R. §§ 1.919, 1.2112(a); see also *Wireless Telecommunications Bureau Answers Frequently Asked Questions Concerning Reporting of Ownership Information on FCC Form 602*, Public Notice, 14 FCC Rcd 8261, 8264-65 (WTB 1999) (“*Form 602 FAQ’s*”).

Assignor is the holder of the licenses that are the subject of this application. Assignor's management team has extensive experience in wireless operations. Assignor's financial, technical, and legal qualifications to hold and control FCC licenses are matters of public record. An FCC Form 602 providing current ownership information for Assignor is on file with the Commission.

Description of the Transaction

Each of the Parties is a party to a License Purchase Agreement dated as of November 7, 2014 (the "Purchase Agreement"). Assignor currently holds the 700 MHz A-Block licenses described in Attachment A hereto (collectively, the "Licenses"). Pursuant to the Purchase Agreement, Assignor has agreed to assign to Assignee, and Assignee has agreed to accept, the full spectrum bandwidth in the full license area of the Licenses.

Transition Issues

The transaction involves only the assignment of spectrum and does not include the transfer of any other assets, facilities or customers. There will be no loss of an existing service provider in any of the market areas subject to the transaction at issue. The Licenses are lower 700 MHz A Block spectrum license for which the interim construction deadline has not yet passed. Assignor is not providing commercial service to end-user customers on the Licenses. Accordingly, there will be no discontinuance, reduction, loss or impairment of service to customers.

The Parties intend to consummate the subject transaction promptly following Commission consent by "Final Order" (unless finality is waived by Assignee) and the satisfaction of certain contractual conditions.

Public Interest Statement

Section 310(d) of the Communications Act of 1934, as amended (the "Act"), requires that the Commission determine whether the transaction presented herein is consistent with the public interest, convenience and necessity.³ To make that assessment, the Commission generally considers four factors: "(1) whether the transaction would result in the violation of the Act or any other applicable statutory provision; (2) whether the transaction would result in a violation of Commission rules; (3) whether the transaction 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) whether the transaction promises to yield affirmative public interest

³ Section 310(d) provides that "no construction permit, or station license, or any rights thereunder, shall be transferred, assigned, or disposed of in any matter . . . to any person except upon application to the Commission and upon finding by the Commission that the public interest, convenience, and necessity will be served thereby." 47 U.S.C. § 310(d).

benefits.”⁴ As part of its public interest analysis, the Commission reviews whether the transaction will have anti-competitive effects and, if so, whether there are overriding public interest benefits that would support a grant.

The Commission has determined that transfer and assignment applications that demonstrate on their face that a transaction will yield affirmative public interest benefits and will neither violate the Act or Commission rules nor frustrate or undermine policies and enforcement of the Act do not require extensive review and expenditures of considerable resources by the Commission.⁵ The instant application meets this standard.⁶

The assignments from Assignor to Assignee will yield clear public interest benefits by allowing Assignee to expand its 700 MHz footprint and thus offer improved services to its customers, thereby enabling Assignee to become a stronger competitor in the markets relevant to the Licenses and nationwide. Thus, Commission approval of this application will enhance competition and improve the quality of services in the wireless marketplace.

The assignments proposed herein will not result in any violation of the Act or any other applicable statutory provision. Moreover, the assignments fully comply with all Commission rules and regulations and require no waivers. Therefore, they do not frustrate or impair the Commission’s implementation, enforcement, or objectives of the Act or other statutes.

Finally, neither License is subject to any installment financing. Each License was initially licensed by the Commission on December 20, 2012, less than three years ago. In accordance with Commission Rules, Assignor is submitting a statement indicating that the Licenses were obtained through competitive bidding (*see Exhibit 4*) and a copy of the Purchase

⁴ *SBC Communications Inc. and BellSouth Corp.*, 15 FCC Rcd 25459, 25464 (WTB/IB 2000) (citation omitted); *Ameritech Corp. and SBC Communications Inc.*, 14 FCC Rcd 14712, 14737-38 (1999) (“*Ameritech-SBC Order*”); *see also EchoStar Communications Corp., (a Nevada Corp.), Gen. Motors Corp., and Hughes Electronics Corp (Delaware Corp.) (Transferors) and EchoStar Communications Corp. (a Delaware Corp.) (Transferee)*, 17 FCC Rcd 20559, 20574 (2002); *WorldCom, Inc. and MCI Communications Corp.*, 13 FCC Rcd 18025, 18030-32 (1998); *Merger of MCI Communications Corporation and British Telecommunications plc*, 12 FCC Rcd 15351, 15367-68 (1997).

⁵ *See Tele-Communications, Inc. and AT&T Corp.*, 14 FCC Rcd 3160, 3170 (1999); *Ameritech-SBC Order*, 14 FCC Rcd at 14740-41.

⁶ The Commission has emphasized that a detailed showing of benefits is not required for transactions where there are no anti-competitive effects. The Commission stated in *Southern New England Telecomm. Corp. and SBC Communications Inc.*, 13 FCC Rcd 21292, 21315 (1998), that, in the absence of anti-competitive effects, a detailed showing of benefits is not necessary in seeking approval of a merger. Similarly, as the Commission stated in its approval of the SBC/Pacific Telesis merger, where it found that the merger would not reduce competition and that SBC possessed the requisite qualifications to control the licenses in question, “[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.” *Pacific Telesis Group and SBC Communications Inc.*, 12 FCC Rcd 2624, 2626-27 (1997); *see also Comcast Cellular Holdings, Inc. and SBC Communications, Inc.*, 14 FCC Rcd 10604, 10608-09 (WTB 1999).

Agreement,⁷ which discloses the consideration that Assignor would receive for the assignment of the Licenses; provided, however, that the Purchase Agreement is being submitted as a confidential document along with a request for confidential treatment under FCC Rule 0.459 (*see Exhibit 5*).⁸ Aside from the purchase price set forth in the Purchase Agreement, there is no future, contingent, in-kind or other consideration for the purchase and sale of the Licenses (*see Exhibit 4*).⁹ Furthermore, the Licenses are subject to bidding credits but no restrictions on ownership based on designated entity status. Specifically, the Licenses are expected to be assigned (subject to Commission approval) during the third year of the license term,¹⁰ with the result that 75 percent of the value of the bidding credit (plus interest based on the rate for ten year U.S. Treasury obligations applicable on the date each License was granted) will be required to be reimbursed to the U.S. government.¹¹ The Parties intend to arrange to pay this amount by having a portion of the purchase price paid directly to the U.S. Treasury in accordance with a payoff letter to be provided by the Commission prior to closing. Commission approval of the assignments would not result in any other unjust enrichment issues.¹²

Spectrum Aggregation/Competition Analysis

As discussed below, these assignments -- which will not reduce the number of competitors, service offerings or customer choices in any market -- do not raise any spectrum aggregation or competitive concerns.

Spectrum Aggregation and Competitive Analysis. Because Assignee, post-consummation, will hold only between 37 and 62 MHz of attributable spectrum in all of the 24 counties subject to the instant assignments, Assignee's spectrum aggregation will be well below current levels requiring further competitive review (*see Exhibit 2*).¹³

⁷ Section 1.2111(a) provides that an applicant seeking approval for an assignment of a license within three years of receiving a new license through a competitive bidding procedure must, together with its application, submit (i) "a statement indicating that its license was obtained through competitive bidding" and (ii) "the associated contracts for sale, option agreements, management agreements, or other documents disclosing the total consideration that the applicant would receive in return for the transfer or assignment of its license (see § 1.948)." 47 C.F.R. § 1.2111(a).

⁸ 47 C.F.R. § 0.459.

⁹ "This information [i.e., associated contract for sale, etc.] should include not only a monetary purchase price, but also any future, contingent, in-kind, or other consideration (e.g., management or consulting contracts either with or without an option to purchase; below market financing)." *Id.*

¹⁰ Under the Purchase Agreement, closing shall not occur before December 20, 2014.

¹¹ *See* 47 C.F.R. §§ 1.2111(d)(1) and (d)(2)(B).

¹² *See* 47 C.F.R. § 1.2111.

¹³ *See Policies Regarding Mobile Spectrum Holdings, Expanding the Economic and Innovation Opportunities of Spectrum Through Incentive Auctions*, Report and Order, FCC 14-63, ¶¶ 70-135 (rel. June 2, 2014).

These assignments do not raise any competitive or other public interest concerns. As discussed above, there will be no loss of an existing service provider in the market areas subject to the transaction at issue. Assignor is not using the Licenses to provide commercial service to end-user customers. Thus, there will be no discontinuance, reduction, loss or impairment of service to end-user customers or a reduction in the number of actual competitors providing service. Moreover, there are numerous other carriers holding CMRS spectrum in the markets in which Assignee is acquiring spectrum (*see Exhibit 3*), which will ensure that a high degree of competition continues to exist.

Foreign Ownership of Assignee

As noted above, Assignee is a wholly-owned subsidiary of T-Mobile USA. T-Mobile USA in turn is a wholly owned direct subsidiary of T-Mobile US, a U.S.-organized entity. DT, a publicly-traded German corporation,¹⁴ holds a 66.21 percent interest in T-Mobile US and, indirectly, in T-Mobile USA through the intermediate companies described above.

On December 30, 2013, the Commission granted, subject to certain conditions, T-Mobile US's Petition for Declaratory Ruling under Section 310(b)(4) of the Communications Act on behalf of its subsidiaries and affiliates holding common carrier radio licenses that it would not serve the public interest to prohibit more than 25 percent foreign ownership in T-Mobile US.¹⁵ That ruling also specifically permitted: (i) the specific foreign entities with a non-controlling interest in T-Mobile US (*i.e.*, Kreditanstalt für Wiederaufbau and the Federal Republic of Germany ("FRG")), to increase their equity and/or voting interests, at some future time up to and including a non-controlling indirect 49.99 percent equity and/or voting interest; and (ii) the specific foreign entities with a controlling interest in T-Mobile US (*i.e.*, DT Holding B.V., T-Mobile Holding, T-Mobile Global and DT) to increase their interests, at some future time, up to and including 100 percent of T-Mobile US's equity and/or voting interests.¹⁶ T-Mobile US's petition was filed in connection with an internal corporate reorganization that resulted in the insertion of a new direct parent company, DT Holding B.V., a limited liability company organized in the Netherlands, into T-Mobile US's ownership chain. That declaratory ruling includes all authority available under the rules, including the standard terms and conditions set forth in Section 1.994 of the rules, and thus extends to Assignee (among other licensee subsidiaries of T-Mobile USA) and the type of wireless service license that is the subject of the instant transaction. The foreign ownership in the licensees as approved has not materially changed since December 30, 2013 and will not be affected by the instant transaction.

¹⁴ Germany is a signatory to the World Trade Organization ("WTO") Basic Agreement on Telecommunications.

¹⁵ *See* File No. ISP-PDR-20130924-00006 (filed Sept. 24, 2013 and supplemented Oct. 24, 2013); *International Authorizations Granted*, Public Notice, Report No. TEL-01650, DA 14-24 (rel. Jan. 9, 2014).

¹⁶ *Id.*

Compliance with DOJ/FBI/DOD Agreement by Assignee

Assignee also requests that the Commission condition its grant of the assignment of the Licenses on compliance with the provisions of the Agreement entered into on January 12, 2001, as amended, between DT, VoiceStream Wireless Corporation and VoiceStream Wireless Holding Corporation, on the one hand, and the Department of Justice and the Federal Bureau of Investigation, on the other (the “Agreement”).¹⁷ The Agreement prescribed that the following specific language be included in the conditional grant of interests in FCC licenses in the specific context of the Agreement:

It is further ordered, that the authorizations and the licenses related thereto are subject to compliance with the provisions of the Agreement attached hereto 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 the 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.¹⁸

Assignee hereby requests that the Commission impose a similar condition on the grant of the assignment of the Licenses to it.

Conclusion

The Parties respectfully submit that Assignee is qualified to obtain the Licenses and that Commission approval of the requested assignments will serve the public interest, convenience and necessity.¹⁹ Accordingly, the Parties respectfully request that the Commission grant the instant application.

¹⁷ See *Applications of VoiceStream Wireless Corp., Powertel, Inc. and Deutsche Telekom, AG*, Memorandum Opinion and Order, 16 FCC Rcd 9779, Appendix B (2001) (Agreement between DT, VoiceStream Wireless Corporation, VoiceStream Wireless Holding Corporation, the Department of Justice and the Federal Bureau of Investigation dated Jan. 12, 2001). The Agreement was amended in 2008 to add the Department of Homeland Security as a party and also amended in 2013 in connection with license transfers associated with the T-Mobile/MetroPCS transaction. See *Applications of T-Mobile USA, Inc. and SunCom Wireless Holding, Inc.*, Memorandum Opinion and Order, 23 FCC Rcd 2515, Appendix B (2008); *T-Mobile/MetroPCS Order*, 28 FCC Rcd at Appendix B, Amendment No. 2.

¹⁸ *Applications of VoiceStream Wireless Corp., Powertel, Inc. and Deutsche Telekom, AG*, 16 FCC Rcd at Appendix B, Exhibit A (Condition to FCC Licenses).

¹⁹ See *Promoting Efficient Use of Spectrum Through Elimination of Barriers to the Development of Secondary Markets*, 18 FCC Rcd 20604 (2003).

ATTACHMENT A

Licenses

FCC Call Sign	Licensed Area	Channel Block	Frequencies (MHz)	Exp. Date
WQQI315	BEA052-Wheeling, WV-OH	A	698.0-704.0 MHz & 728.0-734.0 MHz	12/20/2022
WQQI316	BEA137-Lubbock, TX	A	698.0-704.0 MHz & 728.0-734.0 MHz	12/20/2022