

**DESCRIPTION OF TRANSACTION  
AND PUBLIC INTEREST STATEMENT**

As set forth in this FCC Form 608 lease notification, each of Channel 51 License Company LLC (“Licensee” or “Lessor”) and T-Mobile License LLC (“Lessee”) (collectively, the “Parties”) hereby notify the Commission that they have entered into a Long-Term Spectrum Manager Lease Agreement (the “Lease Agreement”). Under the Lease Agreement, Lessee is authorized to operate a wireless communications system using the entirety of the frequencies in the entire geographic areas (the “Markets”) (the “Leased Spectrum”) of the 600 MHz licenses specified in Schedule A attached hereto (the “FCC Licenses”). Under the instant lease notification, Lessor grants the exclusive rights to Lessee to use the Leased Spectrum.

Concurrently with the Lease Agreement, Lessee has also entered into a second Long-Term Spectrum Manager Lease Agreement (the “Contemporaneous Lease Agreement”) with LB License Co, LLC (“LB License”). Under the Contemporaneous Lease Agreement, Lessee is authorized to operate a wireless communications system using the entirety of the frequencies in the entire geographic areas (the “Other Markets”) and, together with the Markets, the “Combined Markets”), subject to certain rights retained by LB License (the “Other Leased Spectrum” and, together with the Leased Spectrum, the “Combined Leased Spectrum”) of the 600 MHz licenses specified in Schedule B attached hereto (the “Other FCC Licenses” and, together with the FCC Licenses, the “Combined FCC Licenses”).

**Description of the Parties**

Lessee 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<sup>®</sup> brand names. Deutsche Telekom AG (“DT”), a publicly-traded German company based in Bonn, Germany, holds a 62.64 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 62.64 percent interest in T-Mobile US. The remaining 37.36 percent interest in T-Mobile US is held by public shareholders. These ownership figures will change upon the consummation of the recently granted applications seeking FCC approval for the transfer of control to T-Mobile US of FCC licenses, authorizations and leases held by subsidiaries of Sprint Corporation and the *pro forma* transfer of control of FCC licenses, authorizations and leases held by subsidiaries

of T-Mobile US in connection with the merger of T-Mobile and Sprint (the “Sprint Merger”).<sup>1</sup>

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 86.0 million subscribers.<sup>2</sup> The Commission has repeatedly found that Lessee and its controlling companies have the requisite character and qualifications to hold Commission authorizations.<sup>3</sup> An FCC Form 602 providing current ownership information for Lessee is on file with the Commission.<sup>4</sup>

The sole managing member of Lessor is Paul Chisholm, an experienced telecommunications executive. An FCC Form 602 providing current ownership information on Lessor is on file with the Commission.<sup>5</sup>

### **Description of Transaction**

Lessor and Lessee entered into the Lease Agreement in order to (i) grant Lessee the right to use the Leased Spectrum and thus expedite the deployment of the spectrum and the resulting public interest benefits; and (ii) memorialize the respective rights and responsibilities of Lessor and Lessee with respect to the Leased Spectrum consistent with the Communications Act of 1934, as amended, and the rules, regulations and policies of the Federal Communications Commission (“FCC”) (the “Communications Laws”) and the terms and conditions set forth herein.

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<sup>1</sup> See *Applications of T-Mobile US, Inc. and Sprint Corporation for Consent to Transfer Control of License and Authorizations*, WT Docket No. 18-197, Memorandum Opinion and Order, Declaratory Ruling, and Order of Proposed Modification, FCC 19-103 (rel. Nov. 5, 2019) (“Merger Approval Order”).

<sup>2</sup> See T-Mobile Investors, News & Events, Jan. 7, 2020, found on the T-Mobile website at the following link: <https://investor.t-mobile.com/news-and-events/t-mobile-us-press-releases/press-release-details/2020/T-Mobile-Adds-70-Million-Customers-in-2019--the-Sixth-Year-in-a-Row-with-more-than-5-Million-Net-Customers-Joining-the-Un-carrier-Movement/default.aspx> (last visited Feb. 12, 2020).

<sup>3</sup> 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, 2330 ¶ 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).

<sup>4</sup> See FCC File No. 0009020249.

<sup>5</sup> See FCC File No. 0008435075.

The spectrum leasing arrangement notified here will commence on the date on which the FCC accepts the foregoing Form 608.<sup>6</sup> This leasing arrangement will continue in effect until February 28, 2023, unless terminated up to six months earlier at Lessor's option.<sup>7</sup>

Consistent with the Lease Agreement and the requirements of the Communications Laws, Lessor, whose qualifications and eligibility as a licensee are matters of Commission record, will retain *de facto* and *de jure* control of the Leased Spectrum throughout the lease term. Lessee, whose qualifications and eligibility also are matters of Commission record, will conduct operations under the Lease Agreement subject to applicable rules and regulations.

The leasing arrangement under the Lease Agreement does not raise any competitive or other public interest concerns. As discussed in more detail below, the spectrum aggregation of T-Mobile US following commencement of the instant leasing arrangement and the leasing arrangement with LB License<sup>8</sup> will remain below the current one-third low-band spectrum holdings threshold in eighty-eight percent of the counties which are subject to the leasing arrangements (also including the overlapping Sprint

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<sup>6</sup> Because Lessor is a very small business and qualified for bidding credits under Sections 1.2110(f)(2)(i)(B) and 27.1301(a)(2)&(c) of the Commission's rules and utilized a bidding credit when it acquired its FCC Licenses, under Section 1.9020(e), that spectrum manager lease will require Commission acceptance of the lease notification prior to the commencement of operations by Lessee.

<sup>7</sup> WRCQ551, the E-Block 600 MHz license for PEA003-Chicago, IL that is the basis for a portion of the Leased Spectrum, is also the subject of an existing short-term lease from Lessor to Lessee, FCC Lease No. L000039818, which commenced on Oct. 18, 2019 and will expire on Oct. 11, 2020. Should the instant long-term lease arrangements commence prior to Oct. 11, 2020, the short-term lease would be terminated early as appropriate. Additionally, on Mar. 13, 2020, T-Mobile USA, Inc., on behalf of its subsidiary Lessee, and with Lessor and LB License's consent, filed requests for emergency special temporary authority (STAs) to use the Combined Leased Spectrum for a period of sixty (60) days from the date of FCC action to help keep Americans connected during the ongoing novel coronavirus pandemic. See Letter from Steve B. Sharkey, Vice President, Government Affairs, Technology and Engineering Policy, T-Mobile, to Donald Stockdale, Chief, Wireless Telecomm. Bur., FCC (filed Mar. 13, 2020) and associated FCC Forms 601 for the Leased Spectrum and the Other Leased Spectrum (filed Mar. 20, 2020). The STAs were granted on Mar. 15, 2020 and thus will expire 60 days later on May 13, 2020. Should the instant long-term lease arrangements commence prior to May 13, 2020, the STAs would be terminated early as appropriate.

<sup>8</sup> Because the term of the Lease Agreement and the term of the Contemporaneous Lease Agreement are similar (but not identical, see below), both leases are for 600 MHz licenses, and the ownership (but not management) of Lessor and LB License overlap, the ensuing discussion of spectrum aggregation and competition issues addresses both leasing arrangements and covers the Combined Leased Spectrum. Since LB License is not a designated entity and did not utilize a bidding credit when it acquired the Other FCC Licenses, that spectrum manager lease will not require Commission acceptance of the lease notification prior to the commencement of operations by Lessee but instead will commence 21 days after the date of filing.

spectrum that is the subject of the Sprint Merger). Independent of the leasing arrangements, consummation of the Sprint Merger will cause T-Mobile US to exceed the current spectrum holdings threshold for all suitable and available spectrum in ninety-five percent of the counties covered by the Combined Leased Spectrum. The instant leasing arrangements will cause T-Mobile US to exceed the threshold in only an additional three percent of the counties. Nonetheless, as further described below, immediate access to between 10 and 30 MHz of additional 600 MHz spectrum for up to three years under the leasing arrangements will promote the objective of T-Mobile US's rapid buildout of its 5G network in the exact same manner as access to the 600 MHz licenses that DISH has agreed to negotiate in good faith to lease to T-Mobile US for deployment of service to retail consumers under an arrangement that has been endorsed by the Department of Justice in order to promote the pro-competitive purposes of the Sprint Merger.<sup>9</sup> Thus, the benefits of the instant leasing arrangements outweigh any competitive downside from edging T-Mobile US over the spectrum screens in a few additional counties.

No competitive harm will result by the proposed leasing arrangements, because neither Lessor nor LB License is currently providing services to end-user customers on the Leased Spectrum or Other Leased Spectrum. Hence, there will be no discontinuance, reduction, loss or impairment of service to end-user customers and no loss of an existing service provider in any Combined Market. Further, the proposed lease arrangements fully comply with the Act, all other laws, and all Commission rules and regulations and require no waivers.

Most importantly, the leasing arrangements will yield public interest benefits. By providing immediate access to the Combined Leased Spectrum, the leasing arrangements will allow Lessee to provide T-Mobile 5G wireless services from the Combined Leased Spectrum and expedite the deployment of the spectrum and the resulting public interest benefits in several large U.S. markets, including eight of the country's top ten, thus "expanding output significantly by ensuring that large amounts of currently unused or underused spectrum are made available to American consumers in the form of high quality 5G networks."<sup>10</sup>

Another immediate benefit of the Combined Leased Spectrum will be to facilitate the transition of Sprint customers to T-Mobile US's network following the consummation

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<sup>9</sup> See *United States et al. v. Deutsche Telekom AG et al.*, Proposed Final Judgment, Case No. 1:19-cv-02232-TJK, (D.D.C.) (filed July 26, 2019) ("Proposed Final Judgment"), pp. 18-19, found on the Dept. of Justice website at the following link: <https://www.justice.gov/opa/press-release/file/1187706/download> (last visited Feb. 25, 2020).

<sup>10</sup> See Dept. of Justice, Justice News, July 6, 2019, found on the Dept. of Justice website at the following link: <https://www.justice.gov/opa/pr/justice-department-settles-t-mobile-and-sprint-their-proposed-merger-requiring-package> (last visited Feb. 25, 2020). The cited statement, made in the context of the benefits of the Sprint Merger, applies with equal relevance to the instant lease arrangements.

of the Sprint Merger. The additional spectrum will enable increased LTE service on a temporary basis to accommodate traffic loading and provide coverage infills for Sprint customers with compliant LTE band 71 devices.

Longer term, the Combined Leased Spectrum will allow T-Mobile US to deploy its first-to-deliver 5G network as well as its advanced 4G LTE service more broadly and robustly than is currently possible using its existing spectrum holdings in the Combined Markets. The benefits of 5G are manifold. T-Mobile US's nationwide 5G network enables real-time interactivity and a significantly enhanced user experience, virtually eliminating the constraints consumers currently experience in congested environments and allowing for near instantaneous sharing and downloading of content from almost any location. These advances are transforming the way Americans live, work, travel and play by facilitating an enormous variety of IoT applications and the full range of connected devices. The broad geographic reach of T-Mobile US's new 5G network facilitates the use of advanced applications critically needed in small towns and rural communities. Additionally, by eliminating the speed and capacity differential between mobile and in-home wired broadband, T-Mobile US's robust, low-priced 5G network allows millions more Americans to "cut the cord" and use their mobile wireless service for all of their broadband needs both inside and outside the home, eliminating a costly wired broadband bill each month.

More broadly, consumer demand for mobile broadband is growing at an unprecedented rate, and Lessee's use of the Combined Leased Spectrum will augment its ability to satisfy this growing demand in the important Combined Markets covered by the Combined Leased Spectrum.<sup>11</sup> For example, Cisco reports that U.S. mobile data traffic grew 71 percent in 2017,<sup>12</sup> and Cisco projects that U.S. mobile data traffic will grow 7-fold from 2017 to 2022.<sup>13</sup> T-Mobile US will use the additional low-band spectrum to meet this growing demand. The additional spectrum also will enable added capacity and improved data throughput speeds, helping improve network reliability and coverage in the Combined Markets. Consumers in urban areas will benefit because the low-band spectrum will allow T-Mobile US to improve significantly its customers' in-building

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<sup>11</sup> See, e.g., *Implementation of Section 6002(b) of the Omnibus Budget Reconciliation Act of 1993; Annual Report and Analysis of Competitive Market Conditions with Respect to Mobile Wireless, Including Commercial Mobile Services*, Seventeenth Report, 29 FCC Rcd 15311, 15356 ¶ 91 (WTB 2014) ("Rising consumer demand for mobile broadband is increasing service providers' need for spectrum at an unprecedented rate.")

<sup>12</sup> Cisco Systems, Inc., *VNI Mobile Forecast Highlights, Global – 2017 Year in Review*, [http://www.cisco.com/assets/sol/sp/vni/forecast\\_highlights\\_mobile/index.html#~Country](http://www.cisco.com/assets/sol/sp/vni/forecast_highlights_mobile/index.html#~Country), (last visited Feb. 12, 2020).

<sup>13</sup> Cisco Systems, Inc., *VNI Mobile Forecast Highlights, Global – 2016-2021*, [http://www.cisco.com/assets/sol/sp/vni/forecast\\_highlights\\_mobile/index.html#~Country](http://www.cisco.com/assets/sol/sp/vni/forecast_highlights_mobile/index.html#~Country), (last visited Feb. 12, 2020).

coverage. Consumers in suburban and rural areas will benefit from the increased reach of low-band spectrum, which will allow T-Mobile US to enhance its network performance and coverage cost-effectively. These benefits will help T-Mobile US to become a stronger competitor in the wireless marketplace.

### **Spectrum Aggregation/Competition Analysis**

These leasing arrangements do not raise any spectrum aggregation or competitive concerns. T-Mobile US, post-lease commencement, will hold or have leased access to between 55.2 and 66 MHz of included spectrum below 1 GHz in 180 of the 204 counties subject to the instant leases (*see Exhibit 2*). In the remaining 24 counties where spectrum is being leased to it by Lessor and LB License, T-Mobile, post-lease commencement, will hold or have leased access to 76 MHz of included spectrum below 1 GHz, exceeding the 68 MHz low-band screen by 8 MHz. These totals include the spectrum under the instant leasing arrangements as well as overlapping Sprint spectrum that is the subject of the Sprint Merger.<sup>14</sup> Thus, T-Mobile US's spectrum aggregation will be below the current one-third low-band spectrum holdings threshold level requiring further competitive review in 180 of the 204 counties subject to the instant leasing arrangements.<sup>15</sup> The 24 counties where T-Mobile US will exceed the low-band screen all fall within two markets, PEA003-Chicago, IL and PEA008-Dallas, TX, with 12 counties each. AT&T holds 80 MHz of total low-band spectrum in 11 of the 12 counties within PEA008-Dallas, TX, representing an overage of 12 MHz or 4 MHz greater than that for T-Mobile US post-lease consummation.<sup>16</sup>

Independent of the leasing arrangements, consummation of the Sprint Merger will cause T-Mobile US to exceed the current spectrum holdings threshold for all suitable and available spectrum in 193 of the 204 counties covered by the Combined Leased

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<sup>14</sup> The spectrum totals, however, are not reduced to reflect LB License's retained rights. The spectrum totals are also not reduced to reflect the divestitures that are required under the Sprint Merger, such as Sprint's 800 MHz licenses, which in due course will represent a 14 MHz reduction in the post-merger spectrum holdings of T-Mobile US both for all suitable and available spectrum as well as for spectrum below 1 GHz in all Markets.

<sup>15</sup> See *Implementation of Section 6002(b) of the Omnibus Budget Reconciliation Act of 1993; Annual Report and Analysis of Competitive Market Conditions with Respect to Mobile Wireless, Including Commercial Mobile Services*, Twentieth Report, FCC 17-126, ¶ 39 (rel. Sept. 27, 2017) ("*20<sup>th</sup> Wireless Competition Report*"); *Policies Regarding Mobile Spectrum Holdings*, Report & Order, 29 FCC Rcd 6133 ¶ 81 (2014) ("*Mobile Spectrum Holdings Order*"). Consistent with the *20<sup>th</sup> Wireless Competition Report* and the *Mobile Spectrum Holdings Order*, the parties understand that the initial spectrum screen is 240 MHz for all spectrum (*i.e.*, approximately one-third of 715.5 MHz total included spectrum) and 68 MHz for below-1-GHz spectrum (*i.e.*, one-third of 204 MHz total available and suitable spectrum below 1 GHz).

<sup>16</sup> AT&T holds the A and B Block cellular licenses (50 MHz) and the Lower Band 700 MHz B Block (12 MHz), C Block (12 MHz) and D Block (6 MHz) licenses. Grayson, TX, the single county in PEA008 where AT&T does not exceed the screen, has only 120,877 thousand pops (2010 Census data).

Spectrum. Access to the 600 MHz spectrum under the leasing arrangements will push T-Mobile US over the spectrum screen for all suitable and available spectrum in only 7 additional counties (thereby exceeding the screen in 200 of the 204 covered counties). Thus, the instant leasing arrangements will have little incremental effect on T-Mobile US's spectrum overages for all suitable and available spectrum.

Despite the spectrum overages, immediate access to between 10 and 30 MHz of additional 600 MHz spectrum for up to three years under the leasing arrangements will promote the important objective of T-Mobile US's expeditious deployment of its 5G network in the exact same manner as access to the 600 MHz licenses that DISH has agreed to negotiate in good faith to lease to T-Mobile US. As part of the Sprint Merger, T-Mobile US has committed to build out a nationwide 5G network serving 97 percent of the U.S. population in three years and 99 percent in six years.<sup>17</sup> In rural areas, T-Mobile US must have 5G coverage for 85 percent of the population in three years and then 90 percent in six years.<sup>18</sup> "Building leading 5G networks is of critical importance for our nation."<sup>19</sup> To assist in meeting these objectives, DISH has agreed to negotiate in good faith to lease its 600 MHz spectrum to T-Mobile US to facilitate its rapid deployment of its 5G network:

The proposed Final Judgment requires DISH and T-Mobile to enter into good-faith negotiations to allow T-Mobile to lease some or all of DISH's 600 MHz spectrum for use in offering mobile wireless services to its subscribers. Such an agreement is expected to expand output by making the 600 MHz spectrum available for use by consumers even before DISH has completed building out its network, and would assist T-Mobile in transitioning consumers to its 5G network.<sup>20</sup>

These exact same objectives will be promoted by Lessee's access to between 10 and 30 MHz of 600 MHz spectrum under the instant leasing arrangements, but on a more rapid timetable.<sup>21</sup> Lessee contemplates that any spectrum that it leases from Lessor and

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<sup>17</sup> See Merger Approval Order, ¶ 26.

<sup>18</sup> *Id.* ¶ 27.

<sup>19</sup> *Id.* ¶ 3.

<sup>20</sup> See Response of Plaintiff United States to Public Comments on the Proposed Final Judgment, *United States v. Deutsche Telekom AG, et al.*, Case No. 1:19-cv-02232-TJK, U.S. District Court of the District of Columbia, p. 14, found on the Dept. of Justice website at the following link: <https://www.justice.gov/atr/case-document/file/1215706/download> (last visited Feb. 25, 2020).

<sup>21</sup> The DISH 600 MHz spectrum includes all of the Combined Markets covered by the leasing arrangements except for PEA010-Houston, TX and equals or exceeds the bandwidth of the spectrum under the leasing arrangements in all but two other Combined Markets—PEA003-Chicago, IL and PEA008-

LB License under the instant leasing arrangements may eliminate or reduce the amount of 600 MHz spectrum that T-Mobile US will seek to lease from DISH in certain Combined Markets.

It is important to note that the term of the leasing arrangements with Lessor and LB License, namely 2.5 to 3 years, is likely to be no longer than the expected term of the lease of DISH's 600 MHz licenses to T-Mobile US. Under the Proposed Final Judgment, the leases with DISH "must be for a sufficient period of time for [T-Mobile US] to make adequate commercial use of the 600 MHz Spectrum Licenses,"<sup>22</sup> and no separate limit has been set on the term of those leases. DISH has committed to deploying 5G Broadband Service on each of its 600 MHz licenses by June 14, 2023,<sup>23</sup> or approximately three and one-quarter years from today. In accordance with this commitment, the FCC has proposed to adjust the final and interim construction deadlines for DISH's 600 MHz licenses by accelerating the construction deadline until June 14, 2025 (and removing the interim deadline).<sup>24</sup> These dates provide the parameters of the expected term of the lease of the DISH 600 MHz spectrum to T-Mobile US and indicate that such term should be at least three years. This means that T-Mobile US would not enjoy any spectrum aggregation advantages by having access to the Combined Leased Spectrum from Lessor and LB License for a longer term than the DISH 600 MHz licenses. Similarly, the ability of Lessor and LB License to operate their own networks on the FCC Licenses and the Other FCC Licenses will not be impacted by the term of the leasing arrangements any more than DISH's ability to operate its own network on its 600 MHz licenses because of the anticipated leases to T-Mobile US. Thus, the DOJ's reasoning in favor of giving T-Mobile US access to the DISH 600 MHz licenses makes a particularly compelling case for the leasing arrangements with Lessor and LB License.

These leasing arrangements do not raise any competitive or other public interest concerns. There are numerous other carriers serving the Combined Markets in which Lessee is leasing spectrum (*see Exhibit 3*), which will ensure that a high degree of competition continues to exist. Furthermore, as discussed above, Lessor and LB License are not currently using the Leased Spectrum and the Other Leased Spectrum to provide service to end-user customers. Thus, there will be no discontinuance, reduction, loss or

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Dallas, TX. *See* Proposed Final Judgment, pp. 37-49. Despite the lack of an exact match between the DISH spectrum and the Combined Leased Spectrum, the general benefits of access to the DISH spectrum in promoting T-Mobile US's 5G buildout apply with equal force to the instant leasing arrangements.

<sup>22</sup> Proposed Final Judgment, pp. 18-19.

<sup>23</sup> Merger Approval Order, ¶369 (citing Letter from Jeffrey H. Blum, Senior Vice President, Public Policy and Government Affairs, DISH, to Donald Stockdale, Chief, Wireless Telecommunications Bureau (July 26, 2019) at 3-4).

<sup>24</sup> *Id.* ¶375.



impairment of service to end-user customers or a reduction in the number of actual competitors providing service in the Combined Markets; to the contrary, Lessee's acquisition of lease rights to the spectrum will enable its immediate deployment to serve the public.<sup>25</sup>

A more detailed analysis of T-Mobile US's spectrum holdings post-Sprint Merger and post-lease commencement, broken down by market clusters, and the competitive landscape in these geographic areas is set forth in Exhibit 4 to the instant Form 608.

### **Reserved Spectrum**

The Leased Spectrum includes a license (WRCQ556) initially granted to Lessor as a reserve spectrum license in the 600 MHz Band. The FCC permits long-term leases of reserve spectrum licenses so long as the lessee would have complied with the reserve-eligible entity requirements on the date short form applications were due for the 600 MHz Incentive Auction.<sup>26</sup> Under the Incentive Auction rules, an entity qualified to bid on reserve spectrum by either (1) holding an attributable interest in less than 45 megahertz of below-1-GHz spectrum in a given PEA, or (2) being a non-nationwide provider.<sup>27</sup> To have qualified to bid on reserved licenses in a PEA under the first criterion, an entity must not have held an attributable interest on a population-weighted basis of 45 megahertz or more of below-1-GHz spectrum that was suitable and available for the provision of mobile telephony/mobile broadband services in that PEA as of February 10, 2016, which was the deadline for filing an FCC Form 175 to participate in Auction 1002.<sup>28</sup> T-Mobile US satisfies this standard and is eligible to lease WRCQ556.

### **Foreign Ownership of Lessee**

As noted above, Lessee 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, holds a 62.64 percent interest in T-Mobile US and, indirectly in T-Mobile USA through the intermediate companies described above.

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<sup>25</sup> Because T-Mobile US will have access to less than 50 MHz of 600 MHz spectrum in all of the Combined Markets, its current radio equipment can be tuned to operate on the spectrum under the instant leases with virtually no additional cost or delay.

<sup>26</sup> *Mobile Spectrum Holdings Order* at ¶ 197.

<sup>27</sup> *Application Procedures for Broadcast Incentive Auction Scheduled to Begin on March 29, 2016; Technical Formulas for Competitive Bidding*, Public Notice, 30 FCC Rcd 11034, ¶ 100 (2015).

<sup>28</sup> *Id.*

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.<sup>29</sup> 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.<sup>30</sup> 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 1.5004 (formerly Section 1.994) of the rules, and thus extends to Lessee (among other licensee subsidiaries of T-Mobile USA) and the type of wireless service licenses that are the subject of the instant transactions. The foreign ownership in the licensees as approved has not materially changed since December 30, 2013 and will not be affected by the instant transactions.

#### **DOJ/FBI/DOD Agreement**

Lessee also requests that the Commission condition its acceptance of this lease notice 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").<sup>31</sup> The Agreement

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<sup>29</sup> See File No. ISP-PDR-20130924-00006 (filed Sept. 24, 2013 and supplemented Oct. 24, 2013); *International Authorizations Granted*, Public Notice, 29 FCC Rcd 140 (2014).

<sup>30</sup> *Id.*

<sup>31</sup> See *Applications of VoiceStream Wireless Corp., Powertel, Inc. and Deutsche Telekom, AG*, Memorandum Opinion and Order, 16 FCC Rcd 9779, App. 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 (2008); *T-Mobile/MetroPCS Order* at Appendix B, Amendment No. 2.

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.<sup>32</sup>

Lessee hereby requests that the Commission impose a similar condition on its acceptance of this lease arrangement.

### **Conclusion**

Accordingly, the Parties respectfully submit that the instant lease arrangement under the Lease Agreement is consistent with the Commission’s spectrum leasing rules and regulations and will therefore serve the public interest, convenience and necessity.<sup>33</sup>

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<sup>32</sup> *Id.* at Exhibit A.

<sup>33</sup> See *Promoting Efficient Use of Spectrum Through Elimination of Barriers to the Development of Secondary Markets*, 18 FCC Rcd 20604 (2003).

**Schedule A**

FCC Licenses and Leased Spectrum

FCC Call Sign	Licensee	Licensed Area	Channel Block	Frequencies (MHz)	Exp. Date
WRCQ549	Channel 51 License Company LLC	PEA010-Houston, TX ULS Submarket 0	E	637-642 MHz & 683-688 MHz	12/06/2030
WRCQ550	Channel 51 License Company LLC	PEA010-Houston, TX ULS Submarket 0	F	642-647 MHz & 688-693 MHz	12/06/2030
WRCQ551	Channel 51 License Company LLC	PEA003-Chicago, IL ULS Submarket 0	E	637-642 MHz & 683-688 MHz	12/06/2030
WRCQ552	Channel 51 License Company LLC	PEA003-Chicago, IL ULS Submarket 0	F	642-647 MHz & 688-693 MHz	12/06/2030
WRCQ553	Channel 51 License Company LLC	PEA002-Los Angeles, CA ULS Submarket 0	F	642-647 MHz & 688-693 MHz	12/06/2030
WRCQ554	Channel 51 License Company LLC	PEA036-New Orleans, LA ULS Submarket 0	E	637-642 MHz & 683-688 MHz	12/06/2030
WRCQ555	Channel 51 License Company LLC	PEA007-Boston, MA ULS Submarket 0	D	632-637 MHz & 678-683 MHz	12/06/2030
WRCQ556	Channel 51 License Company LLC	PEA007-Boston, MA ULS Submarket 0	E	637-642 MHz & 683-688 MHz	12/06/2030

**Schedule B**

Other FCC Licenses and Other Leased Spectrum

FCC Call Sign	Licensee	Licensed Area	Channel Block	Frequencies (MHz)	Exp. Date
WQZM718	LB License Co, LLC	PEA024-Saint Louis, MO ULS Submarket 0	A	617-622 MHz & 663-668 MHz	06/14/2029
WQZM719	LB License Co, LLC	PEA024-Saint Louis, MO ULS Submarket 0	B	622-627 MHz & 668-673 MHz	06/14/2029
WQZM720	LB License Co, LLC	PEA027-Salt Lake City, UT ULS Submarket 0	D	632-637 MHz & 678-683 MHz	06/14/2029
WQZM721	LB License Co, LLC	PEA011- Atlanta, GA ULS Submarket 0	D	632-637 MHz & 678-683 MHz	06/14/2029
WQZM724	LB License Co, LLC	PEA004-San Francisco, CA ULS Submarket 0	D	632-637 MHz & 678-683 MHz	06/14/2029
WQZM726	LB License Co, LLC	PEA021-Tampa, FA ULS Submarket 0	E	637-642 MHz & 683-688 MHz	06/14/2029
WQZM728	LB License Co, LLC	PEA037-Columbus, OH ULS Submarket 0	A	617-622 MHz & 663-668 MHz	06/14/2029
WQZM729	LB License Co, LLC	PEA037-Columbus, OH ULS Submarket 0	B	622-627 MHz & 668-673 MHz	06/14/2029
WQZM731	LB License Co, LLC	PEA017-Minneapolis-St. Paul, MN ULS Submarket 0	E	637-642 MHz & 683-688 MHz	06/14/2029
WQZM732	LB License Co, LLC	PEA016-Seattle, WA ULS Submarket 0	E	637-642 MHz & 683-688 MHz	06/14/2029
WQZM733	LB License Co, LLC	PEA006-Philadelphia, PA ULS Submarket 0	E	637-642 MHz & 683-688 MHz	06/14/2029
WQZM734	LB License Co, LLC	PEA005-Baltimore, MD- Washington, DC ULS Submarket 0	E	637-642 MHz & 683-688 MHz	06/14/2029
WQZM735	LB License Co, LLC	PEA008-Dallas, TX ULS Submarket 0	C	627-632 MHz & 673-678 MHz	06/14/2029
WQZM736	LB License Co, LLC	PEA008-Dallas, TX ULS Submarket 0	D	632-637 MHz & 678-683 MHz	06/14/2029
WQZM737	LB License Co, LLC	PEA008-Dallas, TX ULS Submarket 0	E	637-642 MHz & 683-688 MHz	06/14/2029
WQZM740	LB License Co, LLC	PEA015-Phoenix, AZ ULS Submarket 0	E	637-642 MHz & 683-688 MHz	06/14/2029