

DESCRIPTION OF TRANSACTION AND PUBLIC INTEREST STATEMENT

By this and nine other contemporaneously filed Form 603 transfer applications,¹ the Commission's consent is respectfully sought for the sale by Continuum 700 LLC ("Transferor") to T-Mobile License LLC ("Transferee") of the membership interests of certain licensee subsidiaries of Transferor and the transfer of control of the Lower Band 700 MHz A-Block ("700 MHz") spectrum held by those licensees, as described below.

These transactions involve the transfer of control of entities that hold only spectrum; those entities hold no other assets. There are no customers or operations associated with the 700 MHz spectrum. These transfers of control will allow Transferee to expand its 700 MHz footprint and thus offer improved services to its customers. The transfers also will augment the spectrum holdings of Transferee, enabling added capacity and improved data throughput speeds within existing coverage areas and thereby benefitting consumers. Thus, Commission approval of the proposed transactions will further enhance competition and improve the quality of services in the wireless marketplace, consistent with the public interest, convenience and necessity.

Description of the Transaction

On February 14, 2016, Transferee, Transferor, and each of C700-Richmond-A LLC, C700-Charleston-A LLC, C700-Savannah-A LLC, C700-Jacksonville-A LLC, C700-Ft. Myers-A LLC, C700-Sarasota-A LLC, C700-Columbus-A LLC, C700-Boise City-A LLC, C700-Salt Lake City-A LLC, and C700-Albuquerque-A LLC (each, a "Licensee" and collectively, the "Licensees") entered into an agreement (the "Purchase Agreement"). Pursuant to the Purchase Agreement, Transferor intends to sell, and Transferee intends to purchase, 100 percent of the membership interests in each of the Licensees and control over 700 MHz licenses held by the Licensees in various markets ("Markets") as described in Attachment A hereto (the "Licenses").

Transferor and Transferee intend to consummate the subject transactions concurrently for all transfers (the "Purchase Closing") promptly following Commission consent by "Final Order" (unless finality is waived by Transferee) and the satisfaction of certain contractual conditions.

¹ See ULS File Nos. 0007140898 (transfer of control of C700-Ft. Myers-A LLC from Transferor to Transferee and lead application), 0007140976 (transfer of control of C700-Richmond-A LLC from Transferor to Transferee), 0007140983 (transfer of control of C700-Charleston-A LLC from Transferor to Transferee), 0007140990 (transfer of control of C700-Savannah-A LLC from Transferor to Transferee), 0007141000 (transfer of control of C700-Jacksonville-A LLC from Transferor to Transferee), , 0007141011 (transfer of control of C700-Sarasota-A LLC from Transferor to Transferee), 0007141015 (transfer of control of C700-Columbus-A LLC from Transferor to Transferee), 0007140914 (transfer of control of C700-Boise City-A LLC from Transferor to Transferee), 0007140923 (transfer of control of C700-Salt Lake City-A LLC from Transferor to Transferee), and 0007140972 (transfer of control of C700-Albuquerque-A LLC and ULS File No. 0007128948 from Transferor to Transferee).

Description of the Parties

Transferee is a wholly-owned subsidiary of T-Mobile USA, Inc. (“T-Mobile USA”) and, indirectly, T-Mobile US, Inc. (“T-Mobile”), 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 65.30 percent interest in T-Mobile 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.”),² which in turn holds the 65.30 percent interest in T-Mobile. The remaining 34.70 percent interest in T-Mobile is held by public shareholders.

Led by a management team with decades of collective experience in the telecommunications industry, T-Mobile is headquartered in Bellevue, Washington, offers nationwide wireless voice and data services to consumer and business customers and provides service to over 61 million subscribers. The Commission has repeatedly found that Transferee and its controlling companies have the requisite character and qualifications to hold Commission authorizations.³ An FCC Form 602 providing current ownership information for Transferee is on file with the Commission.⁴

The Licensees hold the 700 MHz licenses that are the subject of these transactions. Transferor holds 100 percent of the limited liability company interests and is the sole member of each Licensee. The Licensees are ultimately controlled by the Transferor’s Board of Managers, which consists of the following individuals: T. Clark Akers, E.B. Martin, Jr., James A. Murrell, III, and James H. Neeld, IV. Each individual has been involved in the telecommunications industry for numerous years and has substantial experience in wireless operations. The Commission has concluded that each Licensee has the qualifications required by the Communications Act of 1934, as amended (the “Act”) to hold Commission authorizations, and nothing has changed to disturb

² On December 30, 2013, the Commission granted the request to add a new direct parent company, DT Holding B.V., into T-Mobile’s ownership chain. DT Holding B.V. is a limited liability company organized in the Netherlands. See File No. ISP-PDR-20130924-00006 (filed Sept. 24, 2013 and supplemented Oct. 24, 2013); *Non Streamlined International Applications/Petitions Accepted for Filing*, Public Notice, Report No. TEL-01639NS (rel. Oct. 28, 2013).

³ 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).

⁴ See FCC File No. 0007138581.

this conclusion. An FCC Form 602 Ownership Report providing ownership information for the Licensees is on file with the Commission.⁵

Transferee, Transferor and the Licensees are referred to herein collectively as the “Parties.”

Transition Issues

The transaction involves only the transfer of control 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 Markets. The Licenses are all lower 700 MHz A-Block spectrum licenses for which the interim construction deadline has been extended and has not yet passed.⁶ There will be no loss of an existing service provider in any area. No Licensee is providing commercial services to end-user customers on the Licenses. Thus, there will be no discontinuance, reduction, loss or impairment of service to customers.

The Licensees and Transferee have entered into pre-closing short-term spectrum manager leases to allow Transferee to utilize the Licenses pending the Purchase Closing and thus further expedite the deployment of the spectrum by the Transferee and the resulting public interest benefits. In each case, the leasing arrangements (which expire on the twelve (12) month anniversary of the lease commencement date) will terminate upon the Purchase Closing (or thirty (30) days after the termination of the Purchase Agreement if the Purchase Closing does not occur). The Parties will file the appropriate spectrum manager lease notifications with the Commission and the cancellation notices as appropriate and in accordance with the Commission’s rules.

Public Interest Statement

Section 310(d) of the Act requires that the Commission determine whether the transaction presented herein is consistent with the public interest, convenience and necessity. 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 benefits.”⁷ As part of its public interest analysis, the Commission

⁵ See FCC File No. 0007190216.

⁶ See *Promoting Interoperability in the 700 MHz Commercial Spectrum; Requests for Waiver and Extension of Lower 700 MHz Band Interim Construction Benchmark Deadlines*, Report and Order and Order of Proposed Modification, FCC 13-136, 28 FCC Rcd 15122, Par. 61 (2013).

⁷ *SBC Communications Inc. and BellSouth Corp.*, Memorandum Opinion and Order, 15 FCC Rcd 25,459, 25,464 ¶ 13 (WTB/IB 2000) (citation omitted). See also, e.g., *Applications of SoftBank Corp., Starburst II, Inc., Sprint Nextel Corp., and Clearwire Corp. for Consent to Transfer Control of Licenses and Authorizations*, Memorandum Opinion and Order, Declaratory Ruling, and Order on Reconsideration, 28 FCC Rcd 9642, 9650 ¶ 23 (2013);

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.⁸ The instant applications meet this standard.

The proposed transactions will yield substantial public interest benefits because the spectrum transfers will allow T-Mobile to deploy LTE service more broadly and robustly than is currently possible using its existing spectrum holdings in the Markets. Consumer demand for mobile broadband is growing at an unprecedented rate.⁹ For example Cisco reports that U.S. consumer mobile data use grew 77 percent in 2015,¹⁰ and CTIA projects that mobile data use will increase by 650 percent by 2018.¹¹ T-Mobile will use the additional low-band spectrum to meet this growing demand. The additional spectrum also will help improve network reliability and coverage in the Markets. T-Mobile currently does not hold any below-1-GHz spectrum in the Markets. Consumers in urban areas will benefit because the low-band spectrum will allow T-Mobile to improve significantly its customers' in-building coverage. Consumers in suburban and rural areas will benefit from the increased reach of low-band spectrum, which will allow T-Mobile to enhance its network performance and coverage cost-effectively. These benefits will allow T-Mobile to become a stronger competitor in the wireless marketplace.

Applications of Cellco Partnership d/b/a Verizon Wireless and SpectrumCo LLC and Cox TMI, LLC for Consent to Assign AWS-1 Licenses, Memorandum Opinion and Order and Declaratory Ruling, 27 FCC Rcd 10,698, 10,710 ¶ 28 (2012); *Application of AT&T Inc. and Qualcomm Inc. for Consent to Assign Licenses and Authorizations*, Order, 26 FCC Rcd 17,589, 17,598-99 ¶ 23 (2011).

⁸ See, e.g., *Applications of SoftBank Corp., Starburst II, Inc., Sprint Nextel Corp., and Clearwire Corp. for Consent to Transfer Control of Licenses and Authorizations*, Memorandum Opinion and Order, Declaratory Ruling, and Order on Reconsideration, 28 FCC Rcd at 9682 ¶ 102 (“[U]nder the Commission’s sliding scale approach, where potential public interest harms appear unlikely . . . we will accept a lesser showing of public interest benefits.”).

⁹ 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.”)

¹⁰ Cisco Systems, Inc., *VNI Mobile Forecast Highlights, Global – 2014 Year in Review*, http://www.cisco.com/assets/sol/sp/vni/forecast_highlights_mobile/index.html#~Country (last visited Feb. 15, 2016).

¹¹ CTIA-The Wireless Association, *Wireless Quick Facts*, <http://blog.ctia.org/2013/05/02/semiannual-survey/> (last visited Feb. 15, 2016).

Further, the proposed transfers will not result in any violation of the Act or any other applicable statutory provision, and the proposed transfers fully comply with all Commission rules and regulations and require no waivers. Grant of the proposed transactions will not frustrate or impair the Commission's implementation or enforcement, or the objectives of the Act or other statutes.

Finally, although the Licenses were subject to a bidding credit, because each License was granted on November 16, 2009, more than five years ago, no portion of that bidding credit must be repaid upon the transfer of the License to a non-designated entity.¹² The Licenses are not subject to any installment financing or other restrictions on ownership based on designated entity status. Thus, Commission approval of the transfers would not result in any unjust enrichment issues.¹³

Spectrum Aggregation/Competition Analysis

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

Spectrum Aggregation and Competitive Analysis. Because T-Mobile, post-consummation, will hold only between 52 and 112 MHz of attributable spectrum in the counties subject to the instant transfers, T-Mobile's spectrum aggregation will be well below current levels requiring further competitive review (including the one-third low-band spectrum holdings threshold) (*see Exhibit 2*).¹⁴ As noted above, the Licenses would represent T-Mobile's only spectrum holding below 1 GHz in the Markets.

These transfers do not raise any competitive or other public interest concerns. As discussed above, there will be no loss of an existing service provider in any of the Markets subject to the transaction at issue. As noted above, the Licensees are 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; to the contrary, T-Mobile's acquisition of the spectrum will enable its deployment to serve the public. Moreover, there are numerous other carriers holding CMRS spectrum in the Markets in which Transferee is acquiring control over spectrum (*see Exhibit 3*), which will ensure that a high degree of competition continues to exist.

¹² 47 C.F.R. § 1.2111(b)(2)(i)(E).

¹³ *See* 47 C.F.R. § 1.2111.

¹⁴ *See Policies Regarding Mobile Spectrum Holdings, Expanding the Economic and Innovation Opportunities of Spectrum Through Incentive Auctions*, Report and Order, 29 FCC Rcd 6933, ¶¶ 70-135 (2014).

Foreign Ownership of Transferee

As noted above, Transferee is a wholly-owned subsidiary of T-Mobile USA. T-Mobile USA in turn is a wholly owned direct subsidiary of T-Mobile, a U.S.-organized entity. DT, a publicly-traded German corporation, holds a 65.30 percent interest in T-Mobile 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'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.¹⁵ That ruling also specifically permitted: (i) the specific foreign entities with a non-controlling interest in T-Mobile (*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 (*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's equity and/or voting interests.¹⁶ T-Mobile'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'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 the Licensees (after transfer of control to Transferee has been consummated)¹⁷ (among other licensee subsidiaries of T-Mobile USA) and the type of wireless service licenses that are the subject of the instant transfers to Transferee. 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.

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.*

¹⁷ See FCC Rule 1.994(b), 47 C.F.R. § 1.994(b) ("A foreign ownership ruling issued to a licensee shall cover it and any U.S.-organized subsidiary or affiliate, as defined in §1.990(d), whether the subsidiary or affiliate existed at the time the ruling was issued or was formed or acquired subsequently"). T-Mobile's Petition for Declaratory Ruling filed Sept. 24, 2013 (at p.2) included a request that the declaratory ruling should include all of T-Mobile's subsidiaries and affiliates, whether existing at the time of the Petition or formed or acquired subsequently, mirroring verbatim the language of Section 1.994(b), and the FCC's grant of that ruling provided that the ruling was subject to the terms and conditions set forth in Section 1.994. *International Authorizations Granted*, Public Notice, Report No. TEL-01650, DA 14-24 at 3 (rel. Jan. 9, 2014). The Licensees will become T-Mobile subsidiaries and are therefore covered by the rule and the Declaratory Ruling.

Compliance with DOJ/FBI/DOD Agreement by Transferee

Transferee also requests that the Commission condition its grant of the transfers 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”).¹⁸ 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.¹⁹

Transferee hereby requests that the Commission impose a similar condition on the grant of the transfers of the Licenses.

Conclusion

The Parties respectfully submit that Transferee is qualified to control the Licenses and that Commission approval of the requested transfers will serve the public interest, convenience and necessity. Accordingly, the Parties respectfully request that the Commission grant the instant applications expeditiously and without conditions.

¹⁸ 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.

¹⁹ *Applications of VoiceStream Wireless Corp., Powertel, Inc. and Deutsche Telekom, AG*, 16 FCC Rcd at Appendix B, Exhibit A (Condition to FCC Licenses).

ATTCHMENT A

Licenses

FCC Call Sign	Licensed Area Market	Channel Block	Frequencies (MHz)	Exp. Date	Licensee
WQLA794	BEA015-Richmond-Petersburg, VA	A	698.0-704.0 MHz & 728.0-734.0 MHz	11/16/2019	C700-Richmond-A LLC
WQLA795	BEA026-Charleston-North Charleston, SC	A	698.0-704.0 MHz & 728.0-734.0 MHz	11/16/2019	C700-Charleston-A LLC
WQLA796	BEA028-Savannah, GA-SC	A	698.0-704.0 MHz & 728.0-734.0 MHz	11/16/2019	C700-Savannah-A LLC
WQLA797	BEA029-Jacksonville, FL-GA	A	698.0-704.0 MHz & 728.0-734.0 MHz	11/16/2019	C700-Jacksonville-A LLC
WQLA790	BEA032-Fort Myers-Cape Coral, FL	A	698.0-704.0 MHz & 728.0-734.0 MHz	11/16/2019	C700-Ft. Myers-A LLC
WQLA798	BEA033-Sarasota-Bradenton, FL	A	698.0-704.0 MHz & 728.0-734.0 MHz	11/16/2019	C700-Sarasota-A LLC
WQLA799	BEA051-Columbus, OH	A	698.0-704.0 MHz & 728.0-734.0 MHz	11/16/2019	C700-Columbus-A LLC
WQLA791	BEA150-Boise City, ID-OR	A	698.0-704.0 MHz & 728.0-734.0 MHz	11/16/2019	C700-Boise City-A LLC
WQLA792	BEA152-Salt Lake City-Ogden, UT-ID	A	698.0-704.0 MHz & 728.0-734.0 MHz	11/16/2019	C700-Salt Lake City-A LLC
WQLA793	BEA156-Albuquerque, NM-AZ	A	698.0-704.0 MHz & 728.0-734.0 MHz	11/16/2019	C700-Albuquerque-A LLC