

## EXPLANATION OF TRANSACTION AND PUBLIC INTEREST STATEMENT

University of North Carolina System Office (“UNCSO” and “Assignor”), licensee of ten Educational Broadband Service (“EBS”) Stations (“EBS Stations”) seeks Federal Communications Commission (“Commission”) consent to the assignment of the EBS Stations to Fixed Wireless Holdings, LLC (“FWH” “Assignee”) a wholly-owned indirect subsidiary of T-Mobile US, Inc. (collectively “T-Mobile”).

### Description of the Parties

FWH 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 provides nationwide wireless service under the T-Mobile® brand names. Deutsche Telekom AG (“DT”), a publicly traded German company based in Bonn, Germany, indirectly owns approximately 51.1 percent of T-Mobile US’s shares. Specifically, DT holds its controlling interest in T-Mobile US through its wholly owned subsidiary T-Mobile Global Zwischenholding GmbH (“T-Mobile Global”), which owns all of the equity and voting interests of T-Mobile Global Holding GmbH (“T-Mobile Holding”), which holds an 89.01 percent equity and voting interest in Deutsche Telekom Holding B.V. (“DT Holding B.V.”), which in turn holds the approximate 51.1 percent interest in T-Mobile. In addition, DT holds a direct 10.99 percent equity and voting interest in DT Holding. DT also has a proxy agreement which authorizes DT to vote additional shares of T-Mobile.

Led by a management team with decades of collective experience in the telecommunications industry, T-Mobile, headquartered in Bellevue, Washington, offers nationwide wireless voice and data services to consumer and business customers and provides service to over 127.5 million customers.<sup>1</sup> The Commission has repeatedly found that FWH and its controlling companies have the requisite character and qualifications to hold Commission authorizations.<sup>2</sup> An FCC Form 602 providing current ownership information for T-Mobile US is

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<sup>1</sup> See Press Release, [T-Mobile - T-Mobile Delivers Industry-Leading Growth in Customers, Service Revenues, Profitability and Cash Flows in Q3, Raises 2024 Guidance Across the Board](https://investor.t-mobile.com/events-and-presentations/news/news-details/2024/T-Mobile-Delivers-Industry-Leading-Growth-in-Customers-Service-Revenues-Profitability-and-Cash-Flows-in-Q3-Raises-2024-Guidance-Across-the-Board/default.aspx), <https://investor.t-mobile.com/events-and-presentations/news/news-details/2024/T-Mobile-Delivers-Industry-Leading-Growth-in-Customers-Service-Revenues-Profitability-and-Cash-Flows-in-Q3-Raises-2024-Guidance-Across-the-Board/default.aspx> (last visited October 28, 2024).

<sup>2</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”).

on file with the Commission.<sup>3</sup>

UNCSCO is the administrative office for the University of North Carolina (“UNC”), a public educational institution located in Raleigh, North Carolina, executing the policies of the UNC Board of Governors and administering other UNC affiliates. UNCSCO is currently leasing all ten (10) of the EBS Stations to FWH<sup>4</sup> pursuant to long-term *de facto* transfer leases and has recently agreed to assign the EBS Stations to FWH. An FCC Form 602 providing current ownership information on UNCSCO is on file with the Commission.<sup>5</sup>

### Transaction Description

UNCSCO and FWH are parties to an Asset Purchase Agreement (“APA”) whereby UNCSCO will assign the EBS Stations<sup>6</sup> and the associated J and K Guard Band channels to FWH. The assignments include the entire EBS license areas covering parts of twenty-seven (27) Cellular Market Areas (“CMAs”): Greensboro (CMA047), Charlotte (CMA061), Greenville (CMA067), Raleigh (CMA071), Johnson City (CMA085), Hickory (CMA166), Asheville (CMA183), Jacksonville (CMA258), NC 1-Cherokee (CMA565), NC 2-Yancey (CMA566), NC 3-Ashe (CMA567), NC 4-Henderson (CMA568), NC 5-Anson (CMA569), NC 6-Chatham (CMA570), NC 7-Rockingham (CMA571), NC 8-Northhampton (CMA572), NC 9-Camden (CMA573), NC 10-Harnett (CMA574), NC12-Sampson (CMA576), NC 13-Greene (CMA577), NC 14-Pitts (CMA578), NC 15Cabarrus (CMA579), SC 3-Cherokee (CMA627), SC 9-Lancaster (CMA633), TN 4-Hamblen (CMA656), VA 3-Giles (CMA683) and VA 4-Bedford (CMA684) and portions of sixty-four (64) counties in North Carolina, five (5) counties in South Carolina, four (4) counties in Tennessee and two (2) counties in Virginia. The full list of counties is included in Exhibit A.

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<sup>3</sup> See FCC File No. 0011159348. Based on prior guidance from the Wireless Telecommunications Bureau, the Form 602 filing for T-Mobile 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”).

<sup>4</sup> See ULS Lease Numbers L000001935 (WHR657), L000001939 (WHR619), L000001916 (WND618), L000001919 (WQCR737), L000001928 (WHR598), L000001924 (WHR596), L000001938 (WQBL500), L000001925 (WND604), L000001933 (WND603) and L000001913 (WND605).

<sup>5</sup> See FCC File Nos. 0010719395.

<sup>6</sup> WHR657 (Channels C1-C4), WHR619 (Channels C1-C4), WND618 (Channels D1-D3), WQCR737 (Channels D1-D4), WHR598 (Channels A1-A4), WHR596 (Channels A1-A4), WQBL500 (Channels A1-A4), WND604 (Channels C1-C4), WND603 (Channels D1-D3) and WND605 (Channels A1-A4) and the associated J Guard Band channels.

### Public Interest Statement

Approval of the instant assignments is in the public interest because they will provide T-Mobile with continued access to its current geographical coverage, a more contiguous footprint and enhanced data capacity using 2.5 GHz EBS spectrum throughout North Carolina as T-Mobile continues upgrading and enhancing its 5G broadband networks. As such, grant of these assignment applications will meet the Commission's goal of more efficient use of the spectrum and serve the public interest.

### Spectrum Aggregation/Competition Analysis

As indicated above, this assignment covers portions of twenty-seven (27) local markets in portions of sixty-four (64) counties in North Carolina, five (5) counties in South Carolina, four (4) counties in Tennessee and two (2) counties in Virginia and there is no need for any additional competitive review. In all counties, the instant assignment adds no additional attributable spectrum to T-Mobile US, as T-Mobile is already leasing channels A1-A4, C1-C4, and D1-D4 (52.5 MHz) from UNCISO. T-Mobile's total spectrum holdings in these counties pre- and post-transaction is between 282 MHz and 410 MHz. The Commission, however, has already thoroughly considered T-Mobile's spectrum aggregation holdings<sup>7</sup>, even in those areas where T-Mobile exceeds the Commission's spectrum screen.<sup>8</sup>

Continued access to the 2.5 GHz spectrum in all seventy-five (75) counties will continue to promote the important objective of T-Mobile's expeditious deployment of its 5G network. As part of the Sprint Merger, T-Mobile 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>9</sup> In rural areas, T-Mobile must have 5G coverage for 85 percent of the population in three years and then 90 percent in six years.<sup>10</sup> The Commission stressed the general benefits of 5G deployment: "Building leading 5G networks is of critical importance for our nation. . . . [T]he deployment of 5G networks 'holds the potential to bring enormous benefits to American consumers by delivering faster speeds and

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<sup>7</sup> See Merger Approval Order. See also *In the Matter of T-Mobile License LLC Application for 2.5 GHz Band Licenses, Auction 108*, Memorandum Opinion and Order, DA 24-171 (February 27, 2024).

<sup>8</sup> With the completion of the C-Band 3.7 GHz Auction and the 3.45 GHz Auction, 380 MHz of additional mid-band spectrum has now also been added to the Commission's wireless spectrum screen. With a total amount of 1124 MHz subject to the screen, 385 MHz is the screen threshold for local market analysis. T-Mobile's spectrum holdings are catalogued in Exhibit A.

<sup>9</sup> See Merger Approval Order, ¶ 26.

<sup>10</sup> *Id.* ¶ 27.

lower latency and by supporting the development of advanced applications like the Internet of Things, smart cities, and telehealth.”<sup>11</sup> The Commission also recognized that “‘America’s appetite for wireless broadband service is surging’ and ‘[e]nabling next generation wireless networks and closing the digital divide will require efficient utilization of the low-, mid-, and high-bands.’”<sup>12</sup>

In approving the Sprint Merger, the Commission specifically found that:

“[c]ompared to the capabilities of the standalone companies as reflected in their internal plans, the transaction will significantly increase the quality and geographic reach of their wireless networks for the foreseeable future. . . . In an economy increasingly dependent upon access to broadband services for innovation in a wide variety of sectors and services, these network deployment synergies will yield significant public interest benefits. . . . The network benefits of the transaction are particularly important for the nation’s underserved rural areas. . . . By bringing new connectivity and competition to underserved rural areas, the transaction will help to ensure that 5G will close the digital divide.”<sup>13</sup>

The Commission noted that “the combination of spectrum and other resources brought together as a result of the proposed transaction would give T-Mobile the capability to deploy a highly robust nationwide 5G network” and added that “the benefits depend to a significant extent on the extensive deployment of 2.5 GHz spectrum” and that the “transaction will therefore significantly increase the overall utilization of the 2.5 GHz spectrum.”<sup>14</sup> The Commission has stated that “[m]id-band spectrum [*i.e.*, 1 GHz to 6 GHz<sup>15</sup>] is well-suited for next generation wireless broadband services due to the combination of favorable propagation characteristics (compared to high bands) and the opportunity for additional channel re-use (as compared to low

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<sup>11</sup> *Id.* ¶ 3, citing *Updating the Commission’s Rule for Over-the-Air Reception Devices*, Notice of Proposed Rulemaking, 34 FCC Rcd 2695, ¶ 1 (2019).

<sup>12</sup> *Id.* ¶ 97, citing *Expanding Flexible Use of the 3.7 to 4.2 GHz Band; Expanding Flexible Use in Mid-Band Spectrum Between 3.7 and 24 GHz; Petition for Rulemaking to Amend and Modernize Parts 25 and 101 of the Commission’s Rules to Authorize and Facilitate the Deployment of Licensed Point-to-Multipoint Fixed Wireless Broadband Service in the 3.7-4.2 GHz Band; Fixed Wireless Communications Coalition, Inc., Request for Modified Coordination Procedures in Band Shared Between the Fixed Service and the Fixed Satellite Service*, GN Docket No. 18-122, GN Docket No. 17-183 (Terminated), RM 11791, RM-11778, Order and Notice of Proposed Rulemaking, 33 FCC Rcd 6915, 6917, ¶¶ 3-4 (2018) (“3.7-4.2 Order and NPRM”).

<sup>13</sup> *Id.* ¶¶ 5-7.

<sup>14</sup> *Id.* ¶¶ 97-98.

<sup>15</sup> *Id.* ¶ 28.

bands).”<sup>16</sup> It has also recognized “the complementarity of low-band and mid-band spectrum particularly for data services. By adding 2.5 GHz mid-band spectrum to a cell site, that spectrum can be used to serve the demand close to the cell site, leaving more capacity on the low-band 600 MHz spectrum free for use by those further from the cell site.”<sup>17</sup>

All of the foregoing analysis is particularly relevant here, as T-Mobile seeks continued access of the 2.5 GHz spectrum to enhance its 2.5 GHz operations, including multiple counties that are defined as rural.<sup>18</sup> In this case fifty-seven (57) counties will be part of the rural buildout that T-Mobile has committed to. In each of the Stations’ counties, continued access to this 2.5 GHz spectrum will help fill in spectrum usability holes at 2.5 GHz, enable a more contiguous 2.5 GHz footprint, and provide additional data capacity for customers.

The only spectrum under these assignments is above 1 GHz, so the screen for below-1-GHz spectrum is not implicated.<sup>19</sup> In addition, there are numerous other carriers serving the markets in which T-Mobile is acquiring the spectrum (*see Exhibit B* hereto), which ensures that a high degree of competition continues to exist. Further, in none of the seventy-five (75) counties will any nationwide carrier be removed from the market.<sup>20</sup> For all of these reasons, T-Mobile believes that the instant transaction does not trigger the need for additional competitive review.

### **T-Mobile US Foreign Ownership Disclosure**

FWH 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 provides nationwide wireless service under the T-Mobile® brand names. Deutsche Telekom AG (“DT”), a publicly traded German company based in Bonn, Germany, indirectly owns approximately 51.1 percent of T-Mobile US’s shares. Specifically, DT holds its controlling interest in T-Mobile US through its wholly owned subsidiary T-Mobile Global

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<sup>16</sup> *Id.* ¶ 237, citing 3.7-4.2 Order and NPRM, 33 FCC Rcd at 6917-18, ¶ 5.

<sup>17</sup> *Id.* ¶ 238. The Commission also described the benefits of the combination of low-band and mid-band spectrum to deliver improved, broader services in rural areas, *Id.*, and recognized “that New T-Mobile’s network will have sufficient excess capacity to offer a new in-home broadband service to millions of homes, including underserved homes in rural areas . . . ,” *Id.* ¶ 282.

<sup>18</sup> Fifty-seven (57) counties in these assignments are defined as rural or partially rural (*See Exhibit C*). *See List of Rural Counties And Designated Eligible Census Tracts in Metropolitan, Office of Rural Health Policy, [List of Rural Counties \(hrsa.gov\)](https://hrsa.gov)* (last visited on December 9, 2024).

<sup>19</sup> T-Mobile’s attributable holdings of below-1 GHz spectrum both pre- and post-transaction remain unchanged between 54 MHz and 76 MHz in the seventy-five (75) counties affected.

<sup>20</sup> *See Exhibit B.*

Zwischenholding GmbH (“T-Mobile Global”), which owns all of the equity and voting interests of T-Mobile Global Holding GmbH (“T-Mobile Holding”), which holds an 89.01 percent equity and voting interest in Deutsche Telekom Holding B.V. (“DT Holding B.V.”), which in turn holds the approximate 50.42 percent interest in T-Mobile. In addition, DT holds a direct 10.99 percent equity and voting interest in DT Holding. DT also has a proxy agreement which authorizes DT to vote additional shares of T-Mobile.

By order released November 5, 2019, 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 current and future licensee and lessee subsidiaries that it would not serve the public interest to prohibit indirect foreign ownership by DT and its subsidiaries of T-Mobile US and its subsidiaries of up to 100 percent and authority for up to 49.99 percent ownership by certain other foreign minority interest holders.<sup>21/</sup> T-Mobile US’s petition was filed in connection with the Sprint Merger. That ruling specifically permitted the direct and/or indirect foreign equity and voting interests which the Commission found would be held in T-Mobile US upon closing of the Sprint Merger and also specifically permitted the 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 the aggregate level of their controlling ownership interests in the reorganized T-Mobile US, at some future time, up to any amount, including 100 percent of T-Mobile US’s equity and voting interests. That declaratory ruling, in accordance with Section 1.5001(c)(1) of the rules, specifically listed as covered by such ruling Applicant (among other licensee subsidiaries of T-Mobile USA) and the type of wireless service licenses that are the subject of the instant transaction. The foreign ownership in the licensees as approved has not materially changed since November 5, 2019 and will not be affected by the instant transaction.

### Conclusion

T-Mobile respectfully submits that the proposed transaction will advance the public interest by enhancing T-Mobile’s ability to expand its array of commercial wireless mobile services throughout North Carolina. Therefore, for the reasons set forth above, T-Mobile respectfully submits that Commission approval of the requested assignment will serve the public interest.

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<sup>21/</sup> See IBFS File No. ISP-PDR-20180618-00002 (filed June 18, 2018); granted by *Applications of T-Mobile US, Inc., and Sprint Corporation For Consent To Transfer Control of Licenses and Authorizations et al.*, Memorandum Opinion and Order, Declaratory Ruling, and Order of Proposed Modification, 34 FCC Rcd 10578, ¶¶ 361-63 (2019).