

## EXPLANATION OF TRANSACTION AND PUBLIC INTEREST STATEMENT

Central Louisiana License Co., LLC (“CLL” and “Assignor”), licensee of twenty-two Educational Broadband Service (“EBS”) Stations<sup>1</sup> (“EBS Stations”) seeks Federal Communications Commission (“Commission”) consent to the assignment of the EBS Stations to WBSY Licensing, LLC, (“WBSY” or “Assignee”) a wholly-owned indirect subsidiary of T-Mobile US, Inc. (collectively “T-Mobile”).<sup>2</sup>

### Description of the Parties

WBSY 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 50.5 percent of T-Mobile US’s shares. Specifically, DT holds its control 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 owns all of the equity and voting interests of Deutsche Telekom Holding B.V. (“DT Holding B.V.”), which in turn holds the 50.5 percent interest in T-Mobile US. DT also holds a proxy agreement that authorizes DT to vote a majority of the stock of T-Mobile US.

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 119.7 million customers.<sup>3</sup> The Commission has repeatedly found that WBSY and its controlling companies have the requisite character and qualifications to hold Commission authorizations.<sup>4</sup> An FCC Form 602 providing current ownership information for T-Mobile US is

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<sup>1</sup> See Exhibit A.

<sup>2</sup> The Licenses were granted to CLL on December 1, 2022, following its winning license bids in FCC Auction No. 108. CLL had qualified as a “Rural Service Provider” in Auction No. 108 and the Licenses were awarded subject to bidding credits. Accordingly, an unjust enrichment payment will be required for the Licenses pursuant to Section 1.2111(b) of the Commission's rules.

<sup>3</sup> See Press Release, T-Mobile Delivers Industry-Leading Growth in Customers, Service Revenues, Profitability and Cash Flow in 2023, Setting Up Strong 2024 Outlook (January 25, 2024), <https://www.t-mobile.com/news/business/t-mobile-q4-2023-earnings>.

<sup>4</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>5</sup>

CLL is a commercial telecommunications service provider headquartered in Wayne, Pennsylvania. An FCC Form 602 providing current ownership information on Lessor is on file with the Commission.<sup>6</sup>

### **Transaction Description**

CLL and WBSY are parties to an Asset Purchase Agreement (“APA”) whereby CLL will assign twenty-two EBS Stations to WBSY. The assignment includes the entire EBS license area covering parts of ten Cellular Market Areas (“CMAs”): Visalia-Tulare-Porterville (CMA150), Alexandria (CMA205), Redding (CMA254), CA 3-Alpine (CMA338), CA 4-Madera (CMA339), KY 1-Fulton (CMA443), LA 3-De Soto (CMA456), La 4-Caldwell (CMA457), NY 2-Franklin (CMA560) and NC 14-Pitt (CMA578) and portions of five counties in California, six parishes in Louisiana, five counties in Kentucky, one county in New York and two counties in North Carolina. The full list of counties is included in Exhibit B.

### **Public Interest Statement**

Approval of the instant assignment 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 in portions of California, Louisiana, Kentucky, New York and North Carolina as T-Mobile continues upgrading and enhancing its 5G broadband networks. As such, grant of this assignment application 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 ten local markets in portions of five counties in California, six parishes in Louisiana, five counties in Kentucky, one county in New York and two counties in North Carolina and there is no need for any additional competitive review. In nine counties (Tulare, Rapides, Shasta, Tuolumne, Madera, Carlisle, Hickman, Essex

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<sup>5</sup> See FCC File No. 0010921805. 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>6</sup> See FCC File No. 0010213032.

and Beaufort), the instant assignment adds no additional attributable spectrum to T-Mobile US, as T-Mobile is already attributed the spectrum in other portions of these same counties through a secondary-market leasing arrangement or owned spectrum.<sup>7</sup> T-Mobile's attributable spectrum holdings in these nine counties pre and post-transaction is between 267 MHz and 380 MHz. In nine counties (San Benito, Calloway, Graves, Marshall, Natchitoches, Sabine, Vernon, Winn and Tyrell), assignment of the B1-B3, C1-C3 or G1-G3<sup>8</sup> channels increases T-Mobile's attributable spectrum holdings by 16.5 MHz and raises T-Mobile's attributable spectrum holdings in these counties to between 308 MHz and 400 MHz.<sup>9</sup> In one county (Grant) the assignment of channels C4, D1-D4, G1-G4 and the JC and JD Guard Band channels increases T-Mobile's attributable spectrum holdings by 53 MHz to a total of 330 MHz. The Commission, however, has already thoroughly considered T-Mobile's spectrum aggregation holdings<sup>10</sup>, even in those areas where T-Mobile exceeds the Commission's spectrum screen.<sup>11</sup>

Access to the 2.5 GHz spectrum in all ten parishes 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>12</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>13</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 lower latency and by supporting the development of advanced applications like the Internet of Things, smart cities,

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<sup>7</sup> See Exhibit C for a list of the leased and owned call signs.

<sup>8</sup> T-Mobile will acquire the B1-B3 channels in San Benito and Tyrell Counties and the C1-C3 channels in Calloway, Graves, Marshall, Natchitoches, Sabine and Winn Counties and the G1-G3 channels in Vernon County.

<sup>9</sup> In Natchitoches and Sabine Counties, T-Mobile's spectrum aggregation holdings newly exceed the Commission's spectrum screen and rise from 383.5 MHz to 400 MHz.

<sup>10</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>11</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>12</sup> See Merger Approval Order, ¶ 26.

<sup>13</sup> *Id.* ¶ 27.

and telehealth.<sup>14</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>15</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>16</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>17</sup> The Commission has stated that “[m]id-band spectrum [*i.e.*, 1 GHz to 6 GHz<sup>18</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 bands).”<sup>19</sup> It has also recognized “the complementarity of low-band and mid-band spectrum

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<sup>14</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>15</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>16</sup> *Id.* ¶¶ 5-7.

<sup>17</sup> *Id.* ¶¶ 97-98.

<sup>18</sup> *Id.* ¶ 28.

<sup>19</sup> *Id.* ¶ 237, citing *3.7-4.2 Order and NPRM*, 33 FCC Rcd at 6917-18, ¶ 5.

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>20</sup>

All of the foregoing analysis is particularly relevant here, as T-Mobile seeks additional 2.5 GHz spectrum to enhance its 2.5 GHz operations, including multiple counties that are defined as rural.<sup>21</sup> In this case eighteen counties will be part of the rural buildout that T-Mobile has committed to. In each of the Station’s counties, access to this 2.5 GHz spectrum will fill 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 this Assignment is above 1 GHz, so the screen for below-1-GHz spectrum is not implicated.<sup>22</sup> In addition, there are numerous other carriers serving the markets in which T-Mobile is acquiring the spectrum (*see Exhibit D* hereto), which ensures that a high degree of competition continues to exist. Further, in none of the nineteen counties will any nationwide carrier be removed from the market.<sup>23</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**

WBSY 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 50.5 percent of T-Mobile US’s shares. Specifically, DT holds its control 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 owns all of the equity and voting interests of Deutsche Telekom Holding B.V. (“DT Holding B.V.”), which in turn holds the

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<sup>20</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>21</sup> Except for Grant County, all counties in this assignment are defined as rural or partially rural. *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 March 28, 2024).

<sup>22</sup> T-Mobile’s attributable holdings of below-1 GHz spectrum both pre- and post-transaction remain unchanged between 44 MHz and 76 MHz in the nineteen counties affected.

<sup>23</sup> *See Exhibit D.*

50.5 percent interest in T-Mobile US. DT also holds a proxy agreement that authorizes DT to vote a majority of the stock of T-Mobile US.

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>24/</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 in portions of California, Louisiana, Kentucky, New York and 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>24/</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).