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June 19, 2017

Accepted / Filed

JUN 19 2017

Federal Communications Commission
Office of the Secretary

Via Hand Delivery
Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Re: Applications of Sprint PR Spectrum LLC, Nextel of Puerto Rico, Inc., Sprint Puerto Rico Holdings LLC, SprintCom, Inc., PR Wireless, Inc., and PR Wireless PR, LLC for Consent to Assign Licenses and Transfer Control of Licenses and an International Section 214 Authorization (WT Docket No. 17-112).

Dear Ms. Dortch:

Sprint PR Spectrum LLC, Nextel of Puerto Rico, Inc., Sprint Puerto Rico Holdings LLC, SprintCom, Inc., all wholly owned subsidiaries of Sprint Corporation (collectively "Sprint"), hereby submits its initial response to the May 31, 2017 General Information Request from the Federal Communications Commission ("FCC") in the above-referenced proceeding.[1] This response satisfies Information Request item 1. The response to Information Request Item 2 is under separate cover. Enclosed, please find Sprint's narrative responses to Information Request Item 1, as well as a data CD that contains the responsive documents.

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[1] Letter from James D. Schlichting, Senior Deputy Chief, Wireless Telecommunications Bureau, FCC, to James B. Goldstein, Sprint Corporation, WT Docket No. 17-112 (May 31, 2017) ("Information Request").

Because this submission contains written and electronic material that is Highly Confidential and Confidential, Sprint is filing this cover letter, narrative responses and its enclosures pursuant to the procedures established in the Protective Order that was issued on May 31, 2017 in this docket.[2] This submission is being delivered by hand to the Secretary's Office, and one additional copy is being delivered to Kathy Harris of the Wireless Telecommunications Bureau. Sprint also is filing a redacted copy of this cover letter for public inspection in the FCC's Electronic Comment Filing System. If you have any questions, please contact the undersigned.

Respectfully submitted,

/s/ James B. Goldstein

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Enclosures

cc: Kathy Harris
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[2] Applications of Sprint Corporation and PR Wireless, Inc. d/b/a Open Mobile for Consent to Assign Licenses and Transfer Control of Licenses and an International Section 214 Authorization, Protective Order, WT Docket No. 17-112, DA 17-528 (WTB rel. May 31, 2017).

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of	)	
	)	
Applications of Sprint Corporation and PR Wireless, Inc. d/b/a Open Mobile for Consent to Assign Licenses and Transfer Control of Licenses and an International Section 214 Authorization	)))))	WT Docket No. 17-112

RESPONSE OF SPRINT CORPORATION TO GENERAL INFORMATION REQUEST DATED MAY 31, 2017

Sprint PR Spectrum LLC, Nextel of Puerto Rico, Inc., Sprint Puerto Rico Holdings LLC, and SprintCom, Inc., each wholly owned subsidiaries of Sprint Corporation, (collectively "Sprint") hereby provides its narrative responses ("Response") to the letter dated May 31, 2017, from James D. Schlichting, Senior Deputy Chief of the Wireless Telecommunications Bureau of the Federal Communications Commission ("FCC" or "Commission"), and the General Information Request for Sprint attached thereto (collectively, the "Information Request"). As noted in the cover letter accompanying this submission, on June 19, 2017, Sprint filed with the Commission its response (including responsive data in the form of electronic media) to Item 2 of the Information Request.[1] The instant submission is Sprint's response to Information Request Item 1.

The Information Request calls for Sprint to submit certain information and documents that are sensitive from a commercial, competitive, and financial perspective, and that Sprint would not reveal in the ordinary course of business to the public or its competitors. Sprint is submitting information and documents on a Confidential and Highly Confidential basis pursuant

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[1] *See* Letter from James B. Goldstein, Sprint, to Marlene Dortch, FCC Secretary, WT Docket No. 17-112 (June 19, 2017).

to the Protective Order for this proceeding that was issued on May 31, 2017. In this Response, Confidential Information has been marked with "**[BEGIN CONFIDENTIAL INFORMATION] [END CONFIDENTIAL INFORMATION]**" and Highly Confidential Information has been marked with "**[BEGIN HIGHLY CONFIDENTIAL INFORMATION] [END HIGHLY CONFIDENTIAL INFORMATION]**." The Confidential, unredacted Response, is stamped "**CONFIDENTIAL INFORMATION – SUBJECT TO PROTECTIVE ORDER IN WT DOCKET NO. 17-122 BEFORE THE FEDERAL COMMUNICATIONS COMMISSION,**" the Highly Confidential, unredacted response, is stamped "**HIGHLY CONFIDENTIAL INFORMATION – SUBJECT TO PROTECTIVE ORDER IN WT DOCKET NO. 17-112 BEFORE THE FEDERAL COMMUNICATIONS COMMISSION,**" and the redacted Response is stamped "**REDACTED – FOR PUBLIC INSPECTION**." The inadvertent inclusion of any material that is subject to an assertion of the attorney-client, attorney work-product, or other applicable privilege is not intended as a waiver of such privilege.

RESPONSES

1. ***On pages 4 through 6 of the Public Interest Statement, the Applicants contend that customers of Open Mobile and Sprint will benefit from this transaction and that the transaction will enhance "both wireless competition and mobile broadband service offered in urban areas, as well as promoting deployment of enhanced wireless broadband technologies, products, and services to those residing in rural areas." In addition, the Applicants state on page 5 that "over the next three to five years after PRW is formed, Sprint and Open Mobile expect to invest in network-related capital improvements to reduce coverage gaps in the parties' service areas, particularly for Sprint, and to accelerate the transition to 4G LTE service, particularly for Open Mobile."***

a. Explain, and describe in detail, the benefits of the Proposed Transaction.

After the Sprint and Open Mobile assets are combined into the new PRWireless PR, LLC ("PRW") entity, subscribers of both companies will benefit from enhanced coverage, service quality, and more retail stores. Further, existing Open Mobile customers will have a greater

choice of competitively priced handsets and more cost-efficient on-network roaming options than before. In addition, customers of *all* carriers who currently roam on Sprint or Open Mobile (*e.g.*, visitors to Puerto Rico) will benefit from significant network improvements. We describe each of these in detail below.

Puerto Rico

As the parties previously explained in the Public Interest Statement, in Puerto Rico, Sprint and Open Mobile have both faced challenges in providing the same level of 4G LTE service as other well-established wireless providers. Sprint and Open Mobile currently have fewer cell sites, less coverage, and fewer retail stores than AT&T, Puerto Rico Telephone Company d/b/a Claro ("PRTC" or "Claro"), or T-Mobile ("TMO") and as a result have fewer subscribers than their competitors. The proposed transaction will result in substantial investment in cell sites and equipment, which – along with an enhanced spectrum portfolio and retail presence compared to the standalone companies – will result in an improved experience for consumers and a stronger player that will enhance overall competition in Puerto Rico.

While Sprint and Open Mobile have overlapping network infrastructure in many of the most populous coastal areas in Puerto Rico, Open Mobile has deployed its network to a greater extent inland.[2] Sprint's current network deployment lags behind its competitors in key respects. Sprint currently operates more than **[begin confidential]** ▇ **[end confidential]** cell sites in Puerto Rico and, based on a Mosaik data analysis, these sites cover approximately **[begin confidential]** ▇ **[end confidential]** of the population with 4G LTE service. Open Mobile has over **[begin confidential]** ▇ **[end confidential]** sites, of which only about **[begin confidential]** ▇ **[end confidential]** are 4G LTE, and based on Mosaik data these sites cover approximately

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2 See Attachment C to Public Interest Statement.

[begin confidential] [redacted] **[end confidential]** of the population with 4G LTE service. Open Mobile's 3G network is more extensive than its 4G LTE network and, based on Mosaik data, covers **[begin confidential]** [redacted] **[end confidential]** of the population.

Both carriers trail the three larger competitors in total cell sites and 3G and 4G LTE covered population percentages. Based on Mosaik data, we believe AT&T has approximately 598 sites, of which 100% are 4G LTE, covering 99% of the population; Claro has approximately 676 sites, of which 100% are 4G LTE, covering 91% of the population; and TMO has approximately 485 sites, of which 95% are 4G LTE, covering 95% of the population. Thus, currently Sprint and Open Mobile are each at a network deployment disadvantage relative to AT&T, Claro and TMO. The proposed transaction will close these coverage gaps through the combined company's improved network deployment efforts and investment.

The combination of Sprint and Open Mobile, even with a phased reduction of duplicate facilities due to certain expiring site leases in overlapping areas, will bring greater parity between the network facilities of PRW and the other carriers in the Puerto Rican market and will facilitate the deployment of enhanced 4G LTE network capabilities in the current Sprint and Open Mobile network footprints. Network deployment at higher density levels will significantly improve coverage, resulting in a markedly better end-user experience.

The proposed transaction and subsequent investment will enable both networks to substantially improve while they are combined into one consolidated tri-band (700 MHz, 1.9 GHz, and 2.5 GHz) network. Under the proposed transaction, many of Open Mobile's existing cell sites will be upgraded to 4G LTE and will gain access to the key additional input of high-capacity 2.5 GHz spectrum and 1.9 GHz spectrum to increase data capacity far beyond what Open Mobile would be capable of doing without the merger. As a result, the percentage of Open

Mobile 4G LTE sites will ultimately increase from approximately **[begin confidential]** [redacted] **[end confidential]** to **[begin confidential]** [redacted] **[end confidential]**. Similarly, access to Open Mobile's existing cell sites and installation of 4G LTE equipment at many of those sites, will allow Sprint to rapidly densify its network, so that – as a result of the merger – Sprint customers will benefit from improved coverage and capacity. Specifically, the parties' goal is to ensure that the ensuing combined PRW network deployment covers at least **[begin confidential]** [redacted] **[end confidential]** of the population of Puerto Rico with 4G LTE within zero to five years.

Current network coordination and densification plans call for a combined network design of **[begin confidential]** [redacted] **[end confidential]** cell sites, including approximately **[begin confidential]** [redacted] **[end confidential]** entirely new cell sites over time. While there will be an elimination of duplicate sites where Sprint and Open Mobile's current networks overlap in coverage, the transaction will ultimately increase the number of sites in operation compared to either company alone, resulting in improved coverage, faster throughput speeds and higher quality service for both parties' customers.

Sprint and Open Mobile also each currently have the two lowest numbers of direct and indirect points of retail presence in Puerto Rico. The combination of Sprint's and Open Mobile retail stores will provide PRW with a far larger competitive retail market presence in the relevant geographic areas and result in greater convenience and better services for customers.[3]

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[3] With "direct" defined as corporate-owned/carrier-branded, and "indirect" defined as all other third-party retail outlets, Open Mobile currently has **[begin confidential]** [redacted] **[end confidential]** direct and **[begin confidential]** [redacted] **[end confidential]** indirect retail points of presence in Puerto Rico, for a total of **[begin confidential]** [redacted] **[end confidential]**. Sprint currently has **[begin confidential]** [redacted] **[end confidential]** direct and **[begin confidential]** [redacted] **[end confidential]** indirect retail points of presence, for a total of **[begin confidential]** [redacted] **[end confidential]**. We believe, AT&T currently has 89 direct and 35 indirect retail points of

In addition to benefitting from enhanced coverage, service quality, and more stores, existing Open Mobile customers will have a greater choice of competitively priced handsets and more cost-efficient on-network roaming options than before. These added benefits will enable customers to take advantage of the improved service that will be provided within the Sprint and Open Mobile Puerto Rico footprints, as well as improve their overall wireless experience when they travel outside of Puerto Rico, especially when they travel to USVI or the continental United States.

Sprint is a nationwide carrier with higher volume purchasing arrangements with a larger number of equipment suppliers and vendors than Open Mobile, and once PRW is formed and becomes an affiliate of Sprint, current Open Mobile customers will benefit from these arrangements by having access to a wider variety of handsets at various price points and, in some cases, at lower costs.

Also, Open Mobile customers who travel outside of the Open Mobile service area, especially to the continental United States and USVI, will enjoy a considerably enhanced roaming experience. Today, when Open Mobile's customers (all of whom are pre-paid customers with monthly minute limitations) travel to the United States, they are roaming out-of-network which can be expensive and has caused Open Mobile to place limits on roaming usage. When PRW is formed and becomes a Sprint affiliate, PRW customers roaming in the continental

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presence, for a total of 124. PRTC/Claro currently has 29 direct and 341 indirect retail points of presence, for a total of 370. TMO currently has 54 direct and 176 indirect retail points of presence, for a total of 230. While plans are still being developed, and there may be some short-term reductions in total stores due to consolidation of nearby outlets post-closing, Sprint and Open Mobile currently estimate PRW will have over approximately **[begin confidential]** [redacted] **[end confidential]** retail outlets post-closing, significantly more than either operator has today on a stand-alone basis.

United States and USVI will be considered in-network, which will be more cost effective for the customers and create a better experience.

The transaction also will benefit subscribers of all carriers (not just Sprint) who travel to Puerto Rico and currently roam on either the Sprint or Open Mobile networks. The PRW Agreement specifically contemplates that existing inbound roaming agreements and arrangements will be honored and maintained, which means that roamers will enjoy the significant network improvements discussed above.

U.S. Virgin Islands (USVI)

Though Open Mobile holds licensed authority in USVI with its 700 MHz geographic license that covers all of Puerto Rico and the USVI, Open Mobile does not currently provide service in USVI. Open Mobile holds no other spectrum in USVI.

Sprint holds 32.5 MHz of 1.9 GHz licenses and operates a 3G/4G LTE network in USVI covering more than **[begin confidential]** ■ **[end confidential]** of the USVI population (estimated at only about 100,000) based on Mosaik data. Sprint holds no higher-capacity capable 2.5 GHz spectrum in USVI, but does provide 4G LTE on its 1.9 GHz spectrum.

With the proposed transaction, Sprint will gain access to 22 MHz of additional 700 MHz low-band spectrum licensed to Open Mobile, which, once deployed on the Sprint network, will increase the coverage (both outdoors and in-building) and 4G LTE capacity of the Sprint network, which will be managed by PRW. While plans are still being developed, Sprint and Open Mobile currently plan to deploy **[begin confidential]** ■ **[end confidential]** additional cell sites in the USVI, and also plan to make network investments in equipment at Sprint's existing cell sites so that the additional 700 MHz spectrum from Open Mobile can be deployed to increase coverage and capacity.

b. Describe in detail the expected network-related capital improvements, and all plans to deploy or expand 4G LTE service in each Relevant Area.

Sprint described in detail above the significant benefits of the proposed transaction from a network and operational perspective, including network-related capital improvements of cell sites resulting in increased coverage for both networks while they are transitioning into one consolidated tri-band (700 MHz, 1.9 GHz, and 2.5 GHz) network. In the instant response, Sprint will address certain additional details of its planned network enhancements, including increased capacity for both networks until they are consolidated into one network.[4]

Sprint's 3G and 4G LTE network in Puerto Rico currently operates on a mix of mid-band (1.9 GHz) and high-band (2.5 GHz) spectrum providing a combination of 3G CDMA/EVDO and 4G LTE service. Sprint has 30 MHz of 1.9 GHz spectrum deployed in its current network. With the addition of Open Mobile's 15 MHz of 1.9 GHz spectrum to Sprint's current network, Sprint's network will have access to 45 MHz of 1.9 GHz, including a larger block of contiguous spectrum. These additions will enable a portion of Sprint's current 3G CDMA/EVDO spectrum to be repurposed for 4G LTE. In addition, Sprint's network will gain access to Open Mobile's 22 MHz of low-band 700 MHz spectrum. After these spectrum assets are made available to Sprint for its network deployment, Sprint will gain additional 4G LTE capacity and greater coverage (outdoors and in-building), due to the enhanced propagation characteristics of low-band 700 MHz spectrum.

The current Open Mobile network will also realize an enhanced spectrum position, resulting in improved network capacity and data speeds. Open Mobile currently has only 15 MHz of mid-band 1.9 GHz spectrum and 22 MHz of low-band 700 MHz. It is Sprint's

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[4] Sprint notes that because the proposed transaction has not been approved, the parties have not finalized a host of business considerations that must be resolved both prior to closing and post-closing as the integration effort moves forward.

understanding that both spectrum blocks are at full capacity. Post-transaction, Open Mobile's network will gain access to 30 MHz of additional mid-band 1.9 GHz spectrum and 44 MHz of 2.5 GHz spectrum. Thus, post-transaction, the Open Mobile network will triple its spectrum available for its 3G and 4G LTE network from its current 37 MHz to 111 MHz, including 44 MHz of critical high-capacity 2.5 GHz spectrum. With access to Sprint's 2.5 GHz spectrum, the Open Mobile network will be able to deploy **[begin confidential]** [redacted] **[end confidential]**, which takes advantage of Sprint's high-capacity spectrum to provide a far improved network experience.

In summary, the new PRW will continue to operate the Sprint and Open Mobile networks to serve current customers, while immediately embarking on a multi-year network consolidation process that will ultimately result in a combined network that can take advantage of existing cell site infrastructure and spectrum assets to provide a much improved customer experience.

> ***c. Describe in detail all transition plans for customers of Open Mobile to have access to Sprint's network, including a detailed description of how Lifeline customers would be transitioned. Provide separate responses for prepaid and postpaid customers.***

Sprint and Open Mobile, operating as separate companies, are working within the appropriate constraints to develop various short and long-term business plans involving the combined entity's network strategy, sales, marketing, and back-office processes.

As indicated previously, no Open Mobile or Sprint subscribers will lose service as a result of this transaction. Upon the consummation of this transaction, current Open Mobile customers will be allowed to keep their existing handsets and rate plans, and the Open Mobile network will not only be maintained but vastly improved over time, as described above. Similarly, Sprint's existing customers will also realize significant network improvements.

Open Mobile's customers should realize immediate and significant benefits within approximately **[begin confidential]** ■ **[end confidential]** days of closing. Sprint and Open Mobile first plan to establish voice roaming onto Sprint's existing 3G CDMA/EVDO network which will immediately enable Open Mobile's subscribers access to Sprint's 3G network. Next, the parties will establish "two-way LTE RAN sharing" through on-site software changes to the Public Land Mobile Network (PLMN) codes at each cell site for both operators that will then enable Open Mobile's customers full access to Sprint's 4G LTE network (at 1.9 GHz and 2.5 GHz) and Sprint's customers access to Open Mobile's 3G and 4G LTE network (at 700 MHz and 1.9 GHz). This will effectively transition each set of customers to the other's network while a longer-term network deployment and buildout plan is effectuated, which will ultimately result in one consolidated tri-band (700 MHz, 1.9 GHz, and 2.5 GHz) network.

Open Mobile's current Lifeline customers will not be treated any differently than its other pre-paid customers. Once voice roaming is enabled and two-way LTE RAN sharing is implemented for data, Open Mobile's Lifeline customers will also realize the benefits of access to more cell sites, a more densified network, greater coverage and significantly greater capacity, all resulting in a better experience.

Because all of Open Mobile's customers are pre-paid customers, there is no separate post-paid customer response.

Provide all documents relied on in preparing the responses to 1(a) – 1(c).

Documents responsive to Items 1(a), 1(b) and 1(c) are SPRINT-FCC-01-1-00001 to SPRINT-FCC-01-1-000099.

Provide the Company's quarterly subscriber data, as specified in Attachment A.

Documents and materials responsive to Item 2 were provided on June 19, 2017. *See* Letter from James B. Goldstein, Sprint, to Marlene Dortch, FCC Secretary, WT Docket No. 17-112 (June 19, 2017).

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Sprint Documents in Response to Item 1

Highly Confidential Information Redacted in its Entirety