

July 17, 2017

David Furth, Deputy Bureau Chief
Public Safety and Homeland Security Bureau
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Re: Satisfaction of Sprint's "Anti-Windfall" Obligation, WT Docket 02-55

Dear Mr. Furth:

Sprint Corporation ("Sprint") is pleased to notify the Federal Communications Commission's ("Commission") Public Safety and Homeland Security Bureau ("Bureau") that based on the 2016 audit of the 800 MHz band reconfiguration program, which was submitted by the 800 MHz Transition Administrator on June 30, 2017, Sprint's creditable audited expenses have exceeded the Commission's \$2.8 billion threshold, thereby eliminating any potential "anti-windfall" payment obligation for Sprint.¹ In accordance with the Commission's 2014 *Modification and True-Up Order* which set forth a process for an evaluation of Sprint expenses prior to the completion of the 800 MHz band reconfiguration program in its entirety,² Sprint requests that the Bureau make a finding that Sprint does not owe an anti-windfall payment and remove any conditions from Sprint's licenses related to this potential requirement.

Sprint's audited expenses (to date) for 800 MHz licensee costs, Letter of Credit fees and 800 MHz Transition Administrator fees, along with certain Sprint internal costs, combined with Sprint's \$2.059 billion of spectrum contribution value, and \$500.35 million for independently audited Broadcast Auxiliary Service ("BAS") costs exceeds the

¹ See 800 MHZ RECONFIGURATION STATEMENT OF PROGRAM EXPENDITURES FOR THE YEAR ENDED DECEMBER 31, 2016 AND FOR THE PERIOD FROM AUGUST 6, 2004 (INCEPTION) THROUGH DECEMBER 31, 2016, filed in WT Docket 02-55 on June 30, 2017. ("This Statement of Program Expenditures is intended as the True-Up Report envisioned by the September 2014 Order and demonstrates that from Inception through December 31, 2016, Sprint Corporation ("Sprint") has documented 800 MHz Reconfiguration Program Expenditures sufficient to eliminate any Anti-Windfall Payment.")

² In the Matter of Sprint Nextel Corporation, Petition for Declaratory Ruling, *Memorandum Opinion and Order and Order of Proposed Modification*, 29 FCC Rcd 11549, FCC 14-136 (2014) ("*Modification and True-Up Order*").

\$4.86 billion valuation that the Commission set for Sprint's 1.9 GHz replacement spectrum in the 2004 *Report and Order* in this proceeding.³ This Bureau finding that Sprint has exceeded \$2.8 billion in creditable costs will extinguish Sprint's potential obligation to make an additional payment to the United States Treasury and remove this condition from Sprint's 800 MHz and 1.9 GHz "G Block" licenses.

This finding will not impact Sprint's ongoing obligations to continue to fund and complete the 800 MHz band reconfiguration initiative, which nears its conclusion. Sprint continues to maintain a stand-alone Letter of Credit (currently at \$142 million) that stands behind Sprint's existing contractual commitments to complete this decade-long initiative.

If there are any questions regarding this matter or additional information is required, please contact the undersigned at 703-433-4212.

Sincerely,

James B. Goldstein

James B. Goldstein
Senior Counsel

Sprint Corporation
900 7th Street, NW
Suite 700
Washington, DC 20001
(703) 433-4212
James.Goldstein@Sprint.com

³ See Improving Public Safety Communications in the 800 MHz Band, WT Docket 02-55, *Report and Order*, 19 FCC Rcd 14969 (2004) ("800 MHz *Report and Order*").