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July 19, 2016

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Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, DC 20554

Attention: Jon Wilkins, Chief
Wireless Telecommunications Bureau

Re: Application of AT&T Mobility Spectrum LLC and Fuego Wireless, LLC for Consent to Assign Licenses
WT Docket No. 16-159

Dear Ms. Dortch:

On behalf of Fuego Wireless, LLC ("Fuego"), we are submitting herewith its response to the FCC's inquiry concerning Fuego's decision to assign its licenses to AT&T Mobility Spectrum LLC.

In accordance with Section 1.12 of the Commission's Rules, please direct any questions or correspondence regarding this filing to our office.

Sincerely yours,

Richard D. Rubino
Counsel for Fuego Wireless, LLC

Attachment

cc: Kathy Harris [kathy.harris@fcc.gov]
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Attention: Jon Wilkins, Chief
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Re: Application of AT&T Mobility Spectrum LLC and Fuego Wireless, LLC for Consent to Assign Licenses
WT Docket No. 16-159

Dear Ms. Dortch:

In response to the Commission's July 5, 2016 inquiry concerning the above-referenced application, Fuego Wireless, LLC (Fuego) provides the following information:

FCC Inquiry:

1. Explain in detail the decision made by Fuego to assign to AT&T the Lower 700 MHz B and C Block spectrum that is the subject of this application, including any attempts made to enter into a sale of this spectrum or alternative arrangements with parties other than AT&T.

Fuego Response:

Fuego obtained its 700 MHz A, B and C-block spectrum with an eye toward bringing wireless LTE voice, data and broadband service to substantial portions of at least 20 counties in the State of New Mexico, with the majority of the targeted areas constituting rural areas under the Commission's Rules. Fuego proceeded with site acquisition and constructed numerous sites utilizing both its A-Block, B-Block and C-Block 700 MHz spectrum. Additionally, Fuego applied for ETC status with the State of New Mexico, and took steps to become eligible for Mobility Phase II funding. To facilitate system start up within Fuego's available funding, service was originally rolled out as a fixed data product, with an eye toward evolving to mobile voice and data. However, delays in the development and availability of a robust Voice over LTE (VoLTE) technology, difficulty in obtaining roaming terms from a nationwide carrier, and delays in implementation of the Mobility Fund Phase II process slowed Fuego's ability to launch a full mobile voice and data service; and unfortunately, the combination of high operating costs and low revenues from the fixed data product caused Fuego to examine alternative scenarios.

Fuego contacted Alpina Capital, LLC ("Alpina") February 23, 2015 to assist in a strategic review of Fuego' wireless business and operations. Alpina is a FINRA-registered investment bank that has negotiated the sale of over 100 wireless system and/or spectrum transactions since 2006. In addition, one of Alpina's Managing Partners has substantial management experience operating, constructing, and financing wireless systems in rural markets. Fuego's wireless assets consisted 700 MHz authorizations in the A, B and C Blocks, a substantial LTE wireless network, various leaseholds, and a modest customer base for data-only services.

During the initial meeting with Alpina, Mr. Glenn Lovelace, the Chief Executive Officer of Fuego's managing member, indicated that he had numerous conversations with representatives from Alcatel-Lucent regarding the timing and commercial availability of Voice over LTE (VoLTE) services as well as the capability of Fuego's Alcatel-Lucent's equipment to handle additional data sessions per tower sector. Mr. Lovelace indicated that without improvements in both of these areas, Fuego was at a competitive disadvantage to other wireless carriers in the area.

Alpina's review and analysis concluded that a sale of Fuego's 700 MHz holdings was the superior financial alternative for Fuego. Because of Fuego's substantial network investment, Mr. Lovelace stressed that a sale of the entire network was strongly preferred by the company. On March 31, 2015, Fuego and Alpina signed an agreement for Alpina to market these assets.

Alpina began contacting potential buyers regarding the sale of licenses and network assets on April 21, 2015. Specifically, Alpina reached the following parties: 2014 AWS, AB License, American AWS-3, AT&T, ATNI, C&W, Continuum 700, David Miller, DISH, Flat Wireless, Gila River, Infrastructure Networks, Joe Sofio, Lynch PCS, Northern New Mexico Telecom, Smith Bagley, Spotlight, Sprint, State of New Mexico, T-Mobile, TDS, Thomas Kurian, Verizon, Viaero, Union Telephone, and WGH Communications/ClearTalk. Alpina requested that initial offers for the Fuego properties, either all or parts thereof, be submitted by May 21, 2015. During this period, Alpina worked with the prospective purchasers, answering questions regarding operations, entering into non-disclosure agreements, and generally promoting interest in the properties.

By May 22, 2015, AT&T and T-Mobile submitted offers for Fuego's wireless licenses. Neither company was interested in Fuego's network assets, leaseholds or customer base. Infrastructure Networks was interested in a portion of Fuego's network and their 700 MHz A-Block authorization for the Hobbs BEA. Because of their interest in the wireless network assets as well as the spectrum, Fuego focused its attention on negotiations with Infrastructure Networks, and signed a purchase agreement in mid-November 2015.

Earlier that month, Alpina contacted AT&T and T-Mobile about their previous interest in Fuego's authorizations. AT&T submitted an enhanced expression of interest that was higher than any other offer Fuego had received. Fuego and AT&T subsequently executed a Letter of Intent and on February 6, 2016 the companies executed a final license purchase agreement.

Based on the above developments, Fuego reasonably concluded that its best course was to accept the offers of AT&T and Infrastructure Networks, since the combination of these two offers garnered the greatest resources to offset Fuego's substantial investment in its wireless system, and allowed Fuego to transfer a significant portion of its existing infrastructure.

Please direct any questions to our counsel, Richard D. Rubino, Esquire, at Blooston, Mordkofsky, Dickens, Duffy & Prendergast, LLP, 2120 L Street NW, Suite 300, Washington, DC 20037 or rdr@bloostonlaw.com.

Sincerely,

FUEGO WIRELESS, LLC

By: Dale Laman

Dale Laman
Vice President – Industry & Regulatory Affairs