

148. IT IS FURTHER ORDERED pursuant to sections 4(i) and (j), 214(a) and (c), 309, and 310(b) and (d) of the Communications Act of 1934, as amended, 47 U.S.C. §§154(i) and (j), 214(a) and (c), 309, and 310(b) and (d), that the application filed by Powertel to transfer control of licenses and authorizations to VoiceStream in the above captioned proceeding IS GRANTED, in the alternative, if the proposed merger between DT and VoiceStream, as described herein, is not consummated.

149. IT IS FURTHER ORDERED that, pursuant to section 4(i) and (j), 214(a), 214(c), 309, 310(b) and 310(d) of the Communications Act of 1934, as amended, 47 U.S.C. §§ 4(i) and (j), 214(a) and (c), 309, 310(b) and (d), the Petition of WITCO to deny the applications of VoiceStream and DT for transfer of control is DENIED for the reasons stated herein.

150. IT IS FURTHER ORDERED that this Memorandum Opinion and Order SHALL BE EFFECTIVE upon release. Petitions for reconsideration under section 1.106 of the Commission's rules, 47 C.F.R. § 1.106, may be filed within thirty days of the date of public notice of this order.

FEDERAL COMMUNICATIONS COMMISSION



Magalie Roman Salas
Secretary

APPENDIX A: Commenters and Filings**Petitions for Declaratory Ruling Filed by: (5)**

1. Cook Inlet/VS GSM IV PCS, LLC
2. Cook Inlet/VS GSM V PCS, LLC
3. Eliska Wireless Ventures License Subsidiary I. L.L.C.
4. Iowa Wireless Services Holding Corporation
5. Wireless Alliance, L.L.C.

Petitions to Deny Filed by: (1)

1. Jordan-Soldier Valley Telephone Co. d/b/a/ WITCO*

Comments Filed by: (21)

1. Alliance for Public Technology
2. Broadnet Wireless Broadband Networks
3. Communications Workers of America
4. Computer & Communications Industry Association
5. Federal Bureau of Investigation, et al.
6. Gary C. Hufbauer and Edward M. Graham
7. Global TeleSystems, Inc.
8. KKF.net AG
9. National Consumers League
10. NetCologne GmbH
11. Novaxess B.V.
12. Organization for International Investment
13. QS Communications AG
14. Robert J. Stankey, Jr.
15. Securities Industry Association
16. Siemens Corporation
17. Stan Kugell
18. The Honorable Ernest F. Hollings
19. The Honorable Michael Kantor
20. United States Chamber of Commerce
21. UTStarcom

Reply Comments Filed by: (6)

1. Callahan Associates International LLC
2. European Telecommunications Network Operators
3. European Union Delegation of the European Commission
4. Novaxess B.V.
5. Organization for International Investment
6. VoiceStream Wireless Corporation, et al

* This Petition to Deny was originally filed in the *VoiceStream/CIRI* proceeding, *In re Applications of Cook Inlet Region, Inc. and VoiceStream Wireless Corporation*, WT Docket No. 00-207, Order, 15 Rcd 24691 (Wir. Tel. Bur. 2000).

APPENDIX B: DT-VoiceStream/DOJ/FBI Agreement

AGREEMENT

This AGREEMENT is made as of the date of the last signature affixed hereto, by and between: DEUTSCHE TELEKOM AG, VOICESTREAM WIRELESS CORPORATION ("VoiceStream Wireless"), and VOICESTREAM WIRELESS HOLDING CORPORATION ("VoiceStream Holdings") (VoiceStream Wireless and VoiceStream Holdings, and their subsidiaries, are collectively referred to as "VoiceStream") on the one hand, and THE FEDERAL BUREAU OF INVESTIGATION ("FBI") and THE U.S. DEPARTMENT OF JUSTICE ("DOJ") on the other, (referred to individually as a "Party" and collectively as the "Parties").

RECITALS

WHEREAS, U.S. communication systems are essential to the ability of the U.S. government to fulfill its responsibilities to the public to preserve the national security of the United States, to enforce the laws, and to maintain the safety of the public;

WHEREAS, the U.S. government has an obligation to the public to ensure that U.S. communications and related information are secure in order to protect the privacy of U.S. persons and to enforce the laws of the United States;

WHEREAS, it is critical to the well being of the nation and its citizens to maintain the viability, integrity, and security of the communication system of the United States (*see, e.g.*, Presidential Decision Directive 63 on Critical Infrastructure Protection);

WHEREAS, protection of Classified, Controlled Unclassified, and Sensitive Information is also critical to U.S. national security;

WHEREAS, Deutsche Telekom AG, VoiceStream Wireless, and Powertel, Inc. ("Powertel") have filed (and/or will file) with the Federal Communications Commission ("FCC") applications under Sections 214 and 310(d) of the Communications Act of 1934, as amended (the "Act"), seeking FCC consent to the transfer of control to Deutsche Telekom AG of the interests of VoiceStream Wireless and Powertel and their subsidiaries in certain authorizations and licenses, and in connection therewith have also filed with the FCC petitions pursuant to Section 310(b)(4) of the Act for declaratory rulings that Deutsche Telekom AG's 100% indirect foreign ownership of the interests of VoiceStream Wireless and Powertel and their subsidiaries in wireless licenses is in the public interest, *see* International Bureau ("IB") Docket No. 00187 (Lead Application for licenses and authorizations controlled by VoiceStream Wireless, VoiceStream PCS I License L.L.C., File Number 0000211827; Lead Application for licenses and authorizations controlled by Powertel, Powertel Kentucky Licenses, Inc., File Number 0000214432);

WHEREAS, Deutsche Telekom AG is also requesting authority to acquire control of (1) any application or authorization issued to VoiceStream's subsidiaries or Powertel's subsidiaries during the FCC's consideration of the transfer of control and the period required for

consummation of the transactions described in the above paragraph following approval (*see, e.g.*, Public Notice, DA 00-2251 at 2 n.6 (rel. Oct. 11, 2000); Application for Transfer of Control and Petition for Declaratory Ruling, In re VoiceStream Wireless, at 44-45 n.136, IB Docket No. 00-187 (filed Sept. 19, 2000) (listing pending applications)), (2) construction permits held by such licensees that mature into licenses after closing and (3) applications that are filed after the date of these applications and that are pending at the time of consummation;

WHEREAS, Deutsche Telekom AG is a corporation organized and existing under the laws of the Federal Republic of Germany;

WHEREAS, Deutsche Telekom AG represents that the German government owned approximately 60% of the equity in Deutsche Telekom AG as of December 20, 2000, and that the German government's interest will decline to approximately 45% following the closing of Deutsche Telekom AG's mergers with VoiceStream Wireless and Powertel;

WHEREAS, the Parties are aware that the Foreign Policy and Security Advisor of the Federal Chancellor of Germany, stated in a letter dated 22 September 2000, to the Assistant to the President for National Security Affairs for the United States that "the German Government is fully committed to the full privatization of Deutsche Telekom and to the objective of reducing its direct stake not just to 25% but to zero," and the Economic Minister stated in a letter dated 5 September 2000, that "the German Government will continue to pursue its privatization policy and to reduce its stake in Deutsche Telekom steadily but cautiously, that is, in a manner which is consistent with the demand of the capital markets." Deutsche Telekom AG and VoiceStream have no knowledge that the intention of the German government is other than as stated in the letters;

WHEREAS, the transfers of control that are the subjects of the applications in IB Docket No. 00187 require prior consent by the FCC, and such consent and the grant of related requested declaratory rulings may be made subject to conditions relating to national security, law enforcement, and public safety, and Deutsche Telekom AG, VoiceStream Wireless and VoiceStream Holdings have each agreed to enter into this Agreement with the FBI and the DOJ to address issues raised by the FBI and the DOJ, and to request that the FCC condition the authorizations and licenses granted by the FCC on their compliance with this Agreement;

WHEREAS, Deutsche Telekom AG has represented that it will not exercise the authorizations and licenses granted by the FCC in IB Docket No. 00187 prior to the date on which the Deutsche Telekom AG mergers with VoiceStream and Powertel have closed;

WHEREAS, on December 15, 2000, the Parties filed a petition with the FCC to defer action on the subject applications pending agreement among the Parties;

WHEREAS, by Executive Order 12661, the President, pursuant to Section 721 of the Defense Production Act, as amended, authorized the Committee on Foreign Investment in the United States ("CFIUS") to review, for national security purposes, foreign acquisitions of U.S. companies;

WHEREAS, Deutsche Telekom AG, VoiceStream, and Powertel intend to submit a voluntary notice with CFIUS of Deutsche Telekom AG's mergers with VoiceStream Holdings and Powertel, and Deutsche Telekom AG and VoiceStream have each agreed to enter into this Agreement to resolve any national security issues that the DOJ and the FBI might raise, including in the CFIUS review process, consistent with Section 7.3 below; and

WHEREAS, representatives of Deutsche Telekom AG and VoiceStream have met with representatives of the FBI and the DOJ to discuss issues raised by the FBI and the DOJ. In these meetings, Deutsche Telekom AG represented that (a) it has no present plans, and is aware of no present plans of any other entity, as a result of which DT will provide Domestic Communications through facilities located outside the United States (though the Parties recognize that DT may, for bona fide commercial reasons as provided in this Agreement, use such facilities), (b) no government has, as a direct or indirect shareholder of Deutsche Telekom AG, special voting or veto rights concerning the actions of Deutsche Telekom AG, and is aware of no plans the result of which would confer such rights to a government concerning the actions of DT, (c) no government has appointed more than two members of the Supervisory Board of Deutsche Telekom AG, nor has any foreign government appointed any members to the Management Board of Deutsche Telekom AG, and DT is aware of no plans to increase the number of such members appointed, and (d) the members of the Supervisory Board of Deutsche Telekom AG appointed by the German government have always voted in line with the majority of other shareholders and have never opposed a proposal of the Management Board or Supervisory Board of Deutsche Telekom AG. In these meetings, VoiceStream represented that it has no present plans, and is aware of no present plans of any other entity, as a result of which DT will provide, direct, control, supervise or manage Domestic Communications through facilities located outside the United States. In these meetings, Deutsche Telekom AG and VoiceStream represented that they have no present plans for VoiceStream or any successor entity to provide non-wireless telecommunications services;

NOW THEREFORE, the Parties are entering into this Agreement to address national security, law enforcement and public safety issues.

ARTICLE 1: DEFINITION OF TERMS

As used in this Agreement:

1.1 "Call Associated Data" or "CAD" means any information related to a Domestic Communication or related to the sender or recipient of that Domestic Communication and includes without limitation subscriber identification, called party number, calling party number, start time, end time, call duration, feature invocation and deactivation, feature interaction, registration information, user location, diverted to number, conference party numbers, dual tone multifrequency (dial digit extraction), inband and outofband signaling, and party add, drop and hold.

1.2 "Classified Information" means any information that has been determined pursuant to Executive Order 12958, or any predecessor or successor order, or the Atomic Energy Act of 1954, or any statute that succeeds or amends the Atomic Energy Act, to require protection against unauthorized disclosure.

1.3 "Control" and "Controls" means the power, direct or indirect, whether or not exercised, and whether or not exercised or exercisable through the ownership of a majority or a dominant minority of the total outstanding voting securities of an entity, or by proxy voting, contractual arrangements, or other means, to determine, direct, or decide matters affecting an entity; in particular, but without limitation, to determine, direct, take, reach, or cause decisions regarding:

- (a) the sale, lease, mortgage, pledge, or other transfer of any or all of the principal assets of the entity, whether or not in the ordinary course of business;
- (b) the dissolution of the entity;
- (c) the closing and/or relocation of the production or research and development facilities of the entity;
- (d) the termination or nonfulfillment of contracts of the entity;
- (e) the amendment of the articles of incorporation or constituent agreement of the entity with respect to the matters described in Section 1.3(a) through (d); or
- (f) DT's obligations under this Agreement.

1.4 "Controlled Unclassified Information" means unclassified information, the export of which is controlled by the International Traffic in Arms Regulations (ITAR), 22 C.F.R. Chapter I, Subchapter M, or the Export Administration Regulations (EAR), 15 C.F.R., Chapter VII, Subchapter C.

1.5 "De facto" and "de jure" control have the meanings provided in 47 C.F.R. § 1.2110.

1.6 "Domestic Communications" means (i) Wire Communications or Electronic Communications (whether stored or not) from one U.S. location to another U.S. location and (ii) the U.S. portion of a Wire Communication or Electronic Communication (whether stored or not) that originates or terminates in the United States.

1.7 "Domestic Communications Infrastructure" means (a) the transmission and switching equipment (including software and upgrades) used by or on behalf of U.S. Subsidiaries to provide, process, direct, control, supervise or manage Domestic Communications, (b) facilities and equipment of U.S. Subsidiaries that are physically located in the United States and (c) the facilities used by U.S. Subsidiaries to control the equipment described in (a) above. Domestic

Communications Infrastructure does not include equipment or facilities used by service providers that are not U.S. Subsidiaries, and that are:

- (a) interconnecting communications providers or
- (b) providers of services or content that are
 - (i) accessible using the communications services of U.S. Subsidiaries, and
 - (ii) available in substantially similar form and on commercially reasonable terms through communications services of companies other than U.S. Subsidiaries.

1.8 "DT" means (a) Deutsche Telekom AG, (b) its U.S. Subsidiaries, and/or (c) all entities Controlled by Deutsche Telekom AG that also Control the U.S. Subsidiaries. If, after the date all the Parties have executed this Agreement, DT acquires or creates a U.S. Subsidiary, then that U.S. Subsidiary shall be included within the definition DT. If Deutsche Telekom AG, after the date all the Parties have executed this Agreement, acquires Control of any entity that also Controls a U.S. Subsidiary, then that entity shall be included within the definition of DT.

1.9 "Effective Date" means the date on which the Deutsche Telekom AG mergers with VoiceStream and Powertel have closed.

1.10 "Electronic Communication" has the meaning given it in 18 U.S.C. § 2510(12).

1.11 "Electronic Surveillance" means (a) the interception of wire, oral, or electronic communications as defined in 18 U.S.C. §§ 2510(1), (2), (4) and (12), respectively, and electronic surveillance as defined in 50 U.S.C. § 1801(f); (b) access to stored wire or electronic communications, as referred to in 18 U.S.C. § 2701 et seq.; (c) acquisition of dialing or signaling information through pen register or trap and trace devices or other devices or features capable of acquiring such information pursuant to law as defined in 18 U.S.C. § 3121 et seq. and 50 U.S.C. § 1841 et seq.; (d) acquisition of location related information concerning a service subscriber or facility; (e) preservation of any of the above information pursuant to 18 U.S.C. § 2703(f); and (f) including access to, or acquisition or interception of, or preservation of communications or information as described in (a) through (e) above and comparable State laws.

1.12 "Foreign" where used in this Agreement, whether capitalized or lower case, means non-U.S.

1.13 "Intercept" or "Intercepted" has the meaning defined in 18 U.S.C. § 2510(4).

1.14 "Lawful U.S. Process" means lawful U.S. federal, state or local Electronic Surveillance court orders or authorizations, and other orders, processes or authorizations for access to or disclosure of Domestic Communications, Call Associated Data, Transactional Data or Subscriber Information authorized by U.S. federal, state or local law.

1.15 "Party" and "Parties" have the meanings given them in the Preamble.

1.16 "Pro forma assignments or pro forma transfers of control" are transfers or assignments that do not "involve a substantial change in ownership or control" of the licenses as provided in 47 U.S.C. § 309(c)(2)(B).

1.17 "Sensitive Information" means unclassified information regarding (a) the persons or facilities that are the subjects of Lawful U.S. Process, (b) the identity of the government agency or agencies serving such Lawful U.S. Process, (c) the location or identity of the line, circuit, transmission path, or other facilities or equipment used to conduct Electronic Surveillance pursuant to Lawful U.S. Process, (d) the means of carrying out Electronic Surveillance pursuant to Lawful U.S. Process, (e) the type(s) of service, telephone number(s), records, communications, or facilities subjected to Lawful U.S. Process, and (f) other unclassified information designated in writing by an authorized official of a federal, state or local law enforcement agency or a U.S. intelligence agency as "Sensitive Information." DT may dispute pursuant to Article 4 whether information is Sensitive Information under subparagraph 1.14(f). Such information shall be treated as Sensitive Information unless and until the dispute is resolved in DT's favor.

1.18 "Subscriber Information" means information relating to subscribers of U.S. Subsidiaries of the type referred to and accessible subject to procedures specified in 18 U.S.C. § 2703(c) or (d) or 18 U.S.C. § 2709. Such information shall also be considered Subscriber Information when it is sought pursuant to the provisions of other Lawful U.S. Process.

1.19 "Transactional Data" means:

(a) "call identifying information," as defined in 47 U.S.C. § 1001(2), including without limitation the telephone number or similar identifying designator associated with a Domestic Communication;

(b) Internet address or similar identifying designator associated with a Domestic Communication;

(c) the time, date, size, and duration of a Domestic Communication;

(d) any information possessed by the provider of Domestic Communications relating specifically to the identity and physical address of the provider's subscriber, user, or account payer;

(e) to the extent associated with such subscriber, user, or account payer, any information possessed by the Domestic Communications provider relating to all telephone numbers, Internet addresses, or similar identifying designators; the physical location of equipment, if known and if different from the location information provided under (f) below; types of services; length of service; fees; and usage, including billing records; and

(f) as to any mode of transmission (including mobile transmissions), and to the extent permitted by U.S. laws, any information indicating as closely as possible the physical location to or from which a Domestic Communication is transmitted.

The term does not include the content of any communication.

1.20 "United States" means the United States of America including all of its States, districts, territories, possessions, commonwealths, and the special maritime and territorial jurisdiction of the United States.

1.21 "U.S. Subsidiaries" means all those subsidiaries, divisions, departments, branches and other components of DT that provide Domestic Communications. If any subsidiary, division, department, branch or other component of DT provides Domestic Communications after the date that all the Parties execute this Agreement, then such subsidiary, division, department, branch or other component of DT shall be deemed to be a U.S. Subsidiary. If DT has or in the future obtains *de jure* or *de facto* control over a joint venture or other entity that provides Domestic Communications, then the joint venture or entity shall also be deemed to be a U.S. Subsidiary. The term U.S. Subsidiaries shall not include acquisitions by Deutsche Telekom AG in the United States after the date this Agreement is executed by all the Parties only if the DOJ or the FBI find that the terms of this Agreement are inadequate to address national security concerns presented by that acquisition and the necessary modifications to this Agreement cannot be reached pursuant to Section 9.11 below.

1.22 "Wire Communication" has the meaning given it in 18 U.S.C. § 2510(1).

1.23 Other capitalized terms used in this Agreement and not defined in this Article shall have the meanings assigned them elsewhere in this Agreement. The definitions in this Agreement are applicable to the singular as well as the plural forms of such terms and to the masculine as well as to the feminine and neuter genders of such term. Whenever the words "include," "includes," or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation."

ARTICLE 2: FACILITIES, INFORMATION STORAGE AND ACCESS

2.1 Except to the extent and under conditions concurred in by the FBI and the DOJ in writing:

(a) all Domestic Communications Infrastructure that is owned, operated, or controlled by VoiceStream shall at all times be located in the United States and will be directed, controlled, supervised and managed by VoiceStream; and

(b) all Domestic Communications Infrastructure not covered by Section 2.1(a) shall at all times be located in the United States and shall be directed, controlled, supervised and managed by a U.S. Subsidiary, except strictly for *bona fide* commercial reasons;

(c) all Domestic Communications that are carried by or through, in whole or in part, the Domestic Communications Infrastructure shall pass through a facility under the control of a U.S. Subsidiary and physically located in the United States, from which Electronic Surveillance can be conducted pursuant to Lawful U.S. Process. DT will provide technical or other assistance to facilitate such Electronic Surveillance.

2.2 DT shall take all practicable steps to configure its Domestic Communications Infrastructure to be capable of complying, and DT's employees in the United States will have unconstrained authority to comply, in an effective, efficient, and unimpeded fashion, with:

- (a) Lawful U.S. Process,
- (b) the orders of the President in the exercise of his/her authority under § 706 of the Communications Act of 1934, as amended, (47 U.S.C. § 606), and under § 302(e) of the Aviation Act of 1958 (49 U.S.C. § 40107(b)) and Executive Order 11161 (as amended by Executive Order 11382), and
- (c) National Security and Emergency Preparedness rules, regulations and orders issued pursuant to the Communications Act of 1934, as amended (47 U.S.C. § 151 *et seq.*).

2.3 U.S. Subsidiaries shall make available in the United States the following:

- (a) stored Domestic Communications, if such communications are stored by a U.S. Subsidiary (or any entity with which a U.S. Subsidiary has contracted or made other arrangements for data or communications processing or storage) for any reason;
- (b) any Wire Communications or Electronic Communications (including any other type of wire, voice or electronic communication not covered by the definitions of Wire Communication or Electronic Communication) received by, intended to be received by, or stored in the account of a customer or subscriber of a U.S. Subsidiary, if such communications are stored by a U.S. Subsidiary (or any entity with which a U.S. Subsidiary has contracted or made other arrangements for data or communications processing or storage) for any reason;

(c) Transactional Data and Call Associated Data relating to Domestic Communications, if such data are stored by a U.S. Subsidiary (or any entity with which a U.S. Subsidiary has contracted or made other arrangements for data or communications processing or storage) for any reason;

(d) Subscriber Information concerning customers or subscribers of a U.S. Subsidiary, if such information are stored by a U.S. Subsidiary (or any entity with which a U.S. Subsidiary has contracted or made other arrangements for data or communications processing or storage) for any reason; and

(e) billing records relating to customers and subscribers of a U.S. Subsidiary for so long as such records are kept and at a minimum for as long as such records are required to be kept pursuant to applicable U.S. law or this Agreement.

2.4 U.S. Subsidiaries shall ensure that the data and communications described in Section 2.3(a) - (e) of this Agreement are stored in a manner not subject to mandatory destruction under any foreign laws, if such data and communications are stored by a U.S. Subsidiary (or any entity with which a U.S. Subsidiary has contracted or made other arrangements for data or communications processing or storage) for any reason. U.S. Subsidiaries shall ensure that the data and communications described in Section 2.3(a) - (e) of this Agreement shall not be stored by a U.S. Subsidiary (or any entity with which a U.S. Subsidiary has contracted with or made other arrangements for data or communications processing or storage) outside of the United States unless such storage is strictly for *bona fide* commercial reasons weighing in favor of storage outside the United States.

2.5 DT shall store for at least two years all billing records maintained by U.S. Subsidiaries for their customers and subscribers.

2.6 Upon a request made pursuant to 18 U.S.C. § 2703(f) by a governmental entity within the United States to preserve any information in the possession, custody, or control of DT that relates to (a) a customer or subscriber of a U.S. Subsidiary, or (b) any communication of such customer or subscriber described in (a) above, or (c) any Domestic Communication, DT shall store such preserved records or other evidence in the United States.

2.7 Nothing in this Agreement shall excuse DT from any obligation it may have to comply with U.S. legal requirements for the retention, preservation, or production of such information or data.

2.8 Except strictly for *bona fide* commercial reasons, DT shall not route a Domestic Communication outside the United States.

2.9 DT shall comply, with respect to Domestic Communications, with all applicable FCC rules and regulations governing access to and storage of Customer Proprietary Network Information ("CPNI"), as defined in 47 U.S.C. § 222(f)(1).

ARTICLE 3: SECURITY

3.1 DT shall take all reasonable measures to prevent the use of or access to the Domestic Communications Infrastructure to conduct Electronic Surveillance in violation of any U.S. federal, state, or local laws or the terms of this Agreement. With regard to Domestic Communications Infrastructure under the control of DT, these measures shall take the form of detailed technical, organizational, personnel related policies and written procedures, necessary implementation plans, and physical security measures.

3.2 DT shall not, directly or indirectly, disclose or permit disclosure of, or provide access to Domestic Communications, Call Associated Data, Transactional Data, or Subscriber Information stored by DT in the United States to any person if the purpose of such access is to respond to the legal process or the request of or on behalf of a foreign government, identified representative, component or subdivision thereof without the express written consent of the DOJ or the authorization of a court of competent jurisdiction in the United States. Any such requests or submission of legal process described in this Section 3.2 of this Agreement shall be reported to the DOJ as soon as possible and in no event later than five business days after such request or legal process is received by and known to DT. DT shall take reasonable measures to ensure that it will learn of all such requests or submission of legal process described in this Section 3.2 of this Agreement.

3.3 DT shall not, directly or indirectly, disclose or permit disclosure of, or provide access to:

- (a) Classified or Sensitive Information, or
- (b) Subscriber Information, Transactional Data, Call Associated Data, or a copy of any Wire Communications or Electronic Communication intercepted or acquired pursuant to Lawful U.S. Process

to any foreign government, identified representative, component or subdivision thereof without satisfying all applicable U.S. federal, state and local legal requirements pertinent thereto, and obtaining the express written consent of the DOJ or the authorization of a court of competent jurisdiction in the United States. Any requests or any legal process submitted by a foreign government, an identified representative, a component or subdivision thereof to DT for the communications, data or information identified in this Section 3.3 of this Agreement that is maintained by DT shall be referred to the DOJ as soon as possible and in no event later than five business days after such request or legal process is received by and known to DT unless the disclosure of the request or legal process would be in violation of an order of a court of competent jurisdiction within the United States. DT shall take reasonable measures to ensure that it will learn of all such requests or submission of legal process described in this Section 3.3 of this Agreement.

3.4 At least every 3 months, DT shall notify DOJ in writing of legal process or requests by foreign nongovernmental entities for access to or disclosure of Domestic Communications carried by or through, in whole or in part, the Domestic Communications Infrastructure unless the disclosure of the legal process or request would be in violation of an order of a court of competent jurisdiction within the United States.

3.5 Within 60 days after the Effective Date, DT shall designate points of contact within the United States with the authority and responsibility for accepting and overseeing the carrying out of Lawful U.S. Process to conduct Electronic Surveillance of or relating to Domestic Communications carried by or through, in whole or in part, the Domestic Communications Infrastructure; or relating to customers or subscribers of U.S. Subsidiaries. The points of contact shall be assigned to DT security office(s) in the United States, shall be available 24 hours per day, 7 days per week and shall be responsible for accepting service and maintaining the security of Classified Information and any Lawful U.S. Process for Electronic Surveillance of or relating to Domestic Communications carried by or through, in whole or in part, the Domestic Communications Infrastructure, or relating to customers or subscribers of U.S. Subsidiaries, in accordance with the requirements of U.S. law. Promptly after designating such points of contact, DT shall notify the FBI and the DOJ in writing of the points of contact, and thereafter shall promptly notify the FBI and the DOJ of any change in such designation. The points of contact shall be resident U.S. citizens who are eligible for appropriate U.S. security clearances. DT shall cooperate with any request by a government entity within the United States that a background check and/or security clearance process be completed for a designated point of contact.

3.6 DT shall protect the confidentiality and security of all Lawful U.S. Process served upon it and the confidentiality and security of Classified Information and Sensitive Information in accordance with U.S. federal and state law or regulation.

3.7 DT shall, within security office(s) in the United States:

- (a) take appropriate measures to prevent unauthorized access to data or facilities that might contain Classified Information or Sensitive Information;
- (b) assign U.S. citizens, who meet high standards of trustworthiness for maintaining the confidentiality of Sensitive Information, to positions that handle or that regularly deal with information identifiable to such person as Sensitive Information;
- (c) upon request from the DOJ or FBI, provide the name, social security number and date of birth of each person who regularly handles or deals with Sensitive Information;
- (d) require that personnel handling Classified Information shall have been granted appropriate security clearances;

(e) provide that the points of contact described in Section 3.5 of this Agreement shall have sufficient authority over any of DT's employees who may handle Classified Information or Sensitive Information to maintain the confidentiality and security of such information in accordance with applicable U.S. legal authority and the terms of this Agreement; and

(f) maintain appropriately secure facilities (e.g., offices) for the handling and storage of any Classified Information and Sensitive Information.

3.8 DT shall instruct appropriate officials, employees, contractors, and agents as to their obligations under this Agreement, including the reporting requirements of Sections 5.6 and 5.7 of this Agreement, and shall issue periodic reminders to them of such obligations.

3.9 Nothing contained in this Agreement shall limit or affect the authority of a U.S. government agency to deny, limit or revoke DT's access to Classified, Controlled Unclassified, and Sensitive Information under that agency's jurisdiction.

ARTICLE 4: DISPUTES

4.1 The Parties shall use their best efforts to resolve any disagreements that may arise under this Agreement. Disagreements shall be addressed, in the first instance, at the staff level by the Parties' designated representatives. Any disagreement that has not been resolved at that level shall be submitted promptly to higher authorized officials, unless the FBI or the DOJ believes that important national interests can be protected, or DT believes that its paramount commercial interests can be resolved, only by resorting to the measures set forth in Section 4.2 of this Agreement. If, after meeting with higher authorized officials, any of the Parties determines that further negotiation would be fruitless, then that Party may resort to the remedies set forth in Section 4.2 of this Agreement. If resolution of a disagreement requires access to Classified Information, the Parties shall designate a person or persons possessing the appropriate security clearances for the purpose of resolving that disagreement.

4.2 Subject to Section 4.1 of this Agreement, if any of the Parties believes that any other of the Parties has breached or is about to breach this Agreement, that Party may bring an action against the other Party for appropriate judicial relief.

4.3 Deutsche Telekom AG agrees that the United States would suffer irreparable injury if for any reason DT failed to perform any of its significant obligations under this Agreement, and that monetary relief would not be an adequate remedy. Accordingly, Deutsche Telekom AG agrees that, in seeking to enforce this Agreement against DT, the FBI and the DOJ shall be entitled, in addition to any other remedy available at law or equity, to specific performance and injunctive or other equitable relief.

4.4 The availability of any civil remedy under this Agreement shall not prejudice the exercise of any other civil remedy under this Agreement or under any provision of law, nor shall any action taken by a Party in the exercise of any remedy be considered a waiver by that Party of any other rights or remedies. The failure of any Party to insist on strict performance of any of the provisions of this Agreement, or to exercise any right they grant, shall not be construed as a relinquishment or future waiver, rather, the provision or right shall continue in full force. No waiver by any Party of any provision or right shall be valid unless it is in writing and signed by the Party.

4.5 DT agrees that, to the extent that it or any of its property (including FCC licenses and authorizations and intangible property) is or becomes entitled at any time to any immunity on the ground of sovereignty or otherwise based upon a status as an agency or instrumentality of government from any legal action, suit or proceeding or from setoff or counterclaim relating to this Agreement from the jurisdiction of any competent court or the FCC, from service of process, from attachment prior to judgment, from attachment in aid of execution of a judgment from execution pursuant to a judgment or arbitral award, or from any other legal process in any jurisdiction, it, for itself and its property expressly, irrevocably and unconditionally waives, and agrees not to plead or claim, any such immunity with respect to matters arising with respect to this Agreement or the obligations herein (including any obligation for the payment of money) in any proceeding brought by a U.S. federal, state or local governmental authority. DT agrees that the waiver in this provision is irrevocable and is not subject to withdrawal in any jurisdiction or under any statute, including the Foreign Sovereign Immunities Act, 28 U.S.C. Section 1602 *et seq.* The foregoing waiver shall constitute a present waiver of immunity at any time any action is initiated by a U.S. federal, state or local governmental authority against DT with respect to compliance with this Agreement.

4.6 It is agreed by and between the Parties that a civil action among the Parties for judicial relief with respect to any dispute or matter whatsoever arising under, in connection with, or incident to, this Agreement shall be brought, if at all, in the United States District Court for the District of Columbia.

4.7 Nothing in this Agreement shall limit or affect the right of a U.S. government agency to:

- (a) seek revocation by the FCC of any license, permit, or other authorization granted or given by the FCC to DT, or any other sanction by the FCC against DT, or
- (b) seek civil sanctions for any violation by DT of any U.S. law or regulation or term of this Agreement, or
- (c) pursue criminal sanctions against DT, or any director, officer, employee, representative, or agent of DT, or against any other person or entity, for violations of the criminal laws of the United States.

4.8 This Article 4, and the obligations imposed and rights conferred herein, shall be effective upon the execution of this Agreement by all the Parties.

ARTICLE 5: AUDITING, REPORTING, NOTICE AND LIMITS

5.1 If DT makes any filing with the FCC or any other governmental agency relating to the *de jure* or *de facto* control of DT, except for filings with the FCC for assignments or transfers of control to any U.S. subsidiary of DT that are *pro forma*, DT shall promptly provide to the FBI and the DOJ written notice and copies of such filing. This Section 5.1 is effective upon execution of this Agreement by all the Parties.

5.2 Effective upon execution of this Agreement by all the Parties, DT shall provide to the FBI and the DOJ written notice within 14 days after learning that any foreign government, any foreign government controlled entity, or any other foreign entity obtains or seeks to obtain an ownership interest or increase its existing ownership interest (direct or indirect) in DT to a level such that the foreign government or entity is itself entitled to (i) Board of Directors representation (including representation on the Management Board or Supervisory Board), (ii) special voting or veto rights, or (iii) minority shareholder rights under applicable Articles of Incorporation, bylaws (or equivalent documents), or other constituent agreements; or in the case of a foreign entity, obtains Control of DT. To the extent known to DT, such notice shall, at a minimum, (a) identify the foreign government or foreign entity, (b) quantify the amount of ownership interest in DT that the entity holds or will likely hold, and (c) include a description of the transaction that has resulted in or through which the foreign government or foreign entity seeks to obtain Control of DT.

5.3 U.S. Subsidiaries shall provide to the FBI and the DOJ 30 days advance notice if a U.S. Subsidiary (or any entity with which a U.S. Subsidiary has contracted or made other arrangements for data or communications processing or storage) plans to store a Domestic Communication, Transactional Data, Call Associated Data, or Subscriber Information outside of the United States. Such notice shall, at a minimum, (a) include a description of the type of information to be stored outside the United States, (b) identify the custodian of the information if other than a U.S. Subsidiary, (c) identify the location where the information is to be located, and (d) identify the factors considered in deciding to store the information outside of the United States (see Section 2.4 of this Agreement). This Section 5.3 is effective 30 days after execution of this Agreement by all the Parties.

5.4 DT has entered into or may enter into joint ventures under which the joint venture or entity may provide Domestic Communications. To the extent DT does not have *de facto* or *de jure* control over such joint venture or entity, DT shall in good faith endeavor to have such entity comply with this Agreement as if it were a U.S. Subsidiary and shall consult with the FBI or the DOJ about the activities of such entity. This Section 5.4 is effective upon execution of this Agreement by all the Parties. Nothing in this Section 5.4 does nor shall it be construed to relieve DT of its obligations under Sections 2.3 and 2.4 of this Agreement.

5.5 If DT outsources functions covered by this Agreement to a third party that is not a U.S. Subsidiary, DT shall take reasonable steps to ensure that those third parties comply with the applicable terms of this Agreement. Such steps shall include: (a) DT shall include in the contracts of any such third parties written provisions requiring that such third parties comply with all applicable terms of the Agreement or take other reasonable, good-faith measures to ensure that such third parties are aware of, agree to, and are bound to comply with the applicable obligations of this Agreement, (b) if DT learns that the outsourcing third party or the outsourcing third party's employee has violated an applicable provision of this Agreement, DT will notify the DOJ and the FBI promptly, and (c) with consultation and, as appropriate, cooperation with the DOJ and the FBI, DT will take reasonable steps necessary to rectify promptly the situation, which steps may (among others) include terminating the arrangement with the outsourcing third party, including after notice and opportunity for cure, and/or initiating and pursuing litigation or other remedies at law and equity.

5.6 If any member of a DT Board of Directors (including a Management Board or Supervisory Board) or member of the senior management of DT (including the Chief Executive Officer, President, General Counsel, Chief Technical Officer, Chief Financial Officer or other senior officer) learns that any foreign government:

- (a) plans to participate or has participated in any aspect of the day-to-day management of DT in such a way that interferes with or impedes the performance by DT of its duties and obligations under the terms of this Agreement, or interferes with or impedes the exercise by DT of its rights under the Agreement, or
- (b) plans to exercise or has exercised, as a direct or indirect shareholder of DT or its subsidiaries, any Control of DT in such a way that interferes with or impedes the performance by DT of its duties and obligations under the terms of this Agreement, or interferes with or impedes the exercise by DT of its rights under the terms of this Agreement, or foreseeably concerns DT's obligations under this Agreement,

then such member shall promptly cause to be notified the Vice President for Legal Affairs or other designated representative of a U.S. Subsidiary located in the United States, who in turn, shall promptly notify the FBI and the DOJ in writing of the timing and the nature of the government's plans and/or actions. This Section 5.6 is effective upon the execution of this Agreement by all the Parties.

5.7 DT shall take practicable steps to ensure that, if any DT official, employee, contractor or agent acquires any information that reasonably indicates: (a) a breach of this Agreement; (b) Electronic Surveillance conducted in violation of federal, state or local law or regulation; (c) access to or disclosure of CPNI or Subscriber Information in violation of federal, state or local law or regulation (except for violations of FCC regulations relating to improper use of CPNI); or (d) improper access to or disclosure of Classified Information or Sensitive Information, then DT

shall notify the FBI and the DOJ in the same manner as specified in Section 5.6 of this Agreement. This report shall be made promptly and in any event no later than 10 calendar days after DT acquired information indicating a matter described in 5.7(a)-(d) of this Agreement. DT shall lawfully cooperate in investigating the matters described in 5.6 and 5.7(a)-(d) of this Agreement. DT need not report information where disclosure of such information would be in violation of an order of a court of competent jurisdiction in the United States. This Section 5.7 is effective 30 days after execution of this Agreement by all the Parties.

5.8 In response to reasonable requests made by the FBI or the DOJ, DT shall provide access to information concerning technical, physical, management, or other security measures and other reasonably available information needed by the DOJ or the FBI to assess compliance with the then-effective terms of this Agreement. This Section 5.8 is effective upon execution of this Agreement by all the Parties.

5.9 Upon reasonable notice and during reasonable hours, the FBI and the DOJ may visit and inspect any part of DT's Domestic Communications Infrastructure and security offices for the purpose of verifying compliance with the terms of this Agreement. DT may have appropriate DT employees accompany U.S. government representatives throughout any such inspection.

5.10 Upon reasonable notice from the FBI or the DOJ, DT will make available for interview officers or employees of DT, and will seek to require contractors to make available appropriate personnel located in the United States who are in a position to provide information to verify compliance with the then-effective terms of this Agreement. This Section 5.10 is effective upon execution of this Agreement by all the Parties.

5.11 On or before the last day of January of each year, a designated senior corporate officer of Deutsche Telekom AG shall submit to the FBI and the DOJ a report assessing DT's compliance with the terms of this Agreement for the preceding calendar year. The report shall include:

- (a) a copy of the policies and procedures adopted to comply with this Agreement;
- (b) a summary of the changes, if any, to the policies or procedures, and the reasons for those changes;
- (c) a summary of any known acts of noncompliance with the terms of this Agreement, whether inadvertent or intentional, with a discussion of what steps have been or will be taken to prevent such acts from occurring in the future; and
- (d) identification of any other issues that, to DT's knowledge, will or reasonably could affect the effectiveness of or compliance with this Agreement.

5.12 Effective upon execution of this Agreement by all the Parties, all notices and other communications given or made relating to this Agreement, such as a proposed modification, shall be in writing and shall be deemed to have been duly given or made as of the date of receipt and shall be (a) delivered personally, or (b) sent by facsimile, (c) sent by documented overnight courier service, or (d) sent by registered or certified mail, postage prepaid, addressed to the Parties' designated representatives at the addresses shown below, or to such other representatives at such other addresses as the Parties may designate in accordance with this Section:

Department of Justice
Assistant Attorney General
Criminal Division
Main Justice
950 Pennsylvania Avenue, NW
Washington, DC 20530

Federal Bureau of Investigation
General Counsel
935 Pennsylvania Avenue, NW
Washington, DC 20535

With a copy to:
The Assistant Director
National Security Division

Deutsche Telekom AG
P.O. Box 2000
53105 Bonn, Germany
Attention: Wolfgang Kopf (OWP 10)

With a copy to:
Wilmer, Cutler & Pickering
2445 M Street N.W.
Washington, D.C. 20037-1420
Attention: Sheila C. Cheston

VoiceStream Wireless Holding Corporation and
VoiceStream Wireless Corporation
3650 131st Avenue
Bellevue, Washington 98006
Attention: Vice President of Legal Affairs

With a copy to:
Morrison & Foerster LLP
2000 Pennsylvania Avenue, N.W.
Washington, D.C. 20006-1888

Attention: Doane F. Kiechel

O'Melveny & Myers LLP
555 13th St. NW, Suite 500 West
Washington, D.C. 20004-1109
Attention: Stephen Harburg

ARTICLE 6: FREEDOM OF INFORMATION ACT

6.1 The FBI and the DOJ shall take all reasonable measures to protect from public disclosure all information submitted by DT to the FBI or the DOJ in connection with this Agreement and clearly marked with the legend providing "Confidential; Subject to protection under 5 U.S.C. § 553(b); Not to be released without notice to DT," or similar designation. Such markings shall signify that it is the position of DT that the information so marked constitutes "trade secrets" and/or "commercial or financial information obtained from a person and privileged or confidential," or otherwise warrants protection within the meaning of 5 U.S.C. § 552(b). If a request is made under 5 U.S.C. § 552(a)(3) for information so marked, and disclosure of any information (including disclosure in redacted form) is contemplated, the FBI or the DOJ, as appropriate, shall notify Deutsche Telekom AG, pursuant to Section 5.13 of this Agreement, or notify the submitting DT entity of the intended disclosure as provided by Executive Order 12600, 52 Fed. Reg. 23781 (June 25, 1987). If DT objects to the intended disclosure and its objections are not sustained, the FBI or the DOJ, as appropriate, shall notify the submitting entity and Deutsche Telekom AG of its intention to release (as provided by Section 5 of E.O. 12600) not later than 10 business days prior to disclosure of the challenged information. This Section 6.1 is effective upon execution of this Agreement by all the Parties.

6.2 The DOJ and the FBI acknowledge that officers and employees of the United States and of any department or agency thereof are subject to liability under 18 U.S.C. § 1905 for unlawful disclosure of information provided to them by the other Parties to this Agreement.

6.3 Nothing in this Agreement shall prevent the FBI or the DOJ from lawfully disseminating information as appropriate to seek enforcement of this Agreement, provided that the FBI and the DOJ take all reasonable measures to protect from public disclosure the information marked as described in Section 6.1.

ARTICLE 7: FCC CONDITION AND CFIUS

7.1 Upon the execution of this Agreement by all the Parties, the FBI and the DOJ shall promptly notify the FCC that, provided the FCC adopts a condition substantially the same as set forth in Exhibit A attached hereto (the "Condition to FCC Licenses"), the FBI and the DOJ have no objection to the FCC's consent to the proposed transfers of control of the authorizations currently held by VoiceStream Wireless, Powertel, and their subsidiaries that are the subject of the application filed with the FCC in IB Docket No. 00187, or the authority Deutsche Telekom AG seeks to hold 100% indirect control of those licenses.

7.2 DT agrees that in its applications or petitions to the FCC for licensing or other authority filed with the FCC after the Effective Date, except with respect to *pro forma* assignments or *pro forma* transfers of control, it shall request that the FCC condition the grant of such licensing or other authority on DT's compliance with the terms of this Agreement. The FBI and the DOJ reserve the right to seek additional or different terms that would, consistent with the public interest, address any threat to their ability to enforce the laws, preserve the national security and protect the public safety raised by the transactions underlying such applications or petitions.

7.3 Provided that the FCC adopts the Condition to FCC Licenses, the Attorney General shall not make any objection to the CFIUS or the President concerning the grant of the proposed transfers of control of the authorizations and licenses currently held by VoiceStream Wireless and Powertel that are the subject of the applications filed with the FCC in IB Docket No. 00187, the authority Deutsche Telekom AG seeks to hold 100% indirect control of those licenses and authorizations, or Deutsche Telekom AG's mergers with VoiceStream and Powertel. This commitment, however, does not extend to any objection the Attorney General may wish to raise with the CFIUS or the President in the event that (a) DT fails to comply with the terms of this Agreement, (b) the Attorney General learns that the representations of Deutsche Telekom AG, VoiceStream or Powertel made to the DOJ, the FBI, or the FCC above are materially untrue or incomplete, (c) there is a material increase in the authority of a foreign entity to exercise Control of DT, or (d) there is any other material change in the circumstances associated with the transactions at issue.

ARTICLE 8: PREVIOUS AGREEMENTS WITH VOICESTREAM

8.1 VoiceStream remains bound to comply with its obligations imposed pursuant to the agreement entered between VoiceStream and the FBI and the DOJ dated January 26, 2000, and such agreement remains in full force and effect until, and shall not terminate or be suspended before, all the conditions set forth in Section 8.2 below are met.

8.2 The agreement between VoiceStream and the FBI and the DOJ dated January 26, 2000 shall terminate upon, and only upon, the happening of all the following events: (a) the Parties, and each of them, execute this Agreement, (b) the FCC adopts the Condition to FCC Licenses and (c) Deutsche Telekom AG, VoiceStream Wireless, and all other necessary parties successfully and fully consummate the proposed transactions between VoiceStream and Deutsche Telekom, and their respective subsidiaries that underlay the applications for authority of Deutsche Telekom AG and VoiceStream Wireless filed with the FCC in IB Docket No. 00187 under sections 214 and 310(d) of the Act.

ARTICLE 9: OTHER

9.1 Deutsche Telekom AG represents that it has and shall continue to have throughout the term of this Agreement the full right to enter into this Agreement and perform its obligations

(including those to DT) hereunder and that this Agreement is a legal, valid, and binding obligation of Deutsche Telekom AG and DT enforceable in accordance with its terms.

9.2 VoiceStream Wireless represents that it has and shall continue to have throughout the term of this Agreement the full right to enter into this Agreement and perform its obligations hereunder and that this Agreement is a legal, valid, and binding obligation of VoiceStream Wireless enforceable in accordance with its terms.

9.3 VoiceStream Holdings represents that it has and shall continue to have throughout the term of this Agreement the full right to enter into this Agreement and perform its obligations hereunder and that this Agreement is a legal, valid, and binding obligation of VoiceStream Holdings enforceable in accordance with its terms.

9.4 The Article headings and numbering in this Agreement are inserted for convenience only and shall not affect the meaning or interpretation of the terms of this Agreement.

9.5 Nothing in this Agreement is intended to limit or constitute a waiver of (a) any obligation imposed by any U.S. federal, state or local laws on DT or VoiceStream, (b) any enforcement authority available under any U.S. or state laws, (c) the sovereign immunity of the United States, or (d) any authority the U.S. government may possess over the activities of DT or VoiceStream or facilities of DT or VoiceStream located within or outside the United States.

9.6 All references in this Agreement to statutory provisions shall include any future amendments to such statutory provisions.

9.7 Nothing in this Agreement is intended to confer or does confer any rights on any person other than the Parties and any U.S. governmental authorities entitled to effect Electronic Surveillance pursuant to Lawful U.S. Process.

9.8 None of the terms of this Agreement shall apply to (a) any services that a DT entity other than VoiceStream provides in the United States pursuant to Section 214 of the Communications Act of 1934, or (b) any noncommunications services provided by DT unrelated to the provision of Domestic Communications.

9.9 This Agreement may only be modified by written agreement signed by all of the Parties. The FBI and the DOJ agree to consider in good faith and promptly possible modifications to this Agreement if Deutsche Telekom AG or VoiceStream believes that the respective obligations imposed on them under this Agreement are substantially more restrictive than those imposed on other U.S. and foreign licensed service providers in like circumstances in order to protect U.S. national security, law enforcement, and public safety concerns. Any substantial modification to this Agreement shall be reported to the FCC within 30 days after approval in writing by the Parties.

9.10 The DOJ and the FBI agree to negotiate in good faith and promptly with respect to any request by DT for relief from application of specific provisions of this Agreement to future DT

activities or services if those provisions become unduly burdensome to DT or adversely affect DT's competitive position, or the German government's interest in DT decreases substantially.

9.11 If, as provided in Section 1.21, the DOJ or the FBI finds that the terms of this Agreement are inadequate to address national security concerns presented by an acquisition by Deutsche Telekom AG in the United States after the date that all the Parties have executed this Agreement, DT will negotiate in good faith to modify this Agreement to address those concerns.

9.12 If any portion of this Agreement is declared invalid by a U.S. court of competent jurisdiction, this Agreement shall be construed as if such portion had never existed, unless such construction would constitute a substantial deviation from the Parties' intent as reflected in this Agreement.

9.13 This Agreement may be executed in one or more counterparts, including by facsimile, each of which shall together constitute one and the same instrument.

9.14 This Agreement shall inure to the benefit of, and shall be binding upon, the Parties, and their respective successors and assigns.

9.15 This Article 9, and the obligations imposed and the rights conferred herein, is effective upon the execution of this Agreement by all the Parties.

9.16 Except as otherwise specifically provided in the provisions of this Agreement, the obligations imposed and rights conferred by this Agreement shall take effect upon the Effective Date. This Agreement shall be null and void in its entirety if Deutsche Telekom AG, VoiceStream and Powertel, their respective subsidiaries and all other necessary parties fail to successfully and fully consummate the proposed transactions among them that underlay the applications for authority of Deutsche Telekom AG and VoiceStream Wireless filed with the FCC in IB Docket No. 00-187 under sections 214 and 310(d) of the Act, and the transfers of control of the FCC licenses and authorizations for which FCC consent has been sought in IB Docket No. 00-187 are not effected.

9.17 Nothing in this Agreement is intended to or is to be interpreted to require the Parties to violate any applicable U.S. law.

This Agreement is executed on behalf of the Parties:

Deutsche Telekom AG

Date: _____ By: _____
Printed Name: Hans-Willi Hefekaeuser
Title: Senior Executive Vice-President

VoiceStream Wireless Corporation

Date: John W. Stanton By: 12/29/00
Printed Name: John W. Stanton
Title: Chairman and Chief Executive Officer

VoiceStream Wireless Holding Corporation

Date: John W. Stanton By: 12/29/00
Printed Name: John W. Stanton
Title: Chairman and Chief Executive Officer

Federal Bureau of Investigation

Date: 1-10-01 By: Larry R. Parkinson
Printed Name: Larry R. Parkinson
Title: General Counsel

United States Department of Justice

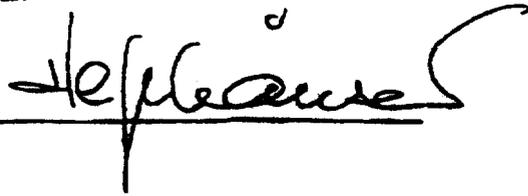
Date: 1-12-01 By: Eric Holder
Printed Name: Eric Holder
Title: Deputy Attorney General

This Agreement is executed on behalf of the Parties:

Deutsche Telekom AG

Date: 04/01/01

Printed Name: Hans-Wilhelm Hofmeier
Title: Senior Executive Vice-President

By: 

VoiceStream Wireless Corporation

Date: _____

Printed Name: John W. Stanton
Title: Chairman and Chief Executive Officer

By: _____

VoiceStream Wireless Holding Corporation

Date: _____

Printed Name: John W. Stanton
Title: Chairman and Chief Executive Officer

By: _____

Federal Bureau of Investigation

Date: _____

Printed Name: Larry R. Parkinson
Title: General Counsel

By: _____

United States Department of Justice

Date: _____

Printed Name: Eric Holder
Title: Deputy Attorney General

By: _____

EXHIBIT A**CONDITION TO FCC LICENSES**

IT IS FURTHER ORDERED, that the authorizations and the licenses related thereto are subject to compliance with the provisions of the Agreement attached hereto between DEUTSCHE TELEKOM AG, VoiceStream Wireless Corporation, VoiceStream Wireless Holding Corporation on the one hand, and the Department of Justice (the "DOJ") and the Federal Bureau of Investigation (the "FBI") on the other, dated _____, 2001, which Agreement is designed to address national security, law enforcement, and public safety issues of the FBI and the DOJ regarding the authority granted herein. Nothing in this Agreement is intended to limit any obligation imposed by Federal law or regulation including, but not limited to, 47 U.S.C. § 222(a) and (c)(1) and the FCC's implementing regulations.

**STATEMENT OF COMMISSIONER HAROLD FURCHTGOTT-ROTH
APPROVING IN PART, DISSENTING IN PART**

Re: In re Applications of Voicestream Wireless Corporation, Powertel Inc. Transferors and Deutsche Telekom AG, Transferee, et al. IB Docket No. 00-187 (rel. April 27, 2001).

I join today's decision to grant the requested license transfers from Voicestream and Powertel to Deutsche Telekom (DT). Although I regret that our decision has taken so long, at least in this case (unlike so many license transfers before it) the delay was not attributable to closed-door negotiations about so-called "merger conditions." Instead today the Commission squarely addresses a legal issue of first impression: the scope and meaning of Sections 310(a) and (b)(4) as applied to a proposed licensee controlled by a holding company in which a foreign government has a significant ownership interest. Unfortunately the Commission in prior decisions had sent unclear signals about the application of Section 310 to this situation. It is my hope that today's decision – built on the plain language of the statute – will clear up any lingering ambiguity about our interpretation. Moreover, I am pleased that today's decision properly places the burden on the Commission, not the applicants, to show that the "public interest will be served by the refusal or revocation of such license" transfer under Section 310(b)(4).¹ In my view, this is a heavy burden that has not been met in this case.

Let me also note my profound appreciation for the insights of Senator Hollings in this proceeding. Senator Hollings invested substantial effort in providing detailed comments to the Commission. His comments helped the Commission focus on the details of the Communications Act generally and Section 310 in particular. Thanks to Senator Hollings, the Commission avoided many mistakes in this proceeding, including an erroneous interpretation that the World Trade Organization agreements, rather than Section 310 of the Communications Act, governed the Commission's review of this license transfer. The Commission's final determinations--both those that are consistent with the insights of Senator Hollings and those that are not--have been substantially strengthened as a result of the reflection required to appreciate fully his comments. Senator Hollings has reminded us to remain faithful to the law, and that is what this Commission has attempted to do.

I also wish to applaud a subtle shift in the Commission's approach to license transfers that is reflected in today's item. In the past, the Commission has assumed the role of "competition police" in license transfers. In these cases, the Commission would wander off into various "market analyses" to re-plow ground already spade by the Justice Department. All of these contortions were rationalized based on a statutory interpretation that permitted the Commission to engage in any form of review on an ad hoc basis. I am heartened to see that today's item does not engage in market analysis for market analysis sake. Instead, the Order solely responds to concerns raised by the commenters. While I would have preferred

¹ I also note that the proper placement of this burden on the Commission is only one of many possible reforms to our Section 310 process that will more faithfully fulfill our statutory obligations. I hope that future Commissions will re-examine our overall approach to these issues. See Sidak, Gregory J., *Foreign Investment in American Telecommunications* (University of Chicago Press 1997).

an outright rejection of the relevance of these antitrust-like concerns to the narrow issue of these license transfers, I am nonetheless heartened by this change in direction.

Regardless of the positive aspects of today's Order, I must dissent from the Commission's decision to once again yield to the Justice Department and FBI by incorporating their side agreements with the parties into this Order. As I have stated on numerous prior occasions, the national security concerns raised by the Justice Department and FBI are serious and should be addressed; however, our license transfer process should not be hijacked for their cause.² A proper approach to our process creates an opportunity for Executive Branch agencies to be heard and their views considered in our license transfer proceedings.³ However, to the extent that the Executive Branch has significant concerns about the national security implications of a given transaction, Congress has created an Executive Branch review process with strict timeframes to assess all such transactions throughout the economy.⁴ There is no statutory basis for singling out telecommunications companies for special, and less favorable, treatment. Congress has explicitly set the respective roles of the Executive Branch and the Commission in these transactions, and we should abide by them.

Rather than adopting this approach, the Commission has unwisely allowed its license transfer authority to be used by the Executive Branch to negotiate "voluntary agreements" that respond to national security concerns. These agreements are not very voluntary; without such a deal, the FCC has refused to grant the license transfers.⁵ Applicants, now aware of how this process works, often go to the Executive Branch early in the license transfer process and surrender to their demands. However, that only eliminates the delay, it does not address the ongoing problem of enforcement. Because the license transfers are conditioned on compliance with these side agreements, the Commission by definition

² See Separate Statement of Commissioner Harold Furchtgott-Roth, In the Matter of Applications of SatCom Systems, Inc., TMI Communications and Company, L.P. and SatCom Systems Inc., 14 FCC Rcd 20798 (1999); see also AT&T Corp., British Telecommunications, plc, VLT Co. L.L.C., Violet License Co. LLC, and TNV [Bahamas] Limited Applications for Grant of Section 214 Authority, Modification of Authorizations and Assignment of Licenses in Connection with the Proposed Joint Venture Between AT&T Corp. and British Telecommunications, plc, 14 FCC Rcd 19140 (1999).

³ See 47 U.S.C. §§ 214 and 310; see Amendment of the Commission's Regulatory Policies to Allow Non-U.S. Licensed Space Stations to Provide Domestic and International Service in the United States, Report and Order, 12 FCC Rcd 24094, ¶ 179 (1997) ("DISCO II"); Ironically, "we emphasize[d] . . . that we expect national security, law enforcement, foreign policy and trade policy concerns to be raised in very rare circumstances. Contrary to the fears of some commenters, the scope of the concerns that the Executive Branch will raise in the context [of transfers] . . . is narrow and well-defined." *Id.* at ¶ 180.

⁴ 50 U.S.C. § 2170(a)-(k). Pursuant to Section 2170(a), the President authorized the Committee on Foreign Investment in the United States ("CFIUS") to review foreign acquisitions of U.S. companies for national security purposes. If it is determined that an investigation is necessary, the investigation must commence no later than 30 days after the President's receipt of written notification of the transaction in question, and the investigation must be completed no later than 45 days after such a determination is made. The President must make an investigation in any case in which an entity controlled by a foreign government seeks to engage in a transaction that could affect national security, which is subject to the time limitations stated above. The President must announce a decision to take action to suspend or prohibit any transaction no later than 15 days after an investigation is completed.

⁵ These filings have often delayed transactions' closing by months.

becomes responsible for ensuring compliance.⁶ In the end, I do not believe the Commission's proper role is to promulgate or enforce Executive Branch side agreements with licensees. I hope future Commission's will re-examine this process with a critical eye as well.

⁶ By conditioning these transfers on compliance with the side agreements, it also seems to be the case that whenever the side agreement needs to be amended or altered, the Executive Branch and the parties are obligated to come to the FCC for approval. This prospect alone would seem to be a sufficient deterrent to the Executive Branch to use the licensing process to achieve their goals.