Mobile and "re-engineered" the user interface to show more content on the device screen in a manner totally new on a Japanese "keitai."[53] Among other offerings, SoftBank Mobile introduced new mobile Internet content services for music and videos and made them easily available to users.[54]

SoftBank's emphasis on the mobile Internet perfectly positioned it to become Japan's first wireless company to offer the Apple iPhone in 2008. SoftBank's competitors, DoCoMo and KDDI, chose not to offer the Apple iPhone, concerned that it lacked features Japanese consumers had come tó expect from their "keitai."[55] They were thus concerned that the iPhone would not be attractive to Japanese consumers. SoftBank, on the other hand, readily grasped the significance of the Apple iPhone as a method to access the Internet. Unlike its larger rivals, SoftBank understood that smartphones were really mobile "Internet machines," and had the potential to change people's lives.[56]

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53 "Keitai" is the Japanese term for a feature phone.

54 Kasai Declaration, ¶ 21.

55 There has been unique evolution of mobile devices and mobile content in Japan that is captured by the phrase "Galapagos Keitai" or "gala-kei" – a reference to the distinct evolutionary process on the Galapagos Islands. *See*, *e.g.*, Daisuke Wakabayashi, *Digits Blog: Japan's 'Galapagos' Mobile Dilemma*, WALL STREET JOURNAL, available at http://blogs.wsj.com/digits/2012/08/16/japans-galapagos-mobile-dilemma/ (Aug. 16, 2012); Don Fujiwara, *Japanese Keitai Culture: Galapagos Now!*, PIPELINE, available at http://www.pipelinepub.com/0112/OSS_BSS/Japans-Mobile-Landscape-1.php (Jan. 2012) ("*Keitai Culture*"), For many years Japanese feature phones or "keitai" "filled roles Westerners typically ascribe to PCs." *Keitai Culture*. Keitais incorporated many features like address books, schedulers, cameras, and games unique to the Japanese phones. DoCoMo, for example, had developed a mobile internet browser, the i-mode, that enabled web browsing but only for websites specifically tailored for the i-mode platform. *See id.* The iPhone offered a much more robust browser capability.

56 Kasai Declaration, ¶ 19.

4. Invigorating Competition in Japan – And in the United States

Japanese consumers responded to SoftBank Mobile's marketplace initiatives by switching to the newly-energized carrier. In just over a year, by May 2007, SoftBank Mobile was capturing a larger share of net new customers than either DoCoMo or KDDI, and it was also the carrier gaining the largest share of net additions in fiscal years 2007, 2008, 2010, and 2011.[57] SoftBank Mobile's share of net subscriber additions increased from about 3.5 percent in fiscal year 2005 to approximately 41 percent in fiscal year 2011.[58] SoftBank's impressive reversal of Vodafone K.K.'s wireless operations is reflected in various metrics. For example, net subscriber additions jumped from 200,000 in fiscal year 2005 under Vodafone K.K. to 2.7 million in fiscal year 2007 under SoftBank. Within two years of the acquisition, SoftBank stemmed declining service revenues by increasing customers and data revenue per user and has now generated positive revenue growth every year since fiscal year 2008, and greatly improved earnings margins, increasing yearly EBITDA margins.[59] Along with growth in subscribers and revenue, SoftBank Mobile also more than doubled its workforce.[60]

The SoftBank/Sprint transaction offers a similar opportunity to reinvigorate the U.S. wireless marketplace. Like Japan in 2006, the U.S. wireless marketplace is dominated by two large incumbent wireline affiliates whose competitors are hampered by capital constraints and

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57 Kasai Declaration, ¶ 22.

58 *Id.* Deutsche Bank wrote: "[SoftBank] has firmly established its image as a low-cost carrier through a succession of discount plans, improved its brand image via the media, introduced a strong lineup of advanced handsets ahead of its peers, and created a Super Bonus plan that allows consumers to procure those handsets without undue expense." Deutsche Bank Feb. 2008 at 17.

59 Kasai Declaration, ¶ 22.

60 *Id.* ¶ 22. In 2006, there were 2,686 full-time employees at SoftBank Mobile. In 2011, this number had increased to 6,602.

relative lack of scale. As in Japan, SoftBank's investment and resources can transform a U.S. marketplace trending toward a duopoly to one characterized by aggressive competition created by a stronger provider.[61] Although the precise strategies to be used remain to be determined, competition should lead to greater price competition, better service, and more innovation for consumers. The proposed SoftBank/Sprint transaction will thus serve the public interest by increasing the competitiveness of the wireless marketplace as a whole and in particular by creating a stronger national challenger to Verizon and AT&T. The FCC has on numerous occasions found transactions to be in the public interest when they increased competition with larger competitors.[62]

B. The Proposed Transaction Will Promote Wireless Broadband Service and Innovation

Promoting the deployment of broadband infrastructure and service is one of the FCC's highest priorities. As the FCC's National Broadband Plan stated,

> Broadband is the great infrastructure challenge of the early 21st century. ... [It] is a foundation for economic growth, job creation, global competitiveness and a better way of life. It is enabling entire new industries and unlocking vast new possibilities for existing ones. It is changing how we educate children, deliver

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61 *See* Tero Kuittinen, "U.S. Consumers Need Softbank to Buy Sprint, FORBES (Oct. 11, 2012) (SoftBank investment in Sprint "could have a profound impact on the U.S. mobile market" given SoftBank's track record in challenging large incumbent providers in Japan).

62 *See, e.g.*, Applications filed by Global Crossing Limited and Level 3 Communications, Inc., *Memorandum Opinion and Order and Declaratory Ruling*, 26 FCC Rcd 14056, 14071, ¶ 44 (IB and WCB 2011) (approving merger of Global Crossing and Level 3 and finding that merger "is likely to lead to significant synergies and enhanced competition against similar providers, including some of the largest providers in the U.S. market"); BRH Holdings GP, Ltd., Transferor and EchoStar Corporation, Transferee, *Memorandum Opinion and Order*, 26 FCC Rcd 7976, 7981, ¶ 14 (IB 2011) (granting application to transfer control of Hughes Communications to EchoStar and finding that the proposed transaction could increase satellite capacity and facilitate the applicants' ability to offer bundled services, which in turn "could result in increased competition to terrestrial multichannel video programming distribution providers, such as Comcast and Verizon, which offer bundled services").

> health care, manage energy, ensure public safety, engage government, and access, organize and disseminate knowledge.[63]

The proposed transaction will further the FCC's broadband goals by providing Sprint greater financial resources, scale economies, and expertise to deploy wireless broadband service more aggressively and offer consumers innovative new mobile Internet services and applications.

1. *The Proposed Transaction Will Provide Sprint the Financial Resources to Accelerate and Expand Its Broadband Deployment*

The proposed transaction will provide an $8 billion capital infusion that Sprint can use to increase investment in its network and improve wireless broadband service to its consumers.[64] Without the transaction, Sprint is likely to face significantly greater challenges in raising capital. Sprint has incurred substantial indebtedness to finance its operations and invest in its business, and as a result is highly leveraged.[65] Thus, Sprint currently faces higher borrowing costs than its competitors and debt service requirements that are significant in relation to its revenues and cash flow.[66]

AT&T and Verizon each are far less leveraged, enjoy much higher cash flows than Sprint, and have considerably greater access to, and a lower cost of, capital. With these advantages, both Bell companies are on their way toward implementing multi-billion dollar

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63 FCC, CONNECTING AMERICA: THE NATIONAL BROADBAND PLAN, Executive Summary at 1 (2009), available at http://www.broadband.gov/plan/ (last visited Nov. 13, 2012).

64 Of the $8 billion capital infusion, $3.1 billion has already been provided to Sprint in the form of convertible debt, and $4.9 billion will be provided at the time the proposed transaction closes upon obtaining regulatory and shareholder approvals. *See supra* n.10.

65 As of December 31, 2011, the carrying value of Sprint's total debt was approximately $20.3 billion. *See* Sprint Nextel Corp., SEC Form 10-K, at 17 (Feb. 27, 2012).

66 *Id.*

investment programs to deploy LTE service throughout their network footprints.[67] These carriers possess tremendous advantages in spectrum portfolios that permit 10x10 MHz (or potentially greater) LTE deployments. As explained in the attached Declaration of Stephen J. Bye, Sprint's Chief Technology Officer and Senior Vice President of Technology Development and Corporate Strategy, to remain competitive, Sprint must continue to respond with its own broadband investment program.[68]

Sprint already has taken an important step in initiating LTE deployment by implementing Network Vision, a multi-year, $4 billion infrastructure initiative that will reduce operating costs and enhance network flexibility for deploying LTE and other broadband technology.[69] The proposed SoftBank transaction provides Sprint the financial resources needed to expand and accelerate its broadband investment program. Sprint intends to invest part of SoftBank's $8 billion capital infusion in its broadband network, with the rest intended to improve Sprint's balance sheet and remain available for future strategic purposes. A stronger balance sheet will

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[67] AT&T recently announced that it will invest an additional $14 billion over the next three years to expand and enhance its wireless and wireline broadband networks. The additional investment includes $8 billion for AT&T's wireless initiatives, such as expanding its LTE network to cover 300 million Americans by the end of 2014. Counting this additional investment, AT&T's total capital spending will be approximately $22 billion for each of next three years. AT&T's CEO stated that, "[w]ith our strong balance sheet, these capital investments are manageable." Press Release, AT&T Inc., AT&T to Invest $14 Billion to Significantly Expand Wireless and Wireline Broadband Networks, Support Future IP Data Growth and New Services (Nov. 7, 2012), available at http://www.att.com/gen/press-room?pid=23506&cdvn =news&newsarticleid=35661. Verizon is similarly implementing a multi-billion dollar investment program to upgrade to LTE technology throughout its nationwide footprint. *See* Verizon Wireless, LTE Information Center, available at http://news.verizonwireless.com/LTE/ Overview.html (last visited Nov. 13, 2012).

[68] Declaration of Stephen J. Bye, attached hereto as Attachment 4, ¶ 6 ("Bye Declaration").

[69] *See* Press Release, Sprint Nextel Corp., "Sprint Nextel Reports Third Quarter 2012 Results," at 2 (Oct. 25, 2012), available at http://newsroom.sprint.com/article_display.cfm? article_id=2440 (as of end of the third quarter, Sprint had deployed 4G LTE in 32 cities, with 115 additional markets expected in the coming months).

mean greater financial stability and lower borrowing costs.[70] With lower borrowing costs, Sprint expects to be able to raise additional capital to improve broadband service to customers.

Sprint is currently deploying LTE technology in its 1.9 GHz PCS G Block (1910-1915/1990-1995 MHz) spectrum, with the expectation that in most markets this deployment will be followed by the roll-out of LTE in other portions of Sprint's spectrum holdings.[71] The proposed transaction can enable Sprint to accelerate this deployment by introducing LTE more rapidly in these various bands and in more markets.[72] In addition, with the financial resources provided by the SoftBank transaction, Sprint expects to expand the capacity of its broadband network by deploying more LTE cell sites in high-traffic areas and small cells to increase capacity, speed, and network reliability.[73] As the FCC has found previously, capital investment that results in such expanded infrastructure and improved service to customers serves the public interest.[74]

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70 Bye Declaration, ¶ 7.

71 Bye Declaration, ¶ 8.

72 *Id.*

73 *Id.*

74 *See, e.g.*, Applications filed by Qwest Communications International Inc. and CenturyTel, Inc. d/b/a CenturyLink, *Memorandum Opinion and Order*, 26 FCC Rcd 4194, 4195-96, ¶ 2 (2011) (finding transaction to be in the public interest because, along with other factors, it would provide applicant a "strengthened financial position" to expand broadband deployment); Iridium Holdings LLC and Iridium Carrier, Holdings LLC, Transferors and GHL Acquisition Corp., Transferee, *Memorandum Opinion and Order and Declaratory Ruling*, 24 FCC Rcd 10725, 10735-36, ¶¶ 25-26 (IB 2009) (transaction would result in public interest benefits by strengthening applicant financially "and leave it better positioned to raise capital necessary to develop, launch and operate" new services); Applications for the Assignment of License from Denali PCS, L.L.C. to Alaska DigiTel, L.L.C. and the Transfer of Control of Interests in Alaska DigiTel, L.L.C. to General Communication, Inc., *Memorandum Opinion and Order*, 21 FCC Rcd 14863, 14867, ¶¶ 7, 14910-11, ¶¶ 114-16 (2006) (finding that transaction may result in public interest benefits where it provided infusion of capital and increased resources to allow applicant to improve services to the public and compete more effectively against two larger providers); Sprint Corporation, *Declaratory Ruling and Order*, 11 FCC Rcd 1850, 1863, ¶ 82 (1996) ("We

2. The Proposed Transaction Will Allow Sprint to Leverage SoftBank's Expertise and Best Practices as One of the World's Leading Mobile Internet Companies

The proposed transaction provides Sprint far more than additional capital resources. Sprint can also draw on the expertise and resources SoftBank has developed as one of the world's leading mobile Internet investors and innovators. As described above, SoftBank Mobile has been one of the most innovative carriers in Japan, offering pro-consumer pricing plans, reinventing business processes and offering new and exciting products tailored to consumer needs and desires. Although Sprint's market initiatives would be tailored to the particular circumstances of the U.S. marketplace, SoftBank and Sprint anticipate taking a similarly innovative and pro-consumer approach in the United States.[75] These innovations will focus on consumer needs and desires and will seek to differentiate Sprint's service from its competitors.

A key part of these efforts will be to enhance consumer access to mobile Internet content and applications. Sprint expects to take advantage of SoftBank's mobile Internet expertise and investments to offer U.S. consumers a range of new services, such as mobile commerce, gaming, and video and music content over an enhanced wireless broadband network. The transaction should thus promote innovative new services that will greatly benefit the U.S. consumer.[76] Leveraging SoftBank's expertise and investments in mobile Internet innovations will help Sprint compete more effectively against its larger rivals, which have their own technology venture capital funds.[77]

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agree with Sprint that this capital infusion to its wireless activities is an important procompetitive effect of the proposed transaction.").

75 *See* Bye Declaration, ¶¶ 16-17; Kasai Declaration, ¶¶ 26-28.

76 Bye Declaration, ¶ 17.

77 *Id.*

Sprint and U.S. consumers can also benefit from SoftBank's technical expertise in deploying 4G broadband network technology. For example, as described above, SoftBank has deployed thousands of Wi-Fi hotspots and other small cell technologies to boost capacity in the SoftBank Mobile network. SoftBank's technology leadership is reflected in the performance of the wireless services it provides. It currently provides the fastest 4G service in Japan, with average downlink speeds of 18.2 Mbps in the heavily congested Tokyo area,[78] substantially faster than its Japanese rivals.

3. *The Proposed Transaction Will Produce Scale Economies That Will Promote Broadband Innovation for Consumers*

As explained in the Bye Declaration, the mobile technology ecosystem has become truly global in scope, as vendors and manufacturers design and manufacture devices and mobile applications for sale throughout the world.[79] Verizon and AT&T are major players in this global ecosystem because of their large number of subscribers. They each have approximately 100 million U.S. subscribers. Verizon's U.S. scale is magnified by the 400 million worldwide subscribers of Vodafone, a major investor in Verizon, and AT&T's scale is enhanced by the fact that it uses GSM technology, the predominant network technology in the world.[80] The size of these global players gives them significant influence in the technology ecosystem; for example, their size helps them gain priority from technology vendors in developing new handsets and chipsets that operate on their particular spectrum bands and including features that help them stand out in the marketplace.[81]

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78 Report issued by ICT Research & Consulting on August 28, 2012.

79 *See* Bye Declaration, ¶ 10.

80 *Id.* ¶ 11.

81 *Id.*

Sprint needs similar access to the global mobile technology ecosystem to help it compete more effectively with rival wireless providers in the U.S. Because of its current small size, Sprint has at times faced challenges in working with vendors to develop equipment and devices to implement Sprint's broadband plans.[82] The proposed transaction is expected to help Sprint overcome these challenges given that, post-transaction, SoftBank's wireless services in the United States and Japan will have a total of approximately 92 million subscribers. This larger subscriber scale should help SoftBank/Sprint increase the combined company's profile in the global technology ecosystem and thereby obtain higher vendor prioritization in the "roadmap" for designing and developing mobile technology. By providing Sprint a subscriber scale similar to its larger wireless competitors, the proposed transaction is intended to enable Sprint to provide its customers, on a timely basis, cost-competitive and cutting-edge handsets and innovations necessary to compete more aggressively against these larger rivals.[83] The transaction will thus promote competition and help Sprint satisfy consumer demand for new, innovative handset features and services.

As a higher volume purchaser of handsets and broadband technologies, SoftBank and Sprint will be able to offer handset vendors and mobile application developers a more attractive partner for developing new devices and service innovations. Vendors and developers should have strong incentives to design and innovate for a platform that reaches approximately 92 million subscribers, thereby helping to address the scale advantages Verizon and AT&T enjoy

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[82] *Id.* ¶ 12.

[83] *Id.* ¶ 13.

today and fostering greater innovation and competition in the mobile device ecosystem that exits today.[84]

IV. THE PROPOSED TRANSACTION WILL HAVE NO ADVERSE COMPETITIVE EFFECTS OR OTHER PUBLIC INTEREST HARMS

The proposed transaction will have no adverse competitive effects. Sprint and SoftBank are not wireless competitors today, and SoftBank's acquisition of an approximately 70 percent interest in Sprint will not diminish wireless competition in any respect. The transaction will not increase horizontal market concentration given that SoftBank has no attributable interests in any U.S. wireless carriers. Thus, neither of the tests the FCC applies to assess the potential for competitive harm, increased market concentration or spectrum aggregation, is implicated. As the FCC has stated, "[t]ransactions that do not significantly increase concentration or do not result in a concentrated market ordinarily require no further analysis of their horizontal impact."[85]

The proposed transaction raises no spectrum aggregation concerns. The transaction will not increase Sprint's or Clearwire's spectrum holdings, as SoftBank holds no attributable interest in U.S. spectrum licenses or leases. Clearwire's spectrum holdings are already fully attributed to Sprint, with the FCC having found in its 2008 *Sprint – Clearwire Order* that Sprint's ownership interest in Clearwire serves the public interest.[86] More generally, the FCC's 2008 order found that the merger of the Sprint and Clearwire 2.5 GHz licenses, authorizations, leases and related assets into "New Clearwire," and Sprint's 51 percent interest in New Clearwire, would not cause competitive harm and would serve the public interest.[87] SoftBank's acquisition of indirect *de*

84 *Id.* ¶ 14.

85 *AT&T/ Centennial Order*, 24 FCC Rcd at 13931, ¶ 34.

86 *See Sprint/Clearwire Order*, 23 FCC Rcd at 17572, ¶ 3.

87 *Id.* at 17572, ¶ 3, 17619 ¶¶ 124, 127.

jure control of Clearwire through its Sprint investment does not affect these public interest findings, which hold true today and do not require reexamination.

The proposed transaction will also have no adverse impact Sprint's commitment to carry out the FCC's 800 MHz band reconfiguration program, which, among other things, will virtually eliminate the risk of commercial-public safety interference in the 800 MHz Land Mobile Radio band.[88] Sprint has worked diligently to implement the FCC's 800 MHz reconfiguration program.[89] Post-closing, SoftBank and Sprint will remain fully committed to satisfying Sprint's reconfiguration obligations as set forth in the FCC's rules and policies and successfully concluding this project.

V. ADDITIONAL MATTERS

A. Request for Procedural Considerations

1. Request for Approval of Additional Authorizations

The applications being filed are intended to list all FCC licenses, authorizations and spectrum leases held by Sprint and/or Clearwire and their subsidiaries. However, Sprint and/or Clearwire and their subsidiaries may have on file, or may hereafter file, additional requests for authorizations for new or modified facilities which may be granted while the transfer of control applications are still pending, or they may enter into new spectrum leases before the FCC acts on these applications. Accordingly, the Applicants request that the FCC's order granting the transfer of control applications include the authority for Starburst II to acquire control of (1) any

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[88] *See* Improving Public Safety Communications in the 800 MHz Band, *Report and Order*, 19 FCC Rcd 14969 (2004).

[89] Sprint recently reported that over 99 percent of all necessary Frequency Reconfiguration Agreements between 800 MHz licensees and Sprint have been signed, that over 85 percent of the 800 MHz non-border area licensees have retuned and that 14 National Public Safety Public Advisory Committee Regions are complete. *See* Letter from Lawrence R. Krevor and James B. Goldstein, Sprint Nextel Corporation, to David Furth, Deputy Bureau Chief, Public Safety and Homeland Security Bureau, FCC, WT Docket 02-55 (Nov. 1, 2012).

license or authorization issued to Sprint and/or Clearwire or their subsidiaries during the FCC's consideration of the transfer of control applications or during the period required for consummation of the transaction following approval; (2) any applications or lease notifications that are pending at the time of consummation; and (3) any leases of spectrum that Sprint and/or Clearwire and their subsidiaries enter into while this transaction is pending before the FCC or the period required for consummation. Such action would be consistent with prior FCC decisions. In addition, the Applicants ask that FCC approval include any licenses, spectrum leases and authorizations that may have been inadvertently omitted from the applications and related filings.

2. Exemption from Cut-off Rules

Pursuant to Sections 1.927(h), 1.929(a)(2), 1.933(b), and 25.116(b)(4) of the FCC's rules, and to the extent necessary, the Applicants request a blanket exemption from any applicable cut-off rules in cases where Sprint and/or Clearwire and their subsidiaries file amendments to pending applications to reflect the change in the ultimate ownership of the licenses and authorizations related to this transfer of control. Specifically, the Applicants request that amendments reporting a change in ownership not be treated as major amendments that require a second public notice for still-pending applications. The scope of the transaction demonstrates that the ownership changes would not be made for the acquisition of any particular pending application, but as part of a larger transaction undertaken for an independent and legitimate business purpose. Grant of this request would be consistent with previous FCC actions routinely granting a blanket exemption in cases involving multiple licenses.

3. Unconstructed Facilities

Nearly all of the FCC authorizations covered by the transfer of control applications involve constructed facilities. However, certain geographic-area licensed facilities in certain services (*e.g.*, the Enhanced Specialized Mobile Radio ("ESMR") service, the Personal Communications Service ("PCS"), the Wireless Communications Service ("WCS"), and the Broadband Radio Service ("BRS")), as well as certain Fixed Microwave Service licenses are authorized but not yet required to be constructed. The transfer of control of these unbuilt facilities is incidental to this transaction, with no separate payment being made for any individual authorization or facility. Accordingly, there is no reason to review the transaction from a trafficking perspective.[90]

B. National Security Agreement

The Applicants recognize that the FCC will condition its grant of the transfer of control of Sprint on entry into a national security agreement between Sprint and the Department of Justice, the Federal Bureau of Investigation and the Department of Homeland Security. They have no objection to such a condition.

C. No Waivers

The Applicants are not requesting any waivers in connection with these applications other than the exemption from the cut-off rules described above.

VI. CONCLUSION

In reviewing the proposed transaction, the FCC balances the public harms of a proposed transaction against its public interest benefits.[91] Under this balancing test, the FCC's review of the instant transaction is straightforward. As demonstrated in this Public Interest Statement, SoftBank's proposed acquisition of an approximately 70 percent interest in Sprint, as well

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90 *See* 47 C.F.R. § 1.948(i) (authorizing the FCC to request additional information if the transaction appears to involve unconstructed authorizations obtained for the "principal purpose of speculation"); *id.* § 101.55(c)-(d) (permitting transfers of unconstructed microwave facilities provided that they are "incidental to the sale [of] other facilities or merger of interests").

91 *AT&T/Centennial Order*, 24 FCC Rcd at 13927, ¶ 27.

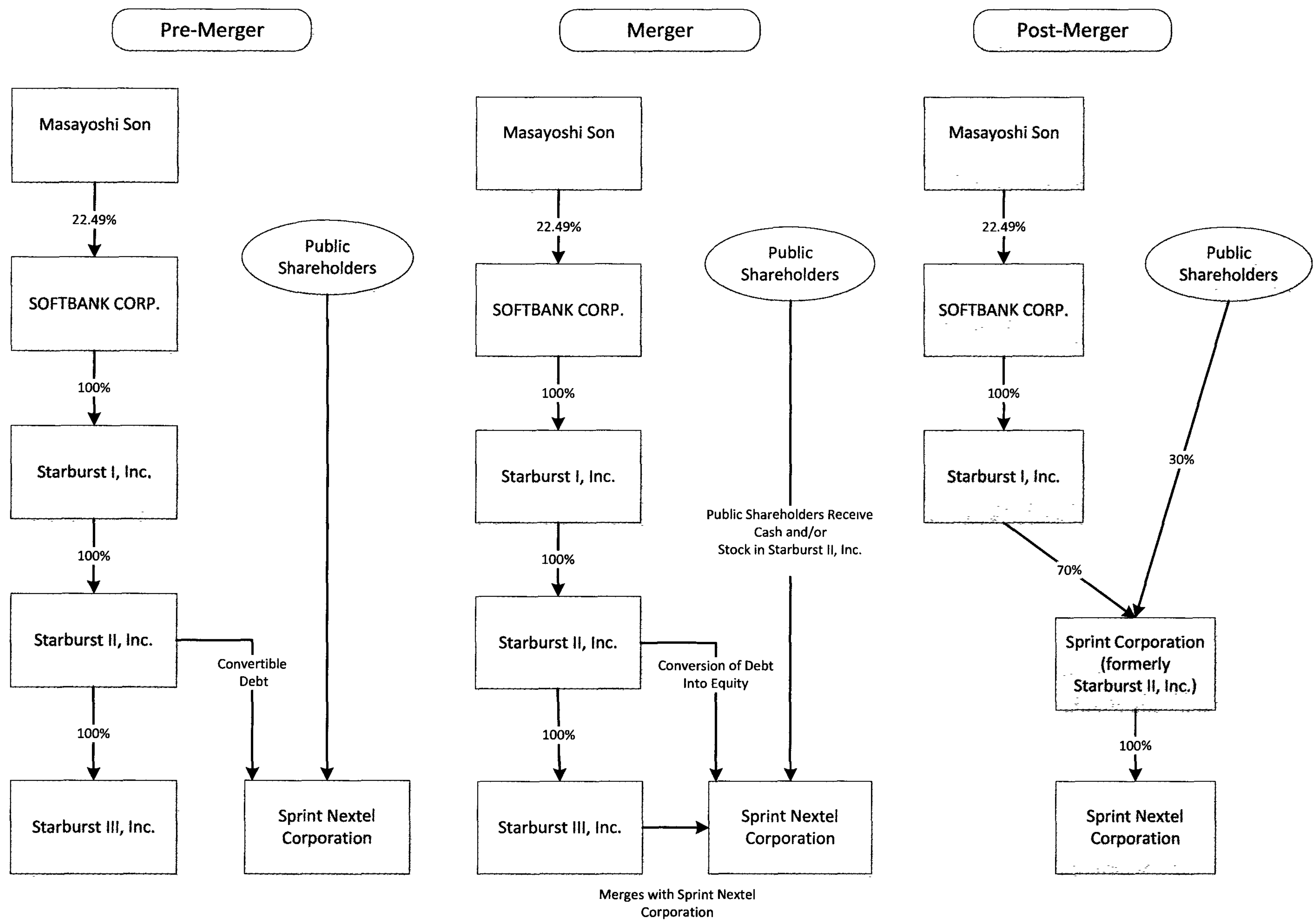
Sprint's prospective *de jure* controlling interest in Clearwire, will result in substantial public interest benefits and no public interest harms.

Sprint and SoftBank have also submitted with their applications a Petition for Declaratory Ruling to allow indirect foreign ownership of Sprint to exceed the 25 percent benchmark set forth in Section 310(b)(4) of the Communications Act. As set forth in that petition and in this Public Interest Statement, there is a strong public interest basis for permitting this level of foreign ownership.

For the foregoing reasons, and for the reasons set forth in the individual applications filed herewith, the proposed transaction complies with all applicable FCC rules, and will serve the public interest. The Applicants request that the FCC expeditiously grant its consent to the proposed transaction by granting the associated transfer of control applications and the Petition for Declaratory Ruling.

ATTACHMENT 1

Transaction Diagram



Pre-Merger
Merger
Post-Merger
Masayoshi Son
22.49%
SOFTBANK CORP.
100%
Starburst I, Inc.
100%
Starburst II, Inc.
100%
Starburst III, Inc.
Public Shareholders
Convertible Debt
Sprint Nextel Corporation
Masayoshi Son
22.49%
SOFTBANK CORP.
100%
Starburst I, Inc.
100%
Starburst II, Inc.
100%
Starburst III, Inc.
Public Shareholders
Public Shareholders Receive Cash and/or Stock in Starburst II, Inc.
Conversion of Debt Into Equity
Sprint Nextel Corporation
Merges with Sprint Nextel Corporation
Masayoshi Son
22.49%
SOFTBANK CORP.
100%
Starburst I, Inc.
Public Shareholders
30%
70%
Sprint Corporation (formerly Starburst II, Inc.)
100%
Sprint Nextel Corporation

ATTACHMENT 2

Licensees Subject to

Transfer of Control

LICENSEES, SPECTRUM LESSEES, AND AUTHORIZATION HOLDERS SUBJECT TO THE APPLICATION FOR TRANSFER OF CONTROL FROM SPRINT NEXTEL CORPORATION TO SOFTBANK CORP. AND STARBURST II, INC.

Sprint Companies	
Entity Holding Licenses and/or Authorizations	**FRN**
ACI 900, Inc.	0005523642
APC PCS, LLC	0002147304
APC Realty and Equipment Co. LLC	0004678009
ASC Telecom, Inc.	0004372835
FCI 900, Inc.	0003294972
Helio, LLC	0013213178
Horizon Personal Communications, Inc.	0003018025
Louisiana Unwired, LLC	0004547493
Machine License Holdings, LLC.	0011337425
Nextel Communications, Inc.	0012468146
Nextel Communications of the Mid-Atlantic, Inc.	0002154086
Nextel License Holdings 1, Inc.	0002050078
Nextel License Holdings 2, Inc.	0002050052
Nextel License Holdings 3, Inc.	0001878271
Nextel License Holdings 4, Inc.	0002049880
Nextel License Holdings 5, Inc.	0004555728
Nextel of California, Inc	0003293511
Nextel of New York, Inc.	0003293537
Nextel of Texas, Inc.	0001680552
Nextel Partners, Inc.	0005016514
Nextel West Corp.	0001608363
Nextel WIP Expansion Corp.	0002206142
Nextel WIP Expansion Two Corp.	0003843406
Nextel WIP License Corp.	0002207066
Northern PCS Services, Inc.	0012168811
People's Choice TV Corp.	0004924197
Phillieco, L.P.	0002317246
SOUTHWEST PCS LP	0001696053
Sprint Administrative Services	0002320653
Sprint Communications Co., LP	0002529659
Sprint Nextel Corporation	0003774593
Sprint PCS	0005434337
Sprint PCS License, L.L.C.	0002963684
Sprint Spectrum, L.P.	0005072970
Sprint Telephony PCS, L.P.	0002963965
Sprint United Management Company	0018442772
SprintCom, Inc.	0002315950
Texas Telecommunications, LP	0003802956

Ubiquitel Leasing Company	0007488323
Unrestricted Subsidiary Funding Company	0017764242
US Telecom, Inc.	0004372843
Virgin Mobile USA, L.P.	0006901011
Washington Oregon Wireless	0003800729
WirelessCo, L.P.	0002316545
Clearwire Companies	
Entity Holding Licenses and/or Authorizations	**FRN**
Alda Wireless Holdings, LLC	0004340436
American Telecasting Development, LLC	0001606201
American Telecasting of Anchorage, LLC	0004384632
American Telecasting of Bend, LLC	0001605674
American Telecasting of Columbus, LLC	0003775822
American Telecasting of Denver, LLC	0004357141
American Telecasting of Fort Myers, LLC	0008146763
American Telecasting of Ft. Collins, LLC	0001606284
American Telecasting of Green Bay, LLC	0004384699
American Telecasting of Lansing, LLC	0003775418
American Telecasting of Lincoln, LLC	0004357166
American Telecasting of Little Rock, LLC	0004384731
American Telecasting of Louisville, LLC	0004384236
American Telecasting of Medford, LLC	0001605740
American Telecasting of Michiana, LLC	0003790797
American Telecasting of Monterey, LLC	0001606268
American Telecasting of Redding, LLC	0004357182
American Telecasting of Santa Barbara, LLC	0008146995
American Telecasting of Seattle, LLC	0004346003
American Telecasting of Sheridan, LLC	0004907267
American Telecasting of Yuba City, LLC	0004922985
ATI Sub, LLC	0017806043
ATL MDS, LLC	0017700493
Bay Area Cablevision, LLC	0004357208
Broadcast Cable, LLC	0003790771
Clearwire Hawaii Partners Spectrum LLC	0015526551
Clearwire Spectrum Holdings II LLC	0015316904
Clearwire Spectrum Holdings III, LLC	0018399998
CLEARWIRE SPECTRUM HOLDINGS LLC	0013892427
FIXED WIRELESS HOLDINGS, LLC	0010490498
FRESNO MMDS ASSOCIATES, LLC	0004357232
KENNEWICK LICENSING, LLC	0004927430

NSAC, LLC	0003768553
PCTV Gold II, LLC	0003573672
PCTV Sub, LLC	0017806118
People's Choice TV of Albuquerque, LLC	0007033053
People's Choice TV of Houston, LLC	0008148603
People's Choice TV of St. Louis, LLC	0008150286
SCC X LLC	0017700527
SpeedChoice of Detroit LLC	0008151375
SpeedChoice of Phoenix, LLC	0008151458
SPRINT (BAY AREA) LLC	0001800184
TDI Acquisition Sub, LLC	0017806084
Transworld Telecom II, LLC	0017806068
UNISON WIRELESS, INC.	0011406907
WBS of America, LLC	0017806076
WBS of Sacramento, LLC	0004927539
WBSFP Licensing LLC	0004357240
WBSY Licensing LLC	0004357273
WCOF, LLC	0017700568
Wireless Broadband Services of America, LLC	0002834505

ATTACHMENT 3

Declaration of Kazuhiko Kasai

DECLARATION OF KAZUHIKO KASAI

1. My name is Kazuhiko Kasai. I am a director of SOFTBANK CORP. ("SoftBank"). I have prepared this declaration in connection with the applications of Starburst II, Inc. ("Starburst II") to acquire control of Sprint Nextel Corporation ("Sprint") (collectively, the "Applications") filed with the Federal Communications Commission ("FCC"). All of the information contained in this declaration is based on my personal knowledge and my review of SoftBank business records kept in the ordinary course of business.

2. I first became a corporate advisor to SoftBank in June 2000. I joined the board of directors of SoftBank at the same time and since then also have become a director of SOFTBANK TELECOM Corp. (in July 2004) and of SOFTBANK MOBILE Corp. (in April 2006). I continue to hold each of these positions. In my role as a director, I am responsible for matters relating to the business operations of SoftBank.

3. I have reviewed the information contained in the public interest statement associated with the Applications concerning SoftBank and its subsidiaries and, to the best of my knowledge, all of that information is correct. The remainder of this declaration addresses specific matters that are discussed in the application.

SoftBank's Business

4. SoftBank is a diversified company that operates principally in Japan. SoftBank started as a distributor of packaged software for personal computers, but rapidly expanded and now is one of the largest companies in Japan. It has been listed on the Tokyo stock exchange since 1998.

5. Although SoftBank started as a distributor of packaged software, for many years it has concentrated on providing telecommunications and Internet services. Its Japanese operations include:

- SOFTBANK MOBILE Corp. ("SoftBank Mobile"), currently the third largest wireless carrier in Japan, with approximately 30.5 million subscribers as of September 30, 2012, and revenues of close to $27.6 billion in the fiscal year ending on March 31, 2012;
- SOFTBANK BB Corp., which provides residential wireline broadband service to approximately 4.2 million customers;
- SOFTBANK TELECOM Corp. ("SoftBank Telecom"), which provides a direct connection voice service, known as the "OTOKU" line, to approximately 1.7 million primarily corporate subscribers in Japan; and
- Yahoo! Japan, which is the largest Internet portal in Japan and which is a joint venture with Yahoo! Inc.

6. SoftBank's Internet investments include its interest in Yahoo Japan (currently 42 percent) and minority interests in Zygna, Inc., Gilt Groupe, Inc., and Ustream, Inc.

7. SoftBank recently entered into an agreement to purchase eAccess, Ltd. ("eAccess"), Japan's fourth-largest wireless company. eAccess provides wireless service to 4.3 million subscribers under the EMOBILE brand.

SoftBank Operations in the United States

8. SoftBank's only telecommunications interest in the U.S. is Japan Telecom America Inc. ("JTA"), which is a wholly owned subsidiary of SoftBank Telecom. JTA provides only limited private line services to its sole customer, SoftBank Telecom, and has no U.S. customers.

9. SoftBank has no attributable interests in any United States wireless licensees. As described in the public interest statement, SoftBank holds $3.1 billion in convertible debt of Sprint, which was purchased in connection with the merger agreement.

10. SoftBank Telecom holds direct minority interests in the Korea-Japan Cable Network ("KJCN"), the China-US Cable Network, the Japan-US Cable Network, Asia-Pacific Cable Network 2, the Japan segment of FLAG Europe-Asia ("FEA"), TAT14, South-East Asia-Middle East-Western Europe 3 and the Pan-American cable network. SoftBank Telecom also owns a minority interest in Australia-Japan Cable Holdings Limited, which owns Australia-Japan Cable

Limited, which in turn operates the Australia-Japan Cable ("AJC") cable between Australia and Japan. None of these interests exceeds 20 percent and SoftBank Telecom does not control any of these undersea cables or networks. SoftBank Telecom also owns or controls landing points in Japan at Kita-Kyushu (for the KJCN cable), Maruyama (for the Japan-US and AJC cables) and Miura (for the FEA cable).

SoftBank's Acquisition of Vodafone K.K.

11. SoftBank first became interested in providing wireless service in Japan in the first half of the last decade. SoftBank initially sought to enter the Japanese wireless market by acquiring spectrum from the Ministry of Internal Affairs and Communications. This effort included seeking the assistance of the United States Trade Representative and the FCC. The Ministry ultimately awarded spectrum in the 1.7 GHz band to SoftBank in 2005, but at the same time the Ministry awarded the more desirable 800 MHz spectrum to NTT DOCOMO ("NTT DoCoMo") and KDDI CORPORATION ("KDDI"), the incumbent wireless providers.

12. SoftBank realized that, in light of the significant advantages that NTT DoCoMo and KDDI had as the dominant incumbents in Japan, it would have to enter the market through the purchase of an existing carrier. As a result, SoftBank negotiated an agreement to acquire the third-place carrier in Japan, then known as Vodafone K.K. for approximately $15 billion. Vodafone K.K. was well behind both NTT DoCoMo and KDDI in the Japanese market, with a market share that had fallen to approximately 16 percent (compared to approximately 80 percent combined for the two dominant carriers).[1] Vodafone K.K. not only was lagging far behind NTT DoCoMo and KDDI in Japan, but was attracting very few new customers. Through fiscal year 2005, Vodafone K.K.'s share of new net customer additions was approximately 3.5 percent; and

[1] All market share information in this declaration includes subscribers to personal handy-phone system ("PHS").

in March 2006, just before SoftBank acquired the company, about six percent of new wireless customers in Japan were choosing Vodafone K.K., with nearly all of the remaining new net additional subscribers going to NTT DoCoMo and KDDI.

13. SoftBank completed the purchase of Vodafone K.K. in April 2006. After the purchase, the company was renamed SoftBank Mobile.

The SoftBank Mobile Turnaround

14. SoftBank immediately began to transform SoftBank Mobile by adopting innovative pricing plans, enhancing product offerings, and investing in the wireless network, and providing innovative Internet content.

15. SoftBank's primary strategy was to increase market share by offering attractive rates and installment plans for handset purchases. One major innovation was to allow customers to purchase handsets on a 24-month installment plan, with no upfront payment, a monthly payment for the handset, and an offsetting discount on service rates that fully or partially offset the handset payment, depending on the cost of the handset. This plan was very popular, and it completely changed how Japanese consumers acquired handsets.

16. SoftBank also innovated in pricing through the introduction of the "White Plan" in January 2007. Basic rates under the White Plan were reduced far below the levels of the rates charged by NTT DoCoMo and KDDI. SoftBank Mobile also introduced free calling among SoftBank Mobile customers between 1:00 a.m. and 9:00 p.m., which was facilitated by using a different dial tone when a call to a SoftBank Mobile customer was being dialed, and developed a highly-discounted student plan. Equally important, SoftBank's innovative plans lowered mobile wireless prices for all customers in Japan, because NTT DoCoMo and KDDI were forced to adopt similar plans to respond to their new competition.

17. SoftBank also introduced attractive marketing campaigns, including innovative and critically acclaimed TV commercials that have drawn attention to the unique qualities of SoftBank's products and service offerings.

18. Next, SoftBank invested heavily in new consumer devices and network development. One of the first steps in this process was to increase handset options for consumers. (SoftBank's network development efforts are described below under the heading "SoftBank's Commitment to Network Enhancement.") Notably, while Vodafone K.K. launched just four new handsets in the spring of 2006, before SoftBank acquired control, SoftBank Mobile launched 14 new handsets in the spring of 2007. SoftBank Mobile also developed devices to meet the individual needs of specific consumer groups, something that Vodafone K.K. had not done. These devices included handsets for younger children that allowed calls only to specified numbers and included an emergency alarm, and specialized devices like a wireless digital picture frame that can receive and automatically display photos sent to it from other wireless devices.

19. SoftBank also became the first Japanese provider of the iPhone, which it launched in 2008. NTT DoCoMo and KDDI had decided not to offer the iPhone because they were concerned that it did not include features that Japanese customers expected to find in a "keitai" (the term used in Japan for what is called a feature phone in the United States) and thus would not be attractive to Japanese consumers. SoftBank, however, saw the iPhone as a mobile "Internet machine" that could change people's lives, and therefore believed it opened up a new kind of market for mobile services in Japan. SoftBank's assessment proved to be correct.

20. SoftBank also acted aggressively to enhance mobile Internet content available to SoftBank Mobile customers. This was important, because mobile phones have long played a significant role in boosting the use of devices that enable faster Internet connections in Japan.

SoftBank significantly increased the content available for mobile devices offered by SoftBank Mobile and "re-engineered" the user interface to show more content on the device screen in a way that was totally new on a Japanese keitai. In this way, the acquisition of Vodafone K.K. was an intentional extension of SoftBank's wireline broadband initiatives and Internet investments, including its 1996 joint venture with Yahoo! Inc. to create Yahoo! Japan Corporation, which remains Japan's leading web portal.

21. SoftBank took several specific steps to facilitate mobile broadband access. One of the earliest efforts – before the introduction of touchscreen smartphones – was to equip SoftBank Mobile phones with a button that provided direct access to Yahoo! Japan. SoftBank also committed to a wide range of mobile broadband services, including the introduction of Internet music and video services, and made those services easily available to users.

22. The impact of SoftBank's initiatives was dramatic. In just over a year, by May 2007, SoftBank Mobile was capturing a larger share of new customers than either NTT DoCoMo or KDDI, and it also was the carrier gaining the largest share of net additions in fiscal years 2007, 2008, 2010 and 2011. In fiscal year 2011, SoftBank Mobile's share of net customer additions in Japan was 41 percent, more than ten times Vodafone K.K.'s average share of net customer additions in 2005, and in September 2012, SoftBank Mobile captured 45 percent of net customer additions. Overall, net subscriber additions increased from 0.2 million in fiscal year 2005 to 2.7 million in fiscal year 2007. Within two years of the acquisition, SoftBank reversed Vodafone K.K.'s declining average revenue per user. SoftBank Mobile has generated positive revenue growth every year since fiscal year 2008 and greatly improved earnings margins – for instance, increasing yearly EBITDA margins. SoftBank Mobile also increased its full time employees

from 2,686 in 2006 to 6,602 in 2011. As a result, SoftBank is now poised to overtake KDDI as the second-largest mobile provider in Japan.

SoftBank's Consistent Record of Turning Around Struggling Businesses

23. SoftBank Mobile is not the only company that has benefitted from SoftBank's technical and management expertise. SoftBank has turned around other struggling Japanese businesses, including Japan Telecom and WILLCOM.

24. SoftBank purchased Japan Telecom in 2004, and renamed the company SoftBank Telecom. At the time, Japan Telecom was a moribund business with few customers and significant operating losses. Today, SoftBank's fixed line business, which includes SoftBank Telecom, has operating income of more than $1 billion a year.

25. SoftBank obtained 100 percent of the shares in WILLCOM in 2010, when WILLCOM was about to go bankrupt. Although WILLCOM is still in the process of rehabilitation under the Japanese Corporate Rehabilitation Law, SoftBank reversed the company's decline, and today WILLCOM has approximately 4.8 million subscribers, an increase of more than 30 percent since December 2010.

Benefits to Sprint and Consumers

26. SoftBank fully intends to apply the same innovative approach it has used in Japan to invigorate Sprint's operations in the United States. Although the United States and Japanese markets are different, SoftBank is confident that the underlying philosophy of intense focus on meeting customer needs and desires through innovative products and services will succeed in any market. While specific plans will have to be tailored to the particular circumstances of the United States marketplace, that kind of focus on particular customer needs is central to how SoftBank operates.

27. One key element of SoftBank's efforts will be to enhance consumer access to mobile Internet content and applications. SoftBank has strong relationships with many of the leading developers of mobile Internet services, and a diverse portfolio of Internet company investments. Sprint will be able to leverage SoftBank's mobile Internet expertise and investments to offer U.S. consumers a wide range of services, including mobile commerce, gaming, and video and music content.

28. SoftBank also anticipates that, by combining its buying power with Sprint's buying power, it will be able to gain important benefits in the equipment marketplace. The additional scale that SoftBank and Sprint will have should allow them to negotiate the product development process with all vendors more effectively and to obtain cost-competitive and innovative handsets more quickly. Customers will benefit by obtaining access to new and more efficient technologies for the service they purchase from Sprint.

SoftBank's Commitment to Network Enhancement

29. As described above, SoftBank acquired Vodafone K.K. (subsequently renamed SoftBank Mobile) in 2006. Following the acquisition, SoftBank moved to enhance the wireless network.

30. First, SoftBank invested heavily in the SoftBank Mobile network. This was necessary because the Vodafone K.K. network had significant shortfalls when compared to the existing NTT DoCoMo and KDDI networks in 2006. For instance, as of March 2006, Vodafone K.K. had deployed only 21,000 base stations. SoftBank addressed this issue with an aggressive deployment plan, deploying more than 50,000 base stations by the end of March 2008, which allowed it catch up with both NTT DoCoMo and KDDI.

31. Second, this network investment continues. Today, SoftBank Mobile has deployed more than 195,000 base stations and small-cell facilities, not including Wi-Fi hotspots or femtocells.

32. Third, SoftBank's main network is complemented by more than 320,000 Wi-Fi hotspots, as well as through the deployment of femtocells and other in-building repeater systems that provide a cost-effective mechanism to free capacity on SoftBank's network while providing robust service within customers' homes and offices. This offloading is a key element in SoftBank's strategy in Japan.

33. As a result of SoftBank's continuous investment in its network, SoftBank Mobile now has the fastest 4G network in Japan, with an average downlink speed of 18.2 Mbps in the heavily congested Tokyo area. This is substantially faster than the speeds offered by other Japanese wireless providers.

34. SoftBank's extensive experience with small cell technology will be particularly helpful as Sprint seeks to expand its capacity in high-traffic areas. SoftBank also anticipates that it will work with Sprint to help Sprint implement offloading strategies. SoftBank's extensive expertise in using offloading to manage network traffic while providing a robust broadband experience to its customers will be very useful in this effort.

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Declaration of Kazuhiko Kasai

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed on November __, 2012

Kazuhiko Kasai
Director, SOFTBANK CORP.

ATTACHMENT 4

Declaration of Stephen J. Bye

Before the
Federal Communications Commission
Washington, D.C. 20554

In the Matter of	)	
	)	
Applications of Sprint Nextel Corporation	)	
Transferor	)	IB Docket No. ______
	)	
SOFTBANK CORP., and Starburst II, Inc.,	)	
Transferees	)	
	)	
for Consent to Transfer of Control of Licenses	)	
and Authorizations	)	

DECLARATION OF STEPHEN J. BYE

Based on my personal knowledge and on information learned in the course of my business duties, I, Stephen J. Bye, hereby declare as follows:

1. My name is Stephen J. Bye. I am employed by Sprint Nextel Corporation ("Sprint") as Sprint's Chief Technology Officer and Senior Vice President of Technology Development and Corporate Strategy.

2. As Sprint's Chief Technology Officer, I am responsible for driving Sprint's corporate and technology strategy, architecture and global standards; innovation center and the emerging technology lab; and new business and service model development. I have more than 20 years of engineering, operations, product development, business planning and marketing experience with telecom, cable and wireless service providers. Prior to joining Sprint, I was Vice President of Wireless at Cox Communications. I have also held executive positions with AT&T, inCode Wireless, BellSouth International, Optus Communications and Telstra.

3. I am submitting this declaration in support of the applications filed by Sprint and

SOFTBANK CORP. ("SoftBank") with the Federal Communications Commission ("FCC" or "Commission") regarding SoftBank's proposed acquisition of an approximately 70% interest in Sprint. As explained more fully below, I believe the proposed transaction will benefit consumers by increasing wireless competition and promoting broadband service and more innovation for U.S. consumers. More specifically, the merger will give SoftBank/Sprint greater global scale to secure state-of-the-art handsets and apps that will benefit consumers. The proposed transaction also will provide Sprint a capital infusion that will improve its balance sheet and enable greater investment in its broadband network. Furthermore, Sprint anticipates drawing upon SoftBank's successful experience as a leading mobile Internet company and in successfully challenging large, incumbent wireless operators in Japan.

4. In the absence of the proposed transaction, SoftBank and Sprint could not achieve the range of consumer benefits described below as efficiently or effectively through such mechanisms as joint ventures or arm's length contracts. Such arrangements would be difficult and time consuming to negotiate in these circumstances and would not match the close, synergistic relationship the proposed transaction will create between SoftBank and Sprint.

The Proposed Transaction Will Stimulate Wireless Competition and Benefit Consumers by Giving Sprint a Stronger Financial Foundation

5. The proposed transaction will give Sprint a capital infusion of $8 billion, including $3.1 billion that has already been provided to Sprint in the form of convertible debt and $4.9 billion that will be provided at the time the proposed transaction closes. By strengthening Sprint's finances, the transaction will help

Sprint expand and accelerate its broadband investment program.

6. The proposed $8 billion infusion is a substantial investment that Sprint almost certainly could not have raised through normal means in the U.S. credit markets (or could not have raised without incurring prohibitively high borrowing costs). This large capital infusion will help Sprint compete against other wireless providers, particularly the larger, better funded Bell companies. Both Verizon and AT&T are far less leveraged than Sprint and have used their higher cash flows and easier access to credit to implement multi-billion dollar investment programs to deploy Long Term Evolution ("LTE") technology throughout their network footprints. For example, AT&T recently announced a $14 billion investment plan to upgrade its wireless and wireline broadband networks over the next few years. To remain competitive, Sprint must respond with a similarly bold broadband investment program.

7. While Sprint has already begun to implement its Network Vision plan and to deploy LTE technology in its network, the proposed transaction will give the company the financial resources it needs to accelerate its broadband investment program while also improving its balance sheet. A stronger balance sheet not only will make Sprint more financially stable, but should also allow it to lower its borrowing costs for the foreseeable future. With lower borrowing costs, Sprint expects to be in a stronger position to raise additional capital in the future to improve broadband service to customers.

8. Sprint is currently deploying LTE technology in its 1.9 GHz PCS "G Block" (1910-1915/1990-1995 MHz) spectrum, and in most markets Sprint anticipates

that this deployment will be followed by the roll-out of LTE in other portions of Sprint's spectrum holdings. The greater financial resources provided by the proposed transaction can enable Sprint to accelerate this effort, thereby allowing LTE to be deployed in these various bands more rapidly in many markets. By giving Sprint greater financial resources, the transaction enhances Sprint's ability to deploy additional LTE cell sites in high-traffic areas and small cells to increase capacity, speed, and network reliability. Through these steps, Sprint anticipates expanding its broadband network, both in terms of geographic reach and spectrum capacity, thereby better enabling Sprint to meet the growing consumer demand for broadband service.

9. The foregoing steps should allow Sprint not only to keep pace with growing consumer demand for broadband service, but also to provide better service to consumers. A more expansive and robust network should allow consumers to enjoy significantly faster broadband connections, better network coverage, and greater choice in broadband service offerings.

The Proposed Transaction Will Create Critical Scale Economies in the Global Technology Ecosystem

10. After the proposed transaction is consummated, SoftBank and Sprint will serve a total of approximately 92 million subscribers in the United States and Japan. The broader subscriber platform of the combined company creates scale economies that can make Sprint a more efficient and effective competitor. In particular, the proposed transaction is expected to provide SoftBank/Sprint greater scale to access and influence the global mobile technology ecosystem in ways that increase competition and improve customer service. This ecosystem has become

truly *global* in nature. Wireless service has become ubiquitous across the world, with many wireless providers in different countries using the same technologies and devices. Vendors (such as Apple, Samsung, Ericsson and Qualcomm) thus design and manufacture smartphones, feature phones, chipsets, network infrastructure and mobile apps for use by consumers and business customers all over the world, not just in the United States.

11. Verizon and AT&T are major players in this global ecosystem because they each have a large number of subscribers. Verizon has approximately 100 million U.S. subscribers, but its subscriber scale is dramatically larger when it is combined with the 400 million worldwide mobile customers served by Vodafone, a major investor in Verizon (this 400 million subscriber figure does not include Verizon's U.S. subscribers). AT&T has approximately 100 million U.S. subscribers, and its scale advantages are enhanced by the fact that its network uses GSM-based technology, the predominant air interface throughout the world with approximately 2.5 billion subscribers. These scale advantages give Verizon and AT&T significant influence over the mobile technology ecosystem. For example, vendors are more likely to give priority to these two large carriers in developing new handsets and chipsets, making sure new devices can operate on their spectrum bands and including the features that let Verizon and AT&T stand out in the marketplace.

12. Sprint needs similar access to the global mobile technology ecosystem to complete more effectively with its two larger rivals. Given its current smaller size, Sprint has faced challenges in working with vendors to develop equipment

and devices necessary for Sprint to implement its broadband deployment plans. For example, although Sprint has been successful in working with vendors to design and deploy CDMA 2000/LTE handsets that can operate on Sprint's G-Block spectrum (Band Class 25) and its 800 MHz Enhanced Specialized Mobile Radio Service spectrum (Band Class 26), it took considerable time and a series of lengthy negotiations before vendors allocated design and development resources to these projects. Sprint experienced similar challenges obtaining vendor research and development priority to develop and deploy enhanced Circuit Switched Fall Back (eCSFB) network solutions that allow for integration and utilization of CDMA 2000 and FDD LTE on Sprint's 1.9 GHz and 800 MHz Band Class 26 spectrum. These challenges can slow Sprint's "time-to-market" in deploying new technologies and undermine Sprint's ability to compete in the wireless communications marketplace.

13. With approximately 92 million global subscribers, SoftBank/Sprint should be able to greatly increase the combined company's profile in the global mobile technology ecosystem and thereby obtain higher vendor prioritization in the "roadmap" for designing and developing mobile technology. By providing Sprint a subscriber scale similar to its larger wireless competitors, the proposed transaction is intended to enable Sprint to provide its customers, on a timely basis, cost-competitive and cutting-edge handsets and innovations necessary to compete more aggressively against these larger rivals. For example, a combined SoftBank and Sprint will be able to achieve better vendor priority to produce dual mode TDD-LTE and FDD-LTE devices for the 2.5 GHz band and other spectrum bands

in which Sprint holds licenses today or will obtain licenses in the future. As a result of this transaction, SoftBank/Sprint anticipate that device manufacturers will have a greater incentive to design and produce innovative handsets that can operate on both types of LTE technology, thus promoting innovation and greater consumer choice in broadband services.

14. The global scale SoftBank/Sprint expect to achieve as a result of the proposed transaction should make the combined company a more attractive partner to mobile technology vendors and promote a more open and vibrant mobile technology ecosystem. All U.S. wireless consumers should benefit from the enhanced global scale that SoftBank/Sprint will enjoy after the merger. Faced with more innovative and more differentiated Sprint offerings in the United States, AT&T and Verizon will have a powerful incentive to seek to improve their own offerings.

The Proposed Transaction Will Allow Sprint to Leverage SoftBank's Expertise and Resources as a Leading Mobile Internet Company

15. The proposed transaction will allow Sprint to draw upon the expertise and resources that SoftBank has developed in becoming one of the world's leading mobile Internet companies. By way of background, in 2006 SoftBank acquired Vodafone's Japanese wireless operations (Vodafone K.K., subsequently renamed SoftBank Mobile), and quickly moved to introduce pro-consumer pricing plans, new handsets and network upgrades, and other innovative offerings that have attracted millions of new customers. As a result, SoftBank Mobile has vaulted from a distant third in the Japanese marketplace to a formidable competitor, challenging a duopoly market structure.

16. Post-transaction, Sprint expects to learn from SoftBank's experience in invigorating wireless competition and apply similar practices and innovations in the U.S. marketplace. Although the specific plans will be tailored to the circumstances of the U.S. marketplace, SoftBank and Sprint plan to undertake innovations that will satisfy consumer needs and allow Sprint to become a stronger competitor.

17. An important part of these efforts will be to enhance U.S. consumers' access to mobile Internet content and applications. A number of Sprint's rivals operate their own venture capital funds (*e.g.,* Verizon Ventures) that invest in start-ups and thus help them tap new wireless technology and service innovations. SoftBank has an extensive portfolio of Internet company investments and also owns a venture capital fund, SoftBank Capital, which invests in technology companies. The proposed transaction is intended to enable Sprint to leverage SoftBank's mobile Internet expertise and entrepreneurial investments to offer U.S. consumers various new services, ranging from mobile commerce, to gaming, to video and music content. By so doing, Sprint intends to become a stronger competitor and provide consumers much more than high-speed connections to the Internet.

I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge and belief.

Executed on November 14th, 2012.

Stephen J. Bye

ATTACHMENT 5

Petition for Declaratory Ruling

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C.

In the Matter of:	)	
	)	
SPRINT NEXTEL CORPORATION	)	
Petitioner/Transferor	)	IB Docket No. ________
	)	
SOFTBANK CORP.,	)	File No. ISP-PDR-2012-________
STARBURST I, INC., and	)	
STARBURST II, INC.	)	
Petitioners/Transferees	)	
	)	
Petition for Declaratory Ruling Under	)	
Section 310(b)(4) of the Communications	)	
Act of 1934, as Amended	)	

To: International Bureau
Federal Communications Commission

PETITION FOR DECLARATORY RULING

SPRINT NEXTEL CORPORATION

Regina M. Keeney
A. Richard Metzger, Jr.
Charles W. Logan
Emily J.H. Daniels
of
Lawler, Metzger, Keeney & Logan, LLC
2001 K St., N.W., Suite 802
Washington, DC 20006
(202) 777-7700
Its Counsel

SOFTBANK CORP.
STARBURST I, INC.
STARBURST II, INC.

John R. Feore
John S. Logan
Christina H. Burrow
Michael H. Pryor
of
Dow Lohnes PLLC
1200 New Hampshire Avenue, NW
Washington, DC 20036
(202) 776-2000
Its Counsel

November 15, 2012

TABLE OF CONTENTS

SUMMARY

Sprint Nextel Corporation ("Sprint"), SOFTBANK CORP. ("SoftBank"), a Japanese stock company, Starburst I, Inc. ("Starburst I"), and Starburst II, Inc. ("Starburst II") (collectively the "Petitioners") hereby petition the FCC for a declaratory ruling that it is in the public interest for SoftBank indirectly to hold foreign ownership and voting rights in Sprint and its post-transaction direct and indirect licensee subsidiaries in excess of the 25-percent foreign ownership benchmark in Section 310(b)(4). Specifically, the Petitioners request a declaratory ruling allowing up to 100 percent aggregate foreign ownership in Sprint upon consummation of the proposed transaction. Sprint's foreign ownership after the transaction would consist of (1) an indirect foreign ownership interest of approximately 70 percent held by Softbank via its subsidiaries, and (2) an indirect foreign ownership interest of approximately 5.78 percent from the group of existing Sprint public shareholders that indirectly will own approximately 30 percent of Sprint following the transaction. Petitioners also request authority to accept an additional 25 percent aggregate equity and/or voting interest from foreign investors without seeking prior FCC approval under Section 310(b)(4), subject to standard conditions.

In its *Foreign Participation Order*, the FCC determined that allowing indirect foreign ownership beyond the 25-percent benchmark established by Section 310(b)(4) would promote competition in the United States and serve the public interest. The FCC has adopted an open entry policy by which investment by foreign entities from World Trade Organization ("WTO") member countries is presumed to be in the public interest. As set forth herein, SoftBank's home country is Japan, a WTO country. More than 92 percent of SoftBank's investors are from WTO countries. Investors from non-WTO countries or of indeterminate

nationality hold no more than 7.54 percent of SoftBank. Coupled with non-WTO ownership of only approximately 2.7 percent in Sprint today, the non-WTO ownership resulting from this transaction will be well below the FCC's threshold. No governmental entities hold any interests in SoftBank.

Given the level of direct and indirect ownership of the post-transaction Sprint held by entities from WTO countries, the FCC's public interest presumption readily applies. There are no other countervailing concerns that could warrant any departure from the FCC's well-established policy of encouraging entry by entities from WTO member countries. To the contrary, SoftBank's investment in Sprint affirmatively serves the public interest by strengthening Sprint's ability to compete in U.S. wireless markets.

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C.

In the Matter of:	)	
SPRINT NEXTEL CORPORATION Petitioner/Transferor	)	IB Docket No. ____________
	)	File No. ISP-PDR-2012-____________
SOFTBANK CORP., STARBURST I, INC., and STARBURST II, INC. Petitioners/Transferees	)	
Petition for Declaratory Ruling Under Section 310(b)(4) of the Communications Act of 1934, as Amended	)	

To: International Bureau
Federal Communications Commission

PETITION FOR DECLARATORY RULING

Pursuant to 47 U.S.C. § 310(b)(4) ("Section 310(b)(4)") of the Communications Act of 1934, as amended (the "Communications Act"), and the implementing rules and policies of the Federal Communications Commission ("FCC") thereunder, Sprint Nextel Corporation ("Sprint"), SOFTBANK CORP. ("SoftBank"), Starburst I, Inc. ("Starburst I"), and Starburst II, Inc. ("Starburst II") (collectively the "Petitioners"), hereby petition the FCC for a declaratory ruling that it would not serve the public interest to prohibit SoftBank from indirectly holding, through Starburst I and Starburst II, foreign ownership and voting rights in Sprint and its post-transaction direct and indirect licensee subsidiaries in excess of the

25-percent foreign ownership benchmark in Section 310(b)(4).[1] Upon consummation of the transaction described herein (the "Proposed Transaction"), SoftBank, through its newly formed U.S. subsidiary Starburst I, will indirectly own and vote approximately 70 percent of the equity of Starburst II, which, in turn, will directly own and vote all of the equity of Sprint.

As set forth below, SoftBank's indirect foreign investment is entitled to the public interest presumption established in the FCC's *Foreign Participation Order* because SoftBank's non-World Trade Organization ("WTO") ownership coupled with the existing non-WTO ownership of Sprint is well below 25 percent.[2] Pursuant to the FCC's well-established presumption, the FCC will grant a request under Section 310(b)(4) except in the "exceptional" case where the foreign investment is shown to pose a "very high risk" to competition.[3] This is not an exceptional case where such a showing could be made. To the contrary, SoftBank's investment in Sprint serves the public interest by enhancing competition and is expected to bring substantial benefits to U.S. consumers.

I. THE PROPOSED TRANSACTION AND FOREIGN OWNERSHIP.

A. Description of Proposed Transaction.

Concurrently with the filing of this Petition, applications are being submitted pursuant to Sections 214 and 310(d) of the Communications Act seeking the FCC's approval for the

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[1] 47 U.S.C. § 310(b)(4). The Sprint licensee subsidiaries subject to the instant Petition are identified on Attachment A hereto.

[2] *See* Rules and Policies on Foreign Participation in the U.S. Telecommunications Market, *Report and Order and Order on Reconsideration*, 12 FCC Rcd 23891, 23896, ¶ 9, 23913, ¶ 50, 23940, ¶¶ 111-12, (1997) ("*Foreign Participation Order*"); *Order on Reconsideration*, 15 FCC Rcd 18158 (2000). The Proposed Transaction raises no issues under Section 310(a) of the Communications Act relating to the holding of radio licenses by foreign governments or their representatives. Furthermore, because the foreign ownership and voting interests in post-transaction Sprint and its subsidiaries will be indirect, through U.S. parent corporations, the Proposed Transaction presents no issues under Section 310(b)(1)-(3).

[3] *Foreign Participation Order*, 12 FCC Rcd at 23913-4, ¶ 51.

transfer of control of Sprint to SoftBank.[4] Following the transaction, Sprint will remain as a separate company wholly owned by Starburst II, with SoftBank holding approximately a 70 percent indirect interest therein.

On October 15, 2012, Sprint and SoftBank announced that they had entered into agreements which will result in SoftBank investing over $20 billion in Sprint and acquiring approximately a 70 percent indirect interest in Sprint, with the remaining interest held by existing Sprint shareholders. Under the terms of the agreements, SoftBank formed a U.S. holding company, Starburst I, which is wholly owned by SoftBank. Starburst formed another new subsidiary, Starburst II, which directly owns a third subsidiary, Starburst III, Inc. ("Starburst III"). As part of the transaction, Sprint will merge with Starburst III, with Sprint being the surviving entity, and Starburst I will have approximately a 70 percent interest in Starburst II.

After the transaction is consummated, Sprint will be a wholly-owned subsidiary of Starburst II, with SoftBank, through Starburst I, owning slightly less than 70 percent of the shares of Starburst II and existing Sprint shareholders owning the remaining shares of Starburst II.[5] Starburst II will own 100 percent of the stock of Sprint and its subsidiaries, and Sprint and its subsidiaries will continue to hold all of the FCC authorizations that they

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[4] Although SoftBank's acquisition of control of Sprint will include the transfer to SoftBank of Sprint's interests in Clearwire Corporation, Clearwire Corporation is not implicated in this petition for declaratory ruling, because it does not hold common carrier, broadcast, aeronautical *en route*, or aeronautical fixed radio station licenses and thus is not subject to the foreign ownership restrictions of Section 310(b). *See* 47 U.S.C § 310(b).

[5] *See* Attachment B for a diagram illustrating the structure of the transaction. Under terms of the Merger Agreement, Starburst I will hold 69.642 percent of Starburst II's common stock, and Sprint's current shareholders will hold the remaining 30.358 percent of Starburst II's common stock. Those percentages may change by an immaterial amount based on adjustment provisions in the Merger Agreement. Upon exercise of the warrant discussed *infra* at note 6, SoftBank would own approximately 70 percent of Starburst II.

currently hold. Upon consummation of the merger, Starburst II will be renamed "Sprint Corporation." The merger agreement includes protections to ensure that Sprint will not have non-WTO share ownership in excess of the limits set by the FCC's policies.

As part of the transaction, Sprint shareholders will receive an aggregate of approximately $12.1 billion from SoftBank via its subsidiaries in exchange for approximately 1.7 billion shares of Sprint stock.[6] Sprint shareholders will have the right to elect to exchange each of their existing shares of Sprint for (1) $7.30 in cash or (2) one share of Starburst II stock.[7] In addition, SoftBank, via its subsidiaries, will contribute an aggregate of $8 billion to Starburst II's balance sheet in conjunction with this transaction.[8] The transaction does not involve any assignment of Sprint's licenses, spectrum leases, or authorizations, or any change in the licensees that hold such licenses and authorizations, and those companies will continue to provide service to the public. Accordingly, the transaction will be seamless to Sprint's

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[6] SoftBank also will receive a five year warrant to purchase 55 million shares of Starburst II (representing slightly less than one percent of Starburst II's common stock) with an exercise price of $5.25 per share.

[7] The elections by Sprint shareholders are subject to proration if shareholders in the aggregate elect more than the total amount of cash or stock consideration, which would result in the receipt of a mix of cash and stock. The proration is to ensure that approximately $12.1 billion in cash is paid in the merger to Sprint shareholders and only approximately 30.1 percent of Starburst II's common stock. Holders of Sprint stock options and other employee incentive awards will receive options and similar awards in Starburst II.

[8] SoftBank, via Starburst I, will contribute $4.9 billion to Starburst II in addition to the approximately $12.1 billion to be paid in the merger to Sprint shareholders. SoftBank already has invested $3.1 billion in Sprint, in the form of a newly-issued convertible bond. *See* Press Release, Sprint Nextel Corp., Sprint Announces Closing of $3.1 Billion Convertible Bond (Oct. 22, 2012), available at http://newsroom.sprint.com/article_display.cfm?article_id=2436&view_id=3856 (reporting that Sprint announced the closing of a convertible bond sale to Starburst II, pursuant to which Starburst II agreed to purchase from Sprint a bond in the principal amount of $3.1 billion). Subject to all applicable regulatory approvals and subject to the provisions of the bond purchase agreement, the bond is convertible into an aggregate of 590,476,190 shares of Sprint common stock. If not earlier converted, principal and any accrued but unpaid interest under the bond will be due and payable on October 15, 2019. *See id.*

subscribers. Sprint's headquarters will continue to be located in Overland Park, Kansas and Sprint's current Chief Executive Officer ("CEO") Daniel Hesse, will be the CEO of Starburst II, which will be renamed Sprint Corporation.[9]

The parties intend to consummate the transaction as promptly as possible after the necessary FCC and other federal and state regulatory approvals have been received, Sprint's shareholders have approved the transaction, and other preconditions have been met.

B. Foreign Ownership of the Parties to the Proposed Transaction.

1. Sprint Nextel Corporation.

Sprint is a publicly traded Kansas corporation with its principal executive and administrative offices in Overland Park, Kansas.[10] Sprint is a global communications company that, through its subsidiaries, offers a comprehensive range of wireless and wireline voice and data products and services designed to meet the needs of residential consumers, businesses, government subscribers, and resellers throughout the country and around the globe. Sprint offers wireless and/or wireline voice and data services in all 50 states, the District of Columbia, Puerto Rico, and the U.S. Virgin Islands.

[9] Six of Starburst II's ten directors will be designated by SoftBank at the time the merger becomes effective. The remaining four directors will consist of the CEO and three other current directors of Sprint.

[10] At present, two institutional investors – Capital Research Global Investors and Dodge & Cox – hold a greater than 10 percent ownership interest in Sprint. Capital Research Global Investors is a member company of Capital Group Companies, Inc., a private United States investment advisor company founded in Los Angeles, California in 1931 as Capital Research and Management Company. In a Schedule 13-G filed with the SEC, Capital Research Global Investors stated that it is deemed to be the beneficial owner of 10.7 percent of Sprint's common stock. *See* Capital Research Global Investors, Schedule 13-G (April 9, 2012). Dodge & Cox is an investment advisor headquartered in San Francisco, California. In a Schedule 13-G filed with the SEC, Dodge & Cox stated that it is the beneficial owner on behalf of itself and its clients of 10.3 percent of Sprint's common stock. *See* Dodge & Cox, Schedule 13-G (June 7, 2012). Both Capital Research Global Investors and Dodge & Cox are U.S. citizens.

In accordance with FCC requirements, Sprint studies the geographic origins of the beneficial ownership of its shares to ensure its ongoing compliance with foreign ownership restrictions. The most recent such study, current as of February 15, 2011, indicates that approximately 19.04 percent of Sprint's issued and outstanding stock is held by non-U.S. individuals and entities.[11] Of this 19.04 percent, the vast majority is held by individuals and entities from WTO member countries. The study identified only an aggregate 2.7 percent of Sprint's stock that is held by individuals and entities with home markets in non-WTO member countries.

At this time, Sprint is controlled by a ten-member board of directors, nine of whom are U.S. citizens and one of whom is a citizen of Sweden, a WTO member country. At closing, Sprint will be directly owned and controlled by Starburst II, which, through Starburst I, will be approximately 70 percent owned and controlled by SoftBank. Sprint and its subsidiaries will continue to hold all of the FCC authorizations that they held prior to the transaction.

2. Starburst Entities.

Starburst I and Starburst II, each a Delaware corporation, and Starburst III, a Kansas corporation, are U.S. corporations newly formed for this transaction. Starburst I is a wholly-owned subsidiary of SoftBank that, prior to consummation of the proposed transaction, owns all of the stock of Starburst II, which, in turn, owns all of the stock of

[11] The Sprint study, which was conducted by Thomson Reuters, used a combination of methods, including sampling and obtaining detailed information from various custodians, to produce a statistically valid profile of the geographic breakdown of Sprint's beneficial owners. *See, e.g.*, FCC International Bureau, *Foreign Ownership Guidelines for FCC Common Carrier and Aeronautical Radio Licenses*, 19 FCC Rcd 22612, 22641, at 30 (IB 2004) ("*Foreign Ownership Guidelines*") ("For firms with large numbers of shareholders, the Commission has allowed corporations to use properly conducted sampling procedures in order to collect additional citizenship information. . . . Corporations that choose to use a sampling procedure may use any statistically valid method.").

Starburst III. Upon consummation of the Proposed Transaction, Starburst III will merge with Sprint and Sprint will be the surviving corporation. Starburst III will cease to exist as a separate entity. Starburst II, which has a single class of stock, will then be approximately 70 percent owned and voted by Starburst I and approximately 30 percent owned and voted by former shareholders of Sprint. Starburst II ultimately will be renamed "Sprint Corporation." Post-consummation, Starburst II will be controlled by a ten-member board of directors, six of whom will be designated by SoftBank, three of whom will be non-management directors of Sprint, and one of whom will be Daniel Hesse, who will remain Sprint's CEO. As outlined in Attachment C, the home market of Starburst I and Starburst II may be regarded as either the United States or Japan, each of which is a WTO member country.

3. SOFTBANK CORP.

SOFTBANK CORP. is a publicly traded holding company organized and existing under the laws of Japan and headquartered in Tokyo.[12] SoftBank has no affiliation with the Japanese government, and the Japanese government holds no interests in SoftBank.[13] SoftBank has been listed on the Tokyo stock exchange since 1998.

a. SoftBank's Businesses.

SoftBank's various subsidiaries and affiliates engage in a number of information technology and Internet-related businesses in Japan, including mobile communications, broadband infrastructure, fixed-line telecommunications, e-commerce, and web portals. SoftBank also invests in dynamic, innovative Internet-based companies throughout the world.

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[12] SoftBank was founded in 1981 by its current Chairman and CEO, Masayoshi Son, as a wholesale provider of packaged software for personal computers.

[13] No governmental entities hold any interest in SoftBank.

SoftBank's wholly owned subsidiary, SOFTBANK MOBILE Corp. ("SoftBank Mobile"), currently the third largest wireless carrier in Japan, has approximately 30.5 million wireless subscribers and approximately 22 percent of the Japanese wireless market as of September 30, 2012.[14] The company generated wireless revenues of nearly $27.6 billion in fiscal year 2011, which ended on March 31, 2012. On October 1, 2012, SoftBank announced its intent to acquire eAccess Ltd., Japan's fourth largest wireless company, which provides service to 4.3 million subscribers under the EMOBILE brand.

SoftBank also provides wireline broadband and telecommunications services in Japan through two wholly-owned subsidiaries, SOFTBANK BB Corp. ("SoftBank BB") and SOFTBANK TELECOM Corp. ("SoftBank Telecom"). SoftBank BB provides residential wireline broadband service to approximately 4.2 million customers in Japan, and SoftBank Telecom provides a direct connection voice service, the "OTOKU line," to approximately 1.7 million primarily corporate subscribers in Japan.

SoftBank has no attributable interests in any United States spectrum licenses. SoftBank's only telecommunications interest in the United States is Japan Telecom America Inc. ("JTA"), which is a wholly-owned subsidiary of SoftBank Telecom. Although JTA holds an international Section 214 authorization, JTA provides only limited private line services to its sole customer, SoftBank Telecom, and has no U.S. customers.

SoftBank holds various minority interests in undersea cables. These interests include both direct ownership and an investment in a cable operating company. SoftBank holds direct

[14] SoftBank Mobile's Japanese market share numbers do not include the approximately 4.8 million customers of WILLCOM Inc. ("WILLCOM"). WILLCOM provides wireless service using the Personal Handy-phone System ("PHS") — a wireless communications offering in Japan similar to PCS in the United States. PHS uses small, low-power cells that enable cell site hand-offs.