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January 9, 2013

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VIA ECFS AND IBFS

James L. Ball
Chief, Policy Division
International Bureau
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Re: *Applications of Deutsche Telekom AG, T-Mobile USA, Inc. and MetroPCS Communications, Inc. for Consent to Transfer Control of Licenses and Authorizations, WT Docket No. 12-301, File No. ISP-PDR-20121018-00006*

Dear Mr. Ball:

In response to an inquiry from the FCC's International Bureau,¹ Deutsche Telekom AG ("DT"), by its undersigned counsel, hereby provides additional information regarding its ownership in connection with the above-referenced transaction.² DT is seeking a declaratory ruling under Section 310(b)(4) of the Communications Act to hold an indirect controlling interest of up to 100 percent in the post-transaction entity.³

DT is a publicly traded German company with over 4.3 billion shares outstanding.⁴ In 2001, the Commission approved DT's indirect foreign ownership of T-Mobile

¹ Letter from James L. Ball, Chief, Policy Division, International Bureau, FCC, to Nancy J. Victory, Counsel for Deutsche Telekom AG, WT Docket 12-301 (Nov. 29, 2012) ("IB Letter").

² MetroPCS Communications, Inc. will be responding to the International Bureau's inquiry in a separate filing.

³ Following consummation of the proposed transaction, DT anticipates holding approximately 74 percent of the combined entity. Deutsche Telekom AG Application, File No. 0005446627, Exhibit 1, Description of Transaction and Public Interest Statement at 4-5 ("Public Interest Statement"). However, to facilitate potential increases in DT's interest in the future, DT seeks a declaratory ruling authorizing it to hold an aggregate indirect controlling interest of up to 100 percent in the post-transaction entity.

⁴ Deutsche Telekom AG, "2011: Key financial data,"

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USA, Inc. (“T-Mobile USA”) and its licensee subsidiaries in connection with the merger between VoiceStream Wireless Corporation (T-Mobile USA’s predecessor) and DT.⁵ The Commission’s ruling allowed DT to indirectly hold up to 100 percent of T-Mobile USA. Today, T-Mobile USA is a wholly owned indirect subsidiary of DT. The proposed transaction would combine T-Mobile USA and MetroPCS Communications Inc. (“MetroPCS”) into a strengthened company capable of meeting the competitive challenges of today’s wireless marketplace. At closing, DT will have a 74 percent indirect ownership interest in the combined entity.

Share Ownership and Citizenship Information

Your letter requested further information regarding the citizenship and principal places of business of individuals and entities that hold equity and/or voting interests in DT.⁶ In order to gather this information, DT consulted a variety of sources, which are described below:

- **Beneficial Owners of 3 Percent or More of DT Stock (32 percent of DT stock).** The German Securities Trading Act requires shareholders who have an aggregate 3 percent or greater voting interest in a publicly-listed company to disclose their voting rights to the company.⁷ DT has previously reported two such entities to the FCC: the Federal Republic of Germany, which has approximately a 15 percent direct interest in DT, and KfW, a German development bank which has approximately a 17 percent direct interest in DT.⁸ Both of these entities are organized and have their principal place of business in Germany. In addition, DT was recently notified that in late December 2012,

<http://www.telekom.com/investor-relations/key-facts/financial-overview/119580> (last viewed Dec. 19, 2012). DT has only one class of shares. DT’s 2012 Annual Report will not be available until early 2013.

⁵ See *VoiceStream Wireless Corp., Powertel, Inc. and Deutsche Telekom AG*, Memorandum Opinion and Order, 16 FCC Rcd 9779 (2001).

⁶ IB Letter.

⁷ Securities Trading Act (Gesetz über den Wertpapierhandel/Wertpapierhandelsgesetz - WpHG), available at <http://www.iuscomp.org/gla/statutes/WpHG.htm>.

⁸ Public Interest Statement at 56.

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BlackRock, Inc. increased its ownership interest and now holds a slightly greater than 3 percent interest in DT. Blackrock is organized and has its principal place of business in the United States.⁹

- **Beneficial Owners Listed in DT Share Register (15 percent of DT Stock).** DT's Share Register lists individual beneficial owners located in Germany who hold shares of DT on an individual basis (also referred to as "retail positions"). As of October 1, 2012, the Share Register shows that approximately 15.37 percent of DT shares are held by individuals in Germany holding retail positions. Although the Share Register does not contain the citizenship of these shareholders, it does record their mailing addresses – all of which are located in Germany. This strongly suggests that the citizenship of these shareholders is also German. The Commission has previously accepted addresses of record for beneficial owners as a proxy for citizenship.¹⁰

⁹ As of September 2012, when the institutional investor information analysis discussed below was conducted, The Blackstone Group, which is organized and has its principal place of business in the United States, held a greater than 3 percent interest in DT. Currently, The Blackstone Group's ownership interest has fallen below the 3 percent threshold.

¹⁰ See *Iridium Holdings LLC and Iridium Carrier Holdings LLC, Transferors and GHL Acquisition Corp., Transferee Applications for Consent to Transfer Control of Iridium Carrier Services LLC, Iridium Satellite LLC, and Iridium Constellation LLC*, Memorandum Opinion and Order and Declaratory Ruling, 24 FCC Rcd 10725, 10743-44 (¶¶ 41-42) (2009); *Applications of Rural Cellular Corporation and Cellco Partnership d/b/a Verizon Wireless for Transfer of Control*, Memorandum Opinion and Order and Declaratory Ruling, 23 FCC Rcd 12463, 12525-26 (¶149) (2008); *Mobile Satellite Ventures Subsidiary LLC and SkyTerra Communications, Inc., Petition for Declaratory Ruling Under Section 310(b)(4) of the Communications Act of 1934, as Amended and Harbinger Capital Partners Master Fund I, Ltd. and Harbinger Capital Partners Special Situations Fund, L.P., Petition for Expedited Action for Declaratory Ruling Under Section 310(b)(4) of the Communications Act of 1934, as Amended*, IBFS File Nos. ISP-PDR-20070314-00004 and ISP-PDR-20080111-00001, Order and Declaratory Ruling, 23 FCC Rcd 4436 (2008). This method provides a reasonable basis for determining citizenship. Especially given the very large number of DT shares outstanding and the company's numerous shareholders, the instances where an owner's address of record might

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- **Institutional Investors (44 percent of DT Stock).** In the ordinary course, DT retains Ipreo, a third-party vendor specializing in shareholder identification, to assist it in identifying institutional investors (*i.e.*, banks, insurance companies, pension plans, foundations/endowments, private equity funds and institutional investment companies in DT.¹¹ Ipreo analyzes DT's share register, obtains information from DT's Investor Relations department, reviews public filings, and makes direct inquiries to institutional investors who hold DT shares. Ipreo periodically provides DT with a comprehensive breakdown of DT's institutional investor shareholders, including information regarding such shareholders' location of organization and principal place of business. Ipreo's most recent analysis is based on September 30, 2012 as the recording date. Based on this analysis, approximately 44 percent of DT stock is held by institutional investors. As set forth in Exhibit 1, 43.65 percent of these entities are organized and have their principal place of business in WTO Member countries.

- **Unknown Shareholders (9 percent of DT Stock).** Neither citizenship nor address information is available for approximately 9 percent of DT's shareholders. Some of these shares are held in street name or through American depository receipts, where the underlying beneficial owner information is not currently available to DT.

differ from its citizenship is likely to be insignificant. This method is thus more likely to yield accurate citizenship information than a citizenship survey of only a small portion of a company's shares – one option the International Bureau has noted might be used to determine a publicly traded company's foreign ownership for purposes of Section 310(b). *See Foreign Ownership Guidelines for FCC Common Carrier and Aeronautical Licenses*, 19 FCC Rcd 22,612, 22,642 (2004).

¹¹ DT retains Ipreo for this purpose because it is otherwise limited in its ability to obtain information regarding shares held by institutional investors and non-German brokers, money managers, traders and individuals. German law does not have a law or regulation similar to the United Kingdom Companies Act, which gives public companies the right to investigate beneficial owners of shares. Nor does Germany require the mailing of proxy solicitations to all shareholders as is required in the United States.



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Accordingly, based upon the above analysis, approximately 91 percent of DT's total shares are held by shareholders with citizenship, principal place of business or mailing address in WTO Member countries. DT's controlling ownership of the post-transaction entity is thus consistent with the Commission's presumption that foreign ownership or control of greater than 25 percent is in the public interest where investment is from WTO Member countries. Accordingly, the above-referenced transaction raises no new foreign ownership issues. The Commission can and should extend DT's existing Section 310(b)(4) declaratory ruling to allow DT to hold indirect controlling interests of up to 100 percent in the licenses and authorizations and licensees/authorization holders included in the pending Applications.

Please contact the undersigned counsel for DT with any questions.

Respectfully submitted,

/s/ Nancy J. Victory

Nancy J. Victory

cc: David Krech
Susan O'Connell
Best Copy and Printing
David Hu
Kathy Harris
Kate Matraves
Jim Bird



EXHIBIT 1: BREAKDOWN OF INSTITUTIONAL INVESTORS

Shares Held by Institutional Investors		
Country Where Investor Is Organized/Has Principal Place of Business	Share Percentage	Method of Calculation
United States	10.28%	Calculated by Ipreo
United Kingdom	9.99%	
Germany	6.71%	
France	4.94%	
Switzerland	2.11%	
Norway	1.93%	
Netherlands	1.51%	
Canada	1.65%	
China	0.96%	
Japan	0.79%	
Spain	0.67%	
Italy	0.52%	
Other WTO Member Countries	1.59%	
Non-WTO Member Countries	0.30%	
Total	43.95%	