

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of)
)
Applications of Cricket License Company, LLC,) WT Docket No. 13-193
et al., Leap Wireless International, Inc., and)
AT&T Inc. for Consent To Transfer Control of)
Authorizations)
)
Application of Cricket License Company, LLC)
And Leap Licenseco Inc. for Consent to)
Assignment of Authorization)

**RESPONSE OF LEAP WIRELESS INTERNATIONAL, INC. TO
INFORMATION AND DISCOVERY REQUEST DATED NOVEMBER 8, 2013**

November 22, 2013

**RESPONSE OF LEAP WIRELESS INTERNATIONAL, INC. TO
INFORMATION AND DISCOVERY REQUEST DATED NOVEMBER 8, 2013**

Leap Wireless International, Inc. (“Leap”) hereby provides this response to the Commission’s Information and Discovery Request dated November 8, 2013.¹ Leap is simultaneously producing responsive documents and data in the form of electronic media, including (1) a set of files as Exhibits to this narrative response, and (2) a database of documents produced as Summation Enterprise load files with associated text and images.

As discussed with Commission staff, Leap’s document production consists of non-privileged responsive documents collected from the custodians listed in Appendix A to this response. With respect to certain requests, Leap is producing materials gathered through key word searches of custodians’ files, as detailed in Appendix B. In addition, as discussed with Commission staff, Leap’s document production consists of documents dated between August 23, 2011 and August 23, 2013, with the exception of documents relating to Leap’s MVNO relationships and MVNO services, for which Leap is providing documents dated between January 1, 2011 and August 23, 2013.

The Information Request calls for Leap to produce extensive data and documents, much of which is extremely sensitive from a commercial and competitive standpoint. Leap’s narrative responses, data, and documents discuss and contain highly confidential business strategies as well as commercial and financial data regarding Leap’s operations that are non-public and that Leap would not reveal in the ordinary course of business to competitors or to the public. The disclosure of such non-public information to competitors or to the public would harm Leap in the

¹ Letter from Jim Schlichting, Acting Chief, Wireless Telecommunications Bureau, to Robert J. Irving, Jr., Leap Wireless International, Inc., WT Docket No. 13-193 (Nov. 8, 2013) (“Information Request”).

marketplace. Leap accordingly has designated many of the documents as Confidential or Highly Confidential pursuant to the Protective Order and Second Protective Order in effect in this proceeding.

Leap has made diligent efforts to ensure that none of the documents that it is submitting are privileged under the attorney-client privilege, attorney work product doctrine, or any other applicable privilege. The inadvertent production of any privileged material does not constitute waiver of such privilege.

RESPONSES

- 1. Provide a current organization chart and personnel directory for the Company as a whole and for each of the Company's facilities or divisions involved in any activity relating to any relevant product or any relevant service. Provide a list of positions relating to any relevant product or any relevant service that have been eliminated.**

RESPONSE:

Leap is producing an organizational chart of director level and above employees as Exhibit 1 to this response, which, based on discussions with Commission staff, constitutes Leap's complete response to this request. In the ordinary course of business, Leap does not track the positions relating to any relevant product or any relevant service that have been eliminated.

- 2. Provide, as of the date of this Request, a csv format list, by county in each relevant area, of each spectrum license that can be used in the provision of mobile wireless services that the Company holds, leases, has an interest in through a joint venture or other business arrangement, manages, plans to sell, has contracted to acquire, or is in negotiations to acquire. For each license, identify the: (a) FIPS Code; (b) county; (c) state; (d) market name; (e) market number (in the case of CMA, MTA, or BTA); (f) spectrum type; (g) spectrum block; (h) amount of spectrum; (i) the wireless technology format deployed or planned (e.g., GSM, EDGE, CDMA, EV-DO, EV-DO Rev. A, UMTS, HSPA, HSPA+, LTE); and (j) whether the Company: (i) holds; (ii) has an interest in through a joint venture or other business arrangement; (iii) leases to or from another person; (iv) manages; (v) plans to sell; (vi) has contracted to acquire; or (vii) is in negotiations to acquire.**

RESPONSE:

The requested data is being produced as Exhibit 2 to this response. Leap does not currently have plans to sell spectrum, contracts to acquire spectrum, or pending negotiations to acquire spectrum.

- 3. Provide, as of the date of this Request, polygons in an ESRI shapefile format representing geographic coverage in each relevant area for each mobile broadband network technology (e.g., GSM, EDGE, CDMA, EV-DO, EV-DO Rev. A, UMTS, HSPA, HSPA+, LTE) deployed in each frequency band (e.g., 700 MHz, Cellular, AWS-1, PCS, BRS/EBS). Provide all assumptions, methodology (e.g., propagation, projection, field measurements), calculations (including link budgets), tools (e.g., predictive and field measurements) and data (e.g., terrain, morphology, buildings) used in the production of the polygons, and identify the propagation tool used, the propagation model used within that tool, including but not limited to, the coefficients used in the model and any additions, corrections or modifications made to the model.**

RESPONSE:

The requested coverage maps, along with description of methodology and tools, are being produced as Exhibit 3 to this response. In the ordinary course of business, Leap does not track geographic coverage by frequency band (i.e., PCS, AWS). Rather, Leap's geographic coverage maps reflect coverage by mobile broadband network technology.

- 4. Provide all merger simulations, econometric modeling, or similar analyses, including those regarding market concentration or pricing, that have been undertaken by the Company or any consultant or expert hired by the Company to analyze the effect of the Proposed Transaction, including all documents and data used in these analyses.**

RESPONSE:

AT&T and Leap jointly retained Compass Lexecon to conduct an economic analysis of the effect of the Proposed Transaction. Compass Lexecon's analysis, and all documents and data used in that analysis, are being produced by AT&T. Leap therefore refers the Commission to AT&T's response.

- 5. Provide full and complete copies of the merger agreement and any side or letter agreements or other related agreements (and all amendments and attachments) that AT&T and Leap have entered into that relate to the Proposed Transaction.**

RESPONSE:

Full and complete copies of the merger agreement and any side or letter agreements or other agreements that relate to the Proposed Transaction are being produced as Exhibit 5 to this response.

- 6. Provide all presentations to management committees, executive committees, boards of directors, investors, investor analysts, and industry analysts concerning the Proposed Transaction, including but not limited to the effect of the Proposed Transaction on Leap’s spectrum needs and business plans, particularly with respect to the provision of advanced broadband technologies.**

RESPONSE:

All non-privileged documents responsive to this request are being produced as part of Leap’s document production.

- 7. Provide all documents discussing the valuation of Leap’s assets, including but not limited to, documents discussing the LTE Roaming Agreement and the License Purchase Agreement for the Specified Assets (the so-called “Sunrise” market spectrum) discussed in Section 8.5(c) of the Agreement and Plan of Merger between Leap Wireless International Inc., AT&T Inc., Laser, Inc., and Mariner Acquisition Sub Inc., dated as of July 12, 2013.**

RESPONSE:

All non-privileged documents responsive to this request are being produced as part of Leap’s document production.

- 8. The Applicants state, “As a condition to AT&T’s obligation to consummate the merger, Leap is required to dispose of its ownership interests in PR Wireless, LLC and Flat Wireless, LLC, in which case such interests would not be acquired by AT&T.” (Public Interest Statement, page 2, n. 7). Provide a detailed description explaining Leap’s ownership interest in these entities, and this condition. Provide all documents discussing this condition and any correspondence with these entities**

concerning this condition, and provide all documents and agreements relating to Leap’s interests in these entities and any other person.

RESPONSE:

All non-privileged documents relating to Leap’s interest in PR Wireless, LLC and Flat Wireless, LLC, as well as documents discussing the merger condition, are being produced as part of Leap’s document production. The LLC agreements and other agreements relating to Leap’s interests in these entities are being produced as Exhibit 8 to this response.

PR Wireless, LLC is a provider of prepaid mobile wireless communications, operating primarily in Puerto Rico. Leap currently holds a 20.7 percent interest in PR Wireless.

Flat Wireless, LLC is a provider of mobile wireless telecommunications, operating primarily in Arizona, Colorado, New Mexico, and Texas. Leap currently holds a **[BEGIN LEAP HIGHLY CONFIDENTIAL INFORMATION] [END LEAP HIGHLY CONFIDENTIAL INFORMATION]** percent interest in Flat Wireless.

Pursuant to the terms and conditions of the Agreement and Plan of Merger between Leap Wireless International, Inc. and AT&T Inc. dated July 12, 2013 (the “Merger Agreement”), AT&T will acquire one hundred percent of the outstanding voting securities of Leap. Pursuant to Section 6.15 of the Merger Agreement, Leap will use its reasonable best efforts to dispose of its and its subsidiaries’ interests in PR Wireless and Flat Wireless on commercially reasonable terms promptly following the execution of the Merger Agreement. Leap’s interests in PR Wireless and Flat Wireless are not Potential Sale Interests pursuant to Section 6.15 of the Merger Agreement; Leap is required to consummate the sale of its ownership interests in both entities as a condition to closing the proposed transaction with AT&T, and therefore AT&T will not acquire, directly or indirectly, any interest in those entities. *See* Merger Agreement § 7.2(f). A copy of the Merger Agreement is available at Exhibit 5 to this response.

- 9. Explain in detail, and provide documents sufficient to support this explanation, the contingent value right (“CVR”) relating to the Lower 700 MHz A Block license in Chicago (“Chicago License”). Include in your explanation (a) the reasons for the CVR, (b) its intended purpose, (c) the anticipated process to sell the Chicago License and AT&T’s involvement therein, (d) the specific responsibilities of the stockholders’ representative and how the stockholders’ representative will exercise *de facto* control over the license, (e) the effect on AT&T of holding the Chicago License in this subsidiary on AT&T’s rights and obligations, and (f) AT&T’s rights to sell the Chicago License and the proceeds of any such sale in the event the shareholders’ representative fails to sell the Chicago License under the terms of the CVR. Provide all agreements and documents relating to the creation and operation of the CVR, as well as the Certificate of Incorporation, By Laws and Stockholders’ Agreement and any related documents for Laser, Inc., the Stockholder Representative.**

RESPONSE:

(a) Reasons for the CVR

Cricket Communications, Inc. (“Cricket”) originally acquired the Chicago License in order to supplement its capacity for LTE operations in Chicago, and has been working since that time to resolve Channel 51 and other interference issues as rapidly as possible with respect to that spectrum. Early in the negotiations regarding the merger, AT&T informed Leap that AT&T did not want to acquire the Chicago License in the transaction, but instead wanted Cricket to sell the license in advance of closing, with the sale proceeds to remain in the combined company post-close. Leap objected to the requirement to sell the license prior to close because Leap perceived that the value of the license was currently depressed due to spectrum interference issues.

Through negotiations, AT&T and Leap agreed that (1) Cricket could defer the sale of the Chicago License until its value could be increased through the resolution of spectrum interference issues (up to a maximum time frame), and (2) the net consideration received from the sale of the Chicago License would be distributed to the Leap stockholders. The parties

agreed that the distribution, which provides value to the Leap stockholders in addition to the per-share cash consideration, will be accomplished through a contingent value right (“CVR”). At closing, each Leap stockholder will receive one CVR per share of Leap stock in addition to \$15.00 per share cash consideration from AT&T. Please refer to Leap’s Proxy Statement and Form 8-K, which are attached as Exhibit 9 to this response, for additional details.

(b) Its intended purpose

The purpose of the CVR is (1) to accommodate AT&T’s desire not to acquire the Chicago License, and (2) to distribute the net consideration received from the sale of the Chicago License to the Leap stockholders rather than to AT&T.

(c) The anticipated process to sell the Chicago License and AT&T’s involvement therein

Prior to the merger closing, Cricket will contribute the Chicago License to Leap Licenseco, Inc. (“Licenseco”), an indirect subsidiary of Cricket. Upon closing, AT&T will acquire indirect ownership of Licenseco through its acquisition of Leap but ownership of the Stockholder’s Representative responsible for managing the Chicago License under the CVR (Laser, Inc.) will be transferred to three independent owners (anticipated to be John D. Harkey, Jr., S. Douglas Hutcheson, and Dr. Mark H. Rachesky, M.D., existing directors of Leap). As a result, after the merger, the Stockholders’ Representative and not AT&T will have control over the Chicago License. The Stockholders’ Representative will have the power to cause Licenseco to take actions to maintain the Chicago License and to work to resolve interference issues with adjacent services related to the deployment of wireless mobile operations that will utilize the frequencies authorized by the Chicago License. The Stockholders’ Representative also will control the sale process of the Chicago License, subject to limited restrictions described in the CVR Agreement.

The Stockholders' Representative will have two years from the effective time of the merger to enter into a definitive agreement for the sale of the Chicago License, and one year thereafter to complete the transaction. During this period, the Stockholders' Representative will have the sole responsibility to conduct a sale of the Chicago License. The manner and timing of the sale process will be at the sole discretion of the Stockholders' Representative, but the Stockholders' Representative must consult with AT&T regarding the sale process and keep AT&T and the surviving corporation reasonably informed about the sale process. Consideration for the Chicago License must consist solely of cash, and the sale agreement must be on commercially reasonable terms, place no ongoing obligations on AT&T, and be non-recourse to the surviving corporation in the merger and to AT&T. The Stockholders' Representative may retain legal and financial advisors to assist in the sale of the Chicago License. Please refer to the CVR Agreement, a copy of which is attached to this response as part of Exhibit 5, for additional details.

The two-year period permitted for the sale of the Chicago License was established to balance the parties' desire that Licenseco not hold the spectrum indefinitely and Cricket's desire that it not be forced to sell the spectrum into a weak marketplace while the spectrum's value is temporarily depressed due to interference issues. Long before the transaction with AT&T was undertaken, Cricket had been working to resolve interference issues related to the Chicago License spectrum. Cricket continues in these efforts because perfecting the Chicago spectrum for mobile wireless use as soon as possible is in the public interest regardless of whether the spectrum is utilized by Cricket or a successor carrier. The parties expect that issues relating to the Chicago 700 MHz A Block spectrum can be sufficiently resolved within the two-year time frame to eliminate the temporary depression of the value of the Chicago spectrum.

(d) The specific responsibilities of the stockholders' representative and how the stockholders' representative will exercise de facto control over the license

Please see response to (c).

(e) The effect on AT&T of holding the Chicago License in this subsidiary on AT&T's rights and obligations

AT&T's rights and obligations are dictated for a period of time by the terms and conditions of the CVR Agreement, a copy of which is attached to this response as part of Exhibit 5. As described above, the Chicago License will not be controlled by AT&T but, instead, by the Stockholders' Representative.

(f) AT&T's rights to sell the Chicago License and the proceeds of any such sale in the event the shareholders' representative fails to sell the Chicago License under the terms of the CVR

If the Stockholders' Representative does not arrange a sale of the Chicago License by the two-year deadline, AT&T may dispose of the Chicago License (or the entity that holds the Chicago License) as AT&T determines in its sole discretion. Any proceeds will be distributed to the holders of the CVRs (the former Leap stockholders) and not retained by AT&T.

Leap is providing documents supporting this explanation as Exhibit 9 to this response.

- 10. Provide all plans, analyses, and reports discussing the Company's plans or any other person's pre-transaction and post-transaction plans relating to any relevant service, or relevant product, including but not limited to, business plans; short-term and long-range strategies and objectives; budgets and financial projections; expansion or retrenchment plans; research and development efforts; plans to reduce costs, to improve services or products, to improve service quality, to expand or contract the Company's distribution network or relevant services based on an MVNO arrangement, to improve capacity to transmit mobile wireless services, or to introduce new services or products, including but not limited to, the deployment of LTE; and presentations to management committees, executive committees, and boards of directors. For regularly prepared budgets and financial projections, Leap need only submit one copy of final year-end documents for 2011 and 2012 and cumulative year-to-date documents for 2013.**

RESPONSE:

All non-privileged documents responsive to this request are being produced as part of Leap's document production.

- 11. The Applicants contend that Leap is currently using “about 42 percent of its spectrum in the markets in which it offers facilities-based service.” (Public Interest Statement, page 14; see also Hutcheson Declaration, ¶ 10). Describe the methodology used to determine that Leap is currently using 42 percent of its spectrum, and provide documents sufficient to show the application of that methodology.**

RESPONSE:

Leap used the following methodology to determine that was using 42 percent of its spectrum as of August 2013.² First, Leap identified the spectrum that it utilizes to provide mobile wireless voice and data services to its retail subscribers and those of its roaming partners. This spectrum, which constitutes the vast majority of Leap's spectrum position, consists of AWS and PCS spectrum.³

Second, Leap gathered sector-level data for its AWS and PCS spectrum in all markets from TrACE and E911 reports. Leap then identified the site locations (market by license) from its GPS coordinates in the E911 report. The spreadsheet provided as Exhibit 11 to this response contains the data that Leap collected and used to calculate spectrum utilization.⁴

Third, Leap engaged in a number of steps to calculate the utilization amount from the collected data. Leap initially calculated the number of channels used on each site (voice plus DO

² Leap's network deployment and data plans change from time to time, and therefore utilization percentages may change over time, as well.

³ Leap also owns a 700 MHz A Block license for the Chicago area, but Leap does not presently use this license to provide wireless services.

⁴ For the three markets noted on the spreadsheet in Exhibit 11, Leap's engineers determined that a small number of additional channels were being used in those markets, but the additional channels did not have a material effect on the calculations.

plus LTE). Leap then identified the total MHz (PCS and AWS) and the number of available channels in the market from the “Primary Cricket Channel” following the licenses. Leap calculated the MHz per channel by dividing the total MHz in a market by the total channels in a market, and calculated the percentage of sites using incremental channels (*e.g.*, 7 percent using one channel, 12 percent using two channels, etc.). Leap calculated the total MHz available by channel by multiplying the following remainder (1 minus the percentage of sites using a channel) by the MHz per channel. Leap summed the MHz available by channel to arrive at the total free MHz by market. It then subtracted the total free MHz per market from the total MHz per market in order to determine total used MHz, and then multiplied the total used and unused MHz in a market by Covered POPs to calculate total used and unused MHz*POPs per market. Finally, Leap divided the used MHz*POPs by (used MHz*POPs plus unused MHz*POPs) to calculate total utilization. Total utilization as of August 2013 proved to be approximately 42 percent of Leap’s spectrum in markets where Leap provides facilities-based services.

- 12. Provide all documents discussing the Company’s spectrum needs, spectrum exhaust, capacity constraints, or excess spectral capacity, including attempts by Leap to purchase or lease additional spectrum, lease its spectrum to another person, or to pursue other partnership arrangements, including but not limited to, joint ventures or mergers.**

RESPONSE:

All non-privileged documents responsive to this request are being produced as part of Leap’s document production.

- 13. The Applicants contend that the “complementary network assets of AT&T and Leap will deliver an improved network experience for customers of both companies,” and that “AT&T will deploy Leap’s spectrum holdings for 4G LTE services,” putting the spectrum to “efficient and intensive use.” (Public Interest Statement, page 13).**

- a. **Provide all plans, analyses, and reports, including any documentation, methodologies, underlying spreadsheets, and assumptions used in any underlying models, discussing how Leap’s network assets would be complementary to AT&T’s network and would result in improved network experience for AT&T and Leap customers.**

RESPONSE:

All non-privileged documents responsive to this request are being produced as part of Leap’s document production.

14. **Provide all plans, analyses, and reports (including any surveys conducted by Leap or any third party) discussing how customers view and value Leap’s network quality, service plans, pricing, and promotions (including local promotions), including any changes by competitors as a result of service offerings by Leap and any contemplated or actual competitive changes to Leap’s service plans, pricing, or promotions as a response to other service providers’ offerings.**

RESPONSE:

All non-privileged documents responsive to this request are being produced as part of Leap’s document production.

15. **The Applicants assert that “Leap generally has only a modest presence even in the areas where it does offer facilities-based service” and that “AT&T and Leap are not close competitors.” (Public Interest Statement, page 32). Dr. Israel contends that “Leap customers are ‘unlikely to prefer the nationwide providers’ like AT&T, this means that the potential for substitution from Leap to AT&T is not likely to be large.” (Public Interest Statement, Israel Declaration, ¶ 24). Provide all documents that Dr. Israel relied on to make statements concerning Leap and its competitors, and in particular, AT&T and Leap as competitors.**

RESPONSE:

The Leap documents that Dr. Mark Israel relied on in making his declaration are being produced as part of Exhibit 24. To assist the Commission, Leap is providing as Exhibit 15 copies of the subset of the Exhibit 24 documents that are most relevant to Dr. Israel’s statements concerning Leap and its competitors, in particular the extent to which there is competition with AT&T.

- 16. Provide all documents relating to the loss of customers to other mobile wireless services providers and any attempts to win customers from other mobile wireless services providers or stem losses of customers, including but not limited to:**
- a. churn data and any analyses or reports thereof, including but not limited to, analyses on the correlation of churn with quality, length of contract commitments, and price or other factors;**
 - b. data or studies indicating that a customer left the company or switched to the company because of pricing, network quality, customer service, or the absence or availability of particular services or devices (including, but not limited to, figures on subscribers lost or gained); and**
 - c. documents relating to Leap’s experience or success in obtaining customers through marketing or promotions targeted at particular mobile wireless services providers, particular geographic areas, particular demographic groups, or particular wireless devices or types of customers (including but not limited to, the offers made and the amount spent on the marketing effort, the number of new subscribers gained, average churn rates for such subscribers and revenue realized by the company).**

RESPONSE:

All non-privileged documents responsive to this request are being produced as part of Leap’s document production.

- 17. Provide all documents discussing Leap’s analysis of, response to, or competitive positioning of the Company and other mobile wireless service providers in the provision of any relevant service or relevant product in each relevant area. These documents should include, but are not be limited to, documents discussing perceptions of customer service, spectrum holdings, network quality, offering services at a particular rate, the impact of not offering particular wireless services or devices, the entry of a new wireless service provider, the introduction by a rival service provider of any new relevant product or relevant service (such as Wi-Fi, VoIP, or access to Hotspots), roaming, and the ability to use products internationally.**

RESPONSE:

All non-privileged documents responsive to this request are being produced as part of Leap’s document production.

- 18. Provide all plans, analyses, and reports discussing Leap’s pricing decisions for any relevant service in any relevant market, including: (1) pricing plans; (2) pricing policies; (3) pricing forecasts; (4) pricing strategies; (5) pricing analysis; (6) introduction of new pricing plans or promotions, including local promotions and their determinants and expected or actual impact; (7) tiered pricing, including its relationship to data forecasts and profitability and expected or actual impact; and (8) pricing decisions relating to each relevant service and relevant product.**

RESPONSE:

All non-privileged documents responsive to this request are being produced as part of Leap’s document production.

- 19. Mr. Hutcheson states that “Leap provides coverage outside of its network footprint through resale as a Mobile Virtual Network Operator (MVNO) and via roaming relationships with other wireless carriers.” (Hutcheson Declaration, ¶ 3). Explain in detail and provide all documents discussing Leap’s MVNO-based service, including but not limited to, why Leap made the decision to offer this service, where the MVNO service is provided, the consumer response to the MVNO service, the success or failure of the MVNO service, plans for the expansion or reduction of the MVNO service, including changes to wireless service offerings and to geographic coverage.**

RESPONSE:

All non-privileged documents discussing Leap’s MVNO-based service are being produced as part of Leap’s document production.

[BEGIN LEAP HIGHLY CONFIDENTIAL INFORMATION]

REDACTED – FOR PUBLIC INSPECTION

[END LEAP HIGHLY CONFIDENTIAL INFORMATION]

20. The Applicants contend that “Leap’s current lack of 4G services in most of the local areas it serves and the challenges it faces to deploying a competitive LTE service across its footprint . . . will further diminish Leap’s competitive presence in the future absent the proposed transaction.” (Public Interest Statement, page 34; *see also* Hutcheson Declaration, ¶ 11). Mr. Hutcheson attests, “A highly leveraged balance sheet also impedes Leap’s ability to further build out its LTE network.” (Hutcheson Declaration, ¶ 12). Mr. Hutcheson further argues that “handsets are another area where Leap faces challenges competing with national providers.” (Hutcheson Declaration, ¶ 14). Provide all plans, analyses, and reports regarding the Applicants’ statements concerning why Leap is, according to Mr. Hutcheson, “a weaker competitive force today than it was in 2011.” (Hutcheson Declaration, ¶ 15).

RESPONSE:

All non-privileged documents responsive to this request are being produced as part of Leap’s document production.

21. The Applicants assert that “the roaming and resale expenses that Leap would have paid as a standalone company will be substantially reduced because the combined company will offer a significantly greater on-net footprint than Leap could possibly hope to obtain and will no longer need to obtain MVNO services from other providers.” (Public Interest Statement, pages 19-20).
- a. Provide all documents discussing the geographic distribution of the incremental roaming costs for Leap’s subscribers. Provide, for each relevant area, monthly expenditures on voice and data services resulting from Leap’s subscribers roaming off Leap’s network, specifying:
- i. the percentage of Leap customers who roam;

- ii. **the total number of roaming minutes;**
- iii. **the total number of data roaming in megabytes; and**
- iv. **how these numbers will change as a result of the Proposed Transaction.**

RESPONSE:

All non-privileged documents discussing the geographic distribution of the incremental roaming costs for Leap's subscribers are being produced as part of Leap's document production. Leap is producing monthly expenditure data with the specified metrics as Exhibit 21(a) to this response. The extent to which the numbers will change as a result of the Proposed Transaction will depend principally on AT&T's integration and migration plans and post-transaction plans for roaming. Leap therefore refers the Commission to AT&T's responses regarding its roaming plans.

- b. **For each relevant area, and separately for voice and data roaming, and for each technology deployed by Leap, identify where:**
 - i. **Leap provides facilities-based service only;**
 - ii. **Leap provides MVNO service only; and**
 - iii. **Leap provides any combination of the two.**

RESPONSE:

Leap is providing as Exhibit 21(b) to this response the files that set forth Leap's coverage area for Leap's facilities-based footprint, MVNO footprint, and the combination of the two. As requested, this information is broken down separately for voice and data roaming.

- c. **For each relevant area, and for each technology deployed on Leap's network, state the monthly voice and data service revenues generated by other providers' subscribers who roam on Leap's network.**

RESPONSE:

Leap is providing as Exhibit 21(c) to this response a spreadsheet that sets forth Leap's incoming roaming revenues by voice and data on a monthly basis.

- d. Explain the Proposed Transaction's effects on each roaming agreement and buildout agreement to which Leap is a party, including whether these agreements may be terminated as a result of the Proposed Transaction. Provide current copies of all such roaming and buildout agreements, as well as any attachments.**
 - i. For those contracts allowing Leap's subscribers to roam off your network, explain any contractual obligations that would extend past the projected completion date of the transaction, financial and otherwise.**
 - ii. Explain any penalties associated with the early termination of each agreement.**

RESPONSE:

The Proposed Transaction's effects on each roaming agreement and buildout agreement to which Leap is a party will depend principally on AT&T's integration and migration plans and post-transaction plans for roaming. Leap therefore refers the Commission to AT&T's responses regarding its roaming plans. Leap is providing current copies of its roaming and buildout agreements in Exhibit 21 to this response.

[BEGIN LEAP HIGHLY CONFIDENTIAL INFORMATION]

[END LEAP HIGHLY CONFIDENTIAL INFORMATION]

22. Provide the Company’s data as specified in Attachment A, which includes data on subscribers, handsets, plans, porting, revenue, sites, deployment, and traffic.

RESPONSE:

Leap is producing the requested data as Exhibit 22 to this response. In the ordinary course of business, Leap tracks most operating and financial metrics at the level of the “Leap Market,” and the data produced in response to this request is being produced on the basis of Leap Markets. The geographic boundaries of most Leap Markets do not correspond precisely with the geographic boundaries of Cellular Market Areas (“CMAs”) or other FCC geographic divisions, but there is significant overlap. A table listing CMAs partially or completely included in each Leap Market is being provided as part of Exhibit 22; the CMA designated as “Primary” for each

Leap Market is the CMA that corresponds most closely to the geographic boundaries of the Leap Market.

With respect to the “Deployed Carriers” Table, in the ordinary course of business Leap does not track the data requested by this table on an ongoing basis. The only data that Leap has practicably available to populate the table is from June 2013 and September 2013 and Leap therefore is providing the data from those time periods in its Deployed Carriers Table.

With respect to the “Rate Plans” Table, a blank cell in the “Date Last” column means that the rate plan is still available. The \$1/day PayGo Plan, identified as PG1, does not include long distance calling. In addition, there is no primary access charge for the daily PayGo plans, identified as PG1, PG2, and PG3. Leap’s South Texas market for purposes of this table includes the following cities: Brownsville, Corpus Christi, Del Rio/Eagle Pass, Laredo, McAllen, and San Antonio. Finally, during the periods for which data was requested, the iPhone was available in all Leap markets except Baltimore, Beaumont, Chicago, Lake Charles, Las Vegas, Milwaukee, Oklahoma City, South Wisconsin, St. Louis, Washington DC, Philadelphia, Atlantic City, and Wilmington (the iPhone is now available in all Leap markets).

With respect to the “Site Data” Table, the site data produced is from October 24, 2013. Based on the way that Leap keeps its data, each Distributed Antenna System node is listed separately in the data.

With respect to the “Traffic” Tables, the data that Leap keeps is collected and stored in the format employed by each of the three vendors that Leap uses. As a result, Leap is producing three Traffic tables reflecting the three vendors, and in some instances the data (such as Site ID) is in a format that is unique for each vendor. In some instances, prior year data is unavailable, and Leap accordingly is providing the data that it has available.

With respect to the “Subs Data” Table, the usage data (MOU) is generated using call data that either originates on, or terminates to, a cell site on Leap’s network. The report does not contain voicemail calls or originating roaming calls (in which a Leap subscriber originates a call on another network and that call terminates on Leap’s network). In addition, data for December 2012 is not available for activity on Leap’s network and MVNO due to a data migration error that occurred during the transition to a new database in January 2013. January 2013 MVNO data also may be affected by the migration. Leap only possesses volume data (voice, text, and broadband volume) for one year, so the table provides the single year of data. In addition, Leap’s SMS volume data includes the number of SMS text messages, but not the amount of data used for SMS messages. For the months of January and February 2011, Leap does not have available Activation and Deactivation data, and does not have readily available the breakout of data by type of subscriber (voice and text, mobile broadband, etc.). Finally, in the ordinary course of business Leap tracks CPGA, ARPU, and CCPU only on a total level, and thus is not providing those metrics broken down by category of subscriber.

- 23. For the dates January 1 and July 1 in the years 2011, 2012, and 2013, identify the ten best-selling mobile wireless services pricing plans for the United States as a whole, as measured by subscribers. For each pricing plan identified, state the number of total subscribers to each plan and the number of new subscribers added in the prior six months, and describe the price of and all features and services encompassed in the plan, including but not limited to, the number of included minutes and data services, whether mobile wireless services can be shared with others, any promotions offered to attract new subscribers to the plan, and any charges for usage in excess of the maximum allowed under the plan. Additionally, identify by line number, the place where data on each plan identified is provided in response to Request 22 above.**

RESPONSE:

Leap is producing as Exhibit 23 to this response a chart containing the information sought by this request.

- 24. Provide all documents relied upon or referred to by Mr. Hutcheson and Mr. Strickland in making the statements contained in their Declarations submitted to the Commission in connection with the Proposed Transaction. In addition, provide all documents provided to, reviewed by, relied upon, or referred to by Dr. Israel in making the statements contained in his Declarations submitted to the Commission in connection with the Proposed Transaction.**

RESPONSE:

Leap is producing as Exhibit 24 to this response all documents relied upon or referred to by Mr. Hutcheson and Mr. Strickland in making the statements contained in their Declarations, as well as all Leap documents provided to, reviewed by, relied upon, or referred to by Dr. Israel in making the statements contained in his Declarations. AT&T is producing all AT&T and public documents that were provided to, reviewed by, relied upon, or referred to by Dr. Israel in making the statements contained in his Declarations, and Leap accordingly refers the Commission to AT&T's response for those documents.

APPENDIX A – LIST OF CUSTODIANS

[BEGIN LEAP HIGHLY CONFIDENTIAL INFORMATION]

[END LEAP HIGHLY CONFIDENTIAL INFORMATION]

APPENDIX B

[BEGIN LEAP HIGHLY CONFIDENTIAL INFORMATION]

REDACTED – FOR PUBLIC INSPECTION

REDACTED – FOR PUBLIC INSPECTION

[END LEAP HIGHLY CONFIDENTIAL INFORMATION]