

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

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

**FIFTH SUPPLEMENTAL RESPONSE OF AT&T INC. TO  
INFORMATION AND DISCOVERY REQUEST DATED NOVEMBER 8, 2013**

**March 6, 2014**  
**(Updated March 11, 2014)**

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With this Fifth Supplemental Response, AT&T is providing further detail on the sale of Leap's minority interest in Flat Wireless, LLC ("Flat") and on how the New Cricket will compete vigorously for prepaid customers, including: (1) rate plans that AT&T intends to offer to all customers upon launch of the New Cricket; and (2) plans for the migration of Leap customers.

**8. REQUEST:**

**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 this condition and provide all documents discussing 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:**

As the Commission is aware, the Agreement and Plan of Merger between Leap Wireless International, Inc. and AT&T Inc. dated July 12, 2013 provides that Leap will use its reasonable best efforts to dispose of its and its subsidiaries' interests in Flat on commercially reasonable terms, and the disposition of such ownership interests in Flat is a condition to AT&T's obligation to consummate the merger.<sup>1</sup> Leap's indirect ownership interest in Flat is a non-controlling, non-

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<sup>1</sup> Initial Response of AT&T Inc. to Information and Discovery Request Dated November 8, 2013, *Applications of Cricket License Company, LLC, et al., Leap Wireless International, Inc., and AT&T Inc. for Consent to Transfer Control of Authorizations*, WT Dkt No. 13-193, at 15-16 (filed Nov. 22, 2013); *see also Ex Parte* Letter from James H. Barker and Alexander Maltas, Counsel to Leap Wireless International, Inc. and Cricket Communications, Inc. to Marlene

Footnote continued on next page

attributable minority interest. To update the record on this topic, AT&T advises that Cricket Communications, Inc. (“Cricket”) has negotiated a definitive agreement to sell its interests in Flat and is prepared to move forward with the sale. Flat has filed a lawsuit seeking to block the sale of Cricket’s interests in Flat. Cricket and Flat currently are in arbitration, and the arbitrator has stayed the disposition of Cricket’s interests in Flat pending resolution of the arbitration. As a result, Leap anticipates that Cricket will consummate the sale of its interests in Flat in April 2014.

On March 3, 2014, AT&T waived the condition requiring the disposition of all Flat interests prior to the consummation of the AT&T/Leap transaction. AT&T further commits as follows: In the event that Cricket still holds any interest in Flat at the consummation of the AT&T/Leap transaction, AT&T will immediately deliver written notice to Flat notifying it, its Board of Managers and its Members that, for so long as Leap, Cricket, or any of its affiliates remains a Member of Flat (hereinafter “Cricket Members”), neither AT&T nor any Cricket Member shall exercise any right that it may have under Article 6, Article 12, or Article 13 of the Amended and Restated Company Agreement of Flat Wireless, LLC or elsewhere to:

- (1) acquire any additional interest in Flat, by call under Section 13.07 of the Flat Wireless, LLC Agreement or otherwise, except in connection with one or more transactions, each of which shall be subject to review and approval by the Federal Communications Commission pursuant to the processes outlined in 47 C.F.R. §§ 1.948 and 63.24;
- (2) choose and determine a Manager of Flat or place or cause to be placed any AT&T employee, representative, or agent on Flat’s Board of Managers;

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Footnote continued from previous page  
Dortch, Secretary, *Applications of Cricket License Company, LLC, et al., Leap Wireless International, Inc., and AT&T Inc. for Consent to Transfer Control of Authorizations*, WT Dkt No. 13-193, at 2 (Jan. 16, 2014).

- (3) receive or review any confidential and/or competitively-sensitive information pertaining to Flat; provided however, that AT&T shall be entitled to receive such information as is necessary for accounting and tax purposes and for Cricket to sell its interest in Flat, including a statement of its allocated share of income, gains, losses, deductions, and credits for each taxable year, on the condition that such information is used solely for those purposes.

Finally, to the extent that the AT&T/Leap transaction is consummated prior to Cricket's sale of its interest in Flat, AT&T commits to use reasonable best efforts to cause Cricket to sell its interest in Flat as soon as practicable thereafter.

**15. REQUEST:**

**The Applicants assert that "AT&T expects that many Leap customers can be seamlessly migrated to AT&T's network as they select their new devices" and that "as AT&T learns more about Leap's customer base, it may formulate offers designed to further encourage Leap's customers to migrate to AT&T's network within 18 months of merger close." (Applicants Aug. 20 Amendment, pages 2-3).**

- a. Describe in detail AT&T's plans to migrate current Leap customers to AT&T, including:**
- i. any plans relating to AT&T's expectation that "many Leap customers can be seamlessly migrated to AT&T's network as they select their new devices, and the length of time Leap's current customers would be able to use their existing devices after the closing of the Proposed Transaction";**
  - ii. any plans to "formulate offers designed to further encourage Leap's customers to AT&T's network within 18 months of merger close";**
  - iii. any plans for relevant services and devices to be offered to Leap's current customers, including but not limited to (a) a detailed description of AT&T's plans to provide Leap's customers with devices that can be used on AT&T's network and any associated charges to a Leap customer who is required to acquire such a device, and (b) the data rates, service plans and pricing to be offered to Leap's customers, specifically identifying the rate plans that will appeal to value conscious customers; and**
  - iv. any plans for Leap's customers to retain their current service plans and if so, the length of time existing Leap customers can remain enrolled under their existing service plans, and the period during which new Leap customers would be able to select one of Leap's**

**current service plans after the closing of the Proposed Transaction. Include in your explanation a detailed discussion of all the different types of prepaid/no-contract plans (e.g., daily, monthly all-you-can-eat, and pay as you go) currently available to Leap's customers.**

- b. Describe in detail the transition of Leap's existing customers, including
  - i. a projected timeline for the transition of all of Leap's customers;**
  - ii. how Lifeline customers would be transitioned;**
  - iii. how Muve Music customers would be transitioned and whether the service would continue to be offered; and**
  - iv. the transition of Leap's customers enrolled under the MVNO arrangement with Sprint.****
- c. Provide all plans, analyses, and reports discussing customer migration and transition of Leap's current customers to AT&T.**
- d. Identify all CMAs where Leap has ETC status on tribal lands. Describe in detail AT&T's plans for allowing those customers to continue participating in the Lifeline program after the transaction.**
- e. For each handset that would be offered to Leap's customers after the closing of the Proposed Transaction, provide a description of the features of that handset and the services (e.g., HSPA+, LTE) supported by that handset.**

**RESPONSE:**

Rate Plans

AT&T makes the following commitment regarding a prepaid rate plan that will be available in certain areas. In CMAs in which Leap currently has a facilities-based CDMA network, AT&T will, for a period of at least 12 months after the merger's closing, offer at least one prepaid rate plan priced below the \$40 rate plan referenced in AT&T's March 6, 2014 letter to Roger Sherman, Chief of the FCC Wireless Telecommunications Bureau. Exhibit 15.32 compares the existing Cricket rate plans and rate plans that AT&T currently proposes that the New Cricket will offer at launch, including the plan described below.

**[BEGIN AT&T HIGHLY CONFIDENTIAL INFORMATION]**

**[END AT&T HIGHLY CONFIDENTIAL INFORMATION]**

Customer Migration

For certain Leap customers who are still on the Leap network before its final transition to the AT&T network, AT&T will take certain steps to help ensure those customers have access to devices that are compatible with AT&T's network. These steps will include the following.

AT&T makes the following commitment regarding a credit program that provides customers with Leap smartphones that are not compatible with the AT&T network significant credits to the purchase of a new Cricket smartphone, subject to certain conditions.

**[BEGIN AT&T HIGHLY CONFIDENTIAL INFORMATION]**

**[END AT&T HIGHLY CONFIDENTIAL INFORMATION]**

AT&T makes the following commitment regarding a trade-in program that allows eligible customers to trade in their Leap prepaid feature phone for a Cricket prepaid feature phone without charge, subject to certain conditions.

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<sup>2</sup> **[BEGIN AT&T HIGHLY CONFIDENTIAL INFORMATION]**

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**[END AT&T HIGHLY CONFIDENTIAL INFORMATION]**

**REDACTED - FOR PUBLIC INSPECTION**

**Exhibit 15.32**

**Comparison between Existing Cricket and Planned New Cricket Rate Plans**

Existing Cricket Rate Plans <sup>1</sup>	Rate Plans					Multi-Line	Taxes and Fees Included?
	\$35/month*	\$45/month*	\$50/month*	\$60/month*	\$70/month*		
Planned New Cricket Rate Plans	[BEGIN AT&T HIGHLY CONFIDENTIAL INFORMATION]	[BEGIN AT&T HIGHLY CONFIDENTIAL INFORMATION]	[BEGIN AT&T HIGHLY CONFIDENTIAL INFORMATION]	[BEGIN AT&T HIGHLY CONFIDENTIAL INFORMATION]	[BEGIN AT&T HIGHLY CONFIDENTIAL INFORMATION]	[BEGIN AT&T HIGHLY CONFIDENTIAL INFORMATION]	[BEGIN AT&T HIGHLY CONFIDENTIAL INFORMATION]
	unlimited talk/text feature phones only	unlimited talk/text/data feature phones only	unlimited talk/text/data 2.5GB high-speed data (lower speeds for additional usage)	unlimited talk/text/data 5GB high-speed data (lower speeds for additional usage)	unlimited talk/text/data 10GB high-speed data (lower speeds for additional usage)	3-5 Smartphone Lines for \$100 with up to 1GB high-speed data per line (price is \$100 for up to 5 lines) <sup>2</sup>	Monthly rate does not include certain additional surcharges and state, county, and local taxes.

**\*\$5 credit for Auto Pay applied monthly. Note: Auto bill pay is not available to current Cricket PAYGo customers.**

<sup>1</sup> Plan availability varies by market. For example, in Atlanta (which is an Out of Market Cricket city), the \$45 plan is not available, and the \$35 includes unlimited mobile web. Chart does not include former rate plans that have been grandfathered.

<sup>2</sup> Limited time promotional offer. In-store only. Standard family plan is \$5 discount per additional line of service on the same account.