

## ATTACHMENT 1

### Application for Partial Assignment of International Section 214 Authority from Youghioghenny Communications – Texas, LLC to STX Wireless, LLC

#### RESPONSE TO ITEMS ON IBFS ELECTRONIC FORMAT

##### Answer to Question 10

###### *Assignor Contact Information*

Robert D. Primosch  
Wilkinson Barker Knauer, LLP  
2300 N Street, NW, Suite 700  
Washington, DC 20037  
(202) 783-4141  
(202) 783-5851  
[rprimosch@wbklaw.com](mailto:rprimosch@wbklaw.com)

###### *Assignee Contact Information*

Elizabeth R. Park  
Latham & Watkins LLP  
555 Eleventh Street, NW, Suite 1000  
Washington, DC 20004  
[elizabeth.park@lw.com](mailto:elizabeth.park@lw.com)  
(202) 637-2200  
(202) 637-2201

###### *Prior International Section 214 Authorizations*

Assignor Youghioghenny Communications – Texas, LLC (“YCT”) holds the international Section 214 authorization for global resale services and global facilities-based services subject to the instant application. (File No. ITC-214-20100326-00126).

Assignee, STX Wireless, LLC (“STX Wireless”), has not previously received authority under Section 214 of the Communications Act, as amended (the “Act”). However, following consummation of the transaction described herein, STX Wireless will be 75.75 percent owned, indirectly, and controlled by Leap Wireless International, Inc. (“Leap”), which holds an international Section 214 authorization for global resale services. (File No. ITC-214-20011011-00527).

## **Answer to Question 11**

STX Wireless will be 75.75 percent owned and controlled by Cricket Communications, Inc. (“Cricket”), which in turn is 100 percent owned and controlled by Leap. The remaining 24.25 percent of the assignee will be owned by Youghioghenny Communications, LLC (assignor’s 100 percent owner), which in turn is 100 percent owned and controlled by Paul M. Posner.

Pursuant to Section 63.18(h) of the Commission’s rules, the name, address, citizenship, and principal business of STX Wireless’s ten percent or greater interest holders are as follows:

### ***Direct Ownership***

Cricket Communications, LLC  
5887 Copley Drive  
San Diego, CA 92111  
Citizenship: Delaware  
Principal Business: Wireless Communications  
Ownership Interest: 75.75%

Youghioghenny Communications, LLC  
2819 NW Loop 410  
San Antonio, TX 78230  
Citizenship: Delaware  
Principal Business: Wireless Communications  
Ownership Interest: 24.25%

### ***Indirect Ownership***

Leap Wireless International, Inc.<sup>1</sup>  
5887 Copley Drive  
San Diego, CA 92111  
Citizenship: Delaware  
Principal Business: Wireless Communications  
Ownership Interest: 100% of Cricket Communications, LLC

Paul M. Posner  
2819 NW Loop 410  
San Antonio, TX 78230  
Citizenship: United States  
Principal Business: Wireless Communications  
Ownership Interest: 100% of Youghioghenny Communications, LLC

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<sup>1</sup> Information provided below with respect to direct or indirect ownership in Leap is determined as of December 31, 2009 based upon filings on Schedules 13D and 13G filed with the Securities and Exchange Commission by such entities and is based upon 77,524,040 shares of Leap common stock outstanding as of such date.

MHR Institutional Partners IIA LP (“MHR LP”)  
c/o O’Melveny & Myers LLP  
7 Times Square  
New York, NY 10036  
Attn: Doron Lipshitz  
Citizenship: Delaware  
Principal Business: Investment Fund  
Ownership Interest: 10.9% of Leap

MHR Institutional Advisors II LLC  
c/o O’Melveny & Myers LLP  
7 Times Square  
New York, NY 10036  
Attn: Doron Lipshitz  
Citizenship: Delaware  
Principal Business: Investment Advisor  
Ownership Interest: 15.2% Indirect Interest in Leap through MHR LP

MHR Fund Management LLC  
c/o O’Melveny & Myers LLP  
7 Times Square  
New York, NY 10036  
Attn: Doron Lipshitz  
Citizenship: Delaware  
Principal Business: Investment Manager  
Ownership Interest: 20% Indirect Interest in Leap through MHR LP

Dr. Mark H. Rachesky  
c/o O’Melveny & Myers LLP  
7 Times Square  
New York, NY 10036  
Attn: Doron Lipshitz  
Citizenship: United States  
Principal Business: Investor  
Ownership Interest: 20.1% Indirect Interest in Leap through MHR Entities<sup>2</sup>

T. Rowe Price Associates, Inc.  
100 E. Pratt Street  
Baltimore, MD 21202  
Citizenship: Maryland  
Principal Business: Investment Services  
Ownership Interest: 10.2% Indirect Interest in Leap

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<sup>2</sup> Dr. Rachesky also holds a small number of Leap shares in his own name. This ownership interest is negligible compared with Dr. Rachesky’s indirect ownership interest in Leap, amounting to an ownership interest in Leap of less than 0.01%.

Thornburg Investment Management, Inc.  
2300 N. Ridgetop Road  
Santa Fe, NM 87506  
Citizenship: Delaware  
Principal Business: Investment Services  
Ownership Interest: 10.1% Indirect Interest in Leap

## **Answer to Question 13**

### **I. The Parties**

*Assignor.* Through various subsidiaries and affiliates, YCT, a wholly-owned subsidiary of Youghioghny Communications, LLC, provides wireless communications services in South Texas.

*Assignee.* STX Wireless will become a majority-owned and controlled subsidiary of Leap which, through its operating subsidiaries, provides wireless telecommunications services in a number of U.S. markets. Leap is led by a management team with decades of collective experience in the telecommunications industry, and its financial, technical and legal qualifications to control the wireless assets referenced herein are matters of public record.

### **II. Description of the Transaction**

STX Wireless currently is a wholly-owned subsidiary of Cricket. Assignor, assignee and certain of their respective affiliates have entered into an agreement to form a Leap-controlled joint venture, to be conducted through STX Wireless, that will provide enhanced mobile communications services in South Texas under the Cricket brand name. Under the agreement, Cricket and YCT and its affiliates will contribute certain spectrum and wireless assets to STX Wireless and its subsidiaries. Pursuant to Section 310(d) of the Act, applications have been filed by STX Wireless and affiliates of the Assignor to contribute various Part 24 broadband personal communications assets to the joint venture.<sup>3</sup>

The purpose of this application is to obtain Commission consent to a partial assignment of YCT's international Section 214 authority to STX Wireless. Specifically, the parties seek to assign to STX Wireless that portion of the authorization associated with the international services provided by YCT in the Brownsville-Harlingen, TX (BTA056), Brownwood, TX (BTA057), Laredo, TX (BTA242), McAllen, TX (BTA268) and San Antonio, TX (BTA401) markets. YCT will retain its operations in the Corpus Christi, TX market (BTA099), and thus, must retain a portion of its Section 214 authority to provide international services in that market. For the reasons set forth below, the parties respectfully submit that Commission approval of the proposed transaction will serve the public interest, convenience and necessity.

### **III. Public Interest Statement**

Approval of the proposed transaction (i) will promote and preserve competition in the international telecommunications marketplace, and (ii) will ensure that STX Wireless has the necessary authority to offer seamless international services to its customers. The proposed transaction poses no risk of anticompetitive impact on the U.S. international telecommunications marketplace. The Commission has determined that mobile wireless service providers, such as STX Wireless and its controlling parent, Leap, lack sufficient market power to adversely affect

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<sup>3</sup> See FCC File Nos. 0004169410 and 0004169437.

competition for international services in the U.S. market.<sup>4</sup> Further, STX Wireless and Leap would hold only a miniscule share of the international services market as a pure reseller. Thus, the transaction will have no discernable impact on the intensely competitive international telecommunications marketplace. Moreover, the assignment proposed herein will not result in any violation of the Act, the rules or any other applicable statutory provision.

Pursuant to Section 63.18(j) of the Commission's rules, 47 C.F.R. § 63.18(j), STX Wireless certifies that it is not a foreign carrier and does not have any foreign carrier affiliations, nor will the instant transaction create any foreign carrier affiliations. As indicated above, YCT seeks authority to assign only a portion of its customer base, and thus requests authority to continue to operate under the international Section 214 authorization at issue here (File No. ITC-214-20100326-00126) after consummation.

Upon consummation of the transaction, STX Wireless intends to provide service through its wholly-owned operating subsidiaries, STX Wireless Operations, LLC and STX Wireless License, LLC, pursuant to Section 63.21(h) of the Commission's rules, 47 C.F.R. § 63.21(h).

### **Answer to Question 20**

The parties request streamlined processing of the instant application pursuant to Section 63.12(c)(1)(ii) of the Commission's rules, 47 C.F.R. § 63.12(c)(1)(ii). STX Wireless is not a foreign carrier. Moreover, STX Wireless is not, and upon consummation of the transaction will not be, affiliated with a foreign carrier or a dominant U.S. carrier. Therefore, this application qualifies for streamlined processing.

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<sup>4</sup> *In re 1998 Biennial Regulatory Review – Review of International Common Carrier Regulations*, Report and Order 14 FCC Rcd 4909 at ¶29 (1999).