

## Response to Question 34 – Foreign Ownership

Nextel Communications of the Mid-Atlantic, Inc. is a wholly owned subsidiary of Sprint Corporation (collectively, “Sprint”). In 2013, the Federal Communications Commission (“FCC” or “Commission”) issued a declaratory ruling concluding that it was in the public interest for the foreign ownership of Sprint Corporation’s subsidiaries holding FCC licenses and authorizations to exceed the 25% foreign ownership benchmark in 47 U.S.C. § 310(b)(4). In addition, the Commission granted authorization for SoftBank Group Corp. (“SoftBank”) and its shareholders to indirectly own up to 100% of Sprint.<sup>1</sup>

On April 11, 2016, Sprint Corporation filed a Petition for Declaratory Ruling pursuant to the rules adopted by the Commission in 2013.<sup>2</sup> That petition was granted by the Commission effective June 30, 2016.<sup>3</sup> As stated therein, following are the indirect ownership interests in Sprint that are held by foreign individuals or entities.<sup>4</sup>

- (1) Name: SoftBank Group Corp.  
Interest Held: 83.4% indirect equity and voting interests in Sprint (held through intervening entities that are organized in the United States)  
Place of Organization: Japan
- (2) Name: Masayoshi Son  
Interest Held: 19.3% indirect equity and voting interests in Sprint through SoftBank Group Corp.  
Citizenship: Japan

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<sup>1</sup> This declaratory ruling was issued in connection with the broader Sprint/SoftBank transaction. *Applications of SOFTBANK CORP., Starburst II, Inc., Sprint Nextel Corporation, and Clearwire Corporation for Consent to Transfer Control of Licenses and Authorizations; Petitions for Reconsideration of Applications of Clearwire Corporation for Pro Forma Transfer of Control*, Memorandum Opinion and Order, Declaratory Ruling, and Order on Reconsideration, 28 FCC Rcd 9642, ¶ 124 (2013) (“*Sprint/SoftBank Order*”).

<sup>2</sup> *Review of Foreign Ownership Policies for Common Carrier and Aeronautical Radio Licensees Under Section 310(b)(4) of the Communications Act of 1934, as Amended*, Second Report and Order, 28 FCC Rcd 05741 (2013) (“*Second Report and Order*”); 47 C.F.R. § 1.994. The rules adopted by the *Second Report and Order* became effective after the Commission issued the *Sprint/SoftBank Order*.

<sup>3</sup> *Sprint Corporation, on behalf of all licensee subsidiaries thereof, Petition for Declaratory Ruling Under Section 310(b)(4) of the Communications Act, as Amended*, Petition for Declaratory Ruling, IBFS File No. ISP-PDR-20160411-00006 (filed April 11, 2016; granted by FCC effective June 30, 2016).

<sup>4</sup> The percentages included here reflect actual interests without application of the Commission’s attribution rules. See 47 C.F.R. § 63.18 note to paragraph (h).

Additionally, in an unrelated proposed corporate reorganization,<sup>5</sup> Sprint Corporation recently received the necessary approvals for a *pro forma* transaction whereby the following entity will be inserted into the vertical ownership chain above it:

Name: SoftBank International GK (formerly named BM Holdings GK)

Interest to Be Held (subject to FCC approval and completion of proposed reorganization): 60.5% indirect equity and voting interests in Sprint (to be held through intervening entities that are organized in the United States)

Place of Organization: Japan

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<sup>5</sup> See Application for *Pro Forma* Transfer of Control, IBFS File Nos. SES-T/C-20160412-00345 (filed April 11, 2016; supplemented April 21, 2016 & June 29, 2016; granted effective July 7, 2016); ULS File No. 0007218706 (filed April 11, 2016; consented to effective May 4, 2016); see also FCC Form 602, Proposed Ownership Disclosure Report of Sprint Corporation, ULS File No. 0007239063 (filed April 21, 2016).