

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of
Cincinnati Bell Telephone Company
LLC For Approval of an Alternative
Form of Regulation of Basic Local
Exchange Service and Other Tier 1
Services Pursuant to Chapter 4901:1-4,
Ohio Administrative Code.

Case No. 08-1007-TP-BLS

**RESPONSE OF CINCINNATI BELL TELEPHONE COMPANY LLC TO OPPOSITION
BY THE OFFICE OF THE OHIO CONSUMERS' COUNSEL**

Cincinnati Bell Telephone Company LLC ("CBT") filed its application in this proceeding on August 25, 2008. The Office of the Ohio Consumers' Counsel ("OCC") moved to intervene on August 27, 2008, which was granted on September 12, 2008. Pursuant to the Attorney Examiner's September 12, 2008 Entry, the OCC filed its opposition to the application on October 9, 2008. CBT was afforded ten days in which to file this response to the OCC's opposition.

**I. The OCC Concedes That CBT Has Satisfied The Requirements of
Competitive Test 4.**

The OCC concedes that CBT's application satisfied both prongs of Competitive Test 4.¹ CBT has experienced a line loss greater than 15% in each of the four subject exchanges and there are at least five facilities-based alternative providers in each of the exchanges. While the OCC challenges whether Cricket Wireless qualifies as a facilities-based provider, it concedes that CBT meets Competitive Test 4 without consideration of Cricket. Nevertheless, as shown below, the OCC's challenge to Cricket's status as a facilities-based alternative provider is baseless.

¹ Ohio Admin. Code § 4901:1-4-10(C)(4).

The OCC concedes that CBT's data shows that it lost between 19.2% and 29.5% of its residential access lines in the four exchanges between 2002 and June 30, 2008. The OCC raises no challenges to CBT's data and concedes that this satisfies the 15% line loss prong of Competitive Test 4.

With respect to the second prong of Competitive Test 4, the OCC acknowledges that CBT has provided information that one alternative wireline carrier, Time Warner Cable, and five wireless carriers are providing service in the four exchanges. The OCC chooses to contest whether Cricket is a facilities-based carrier, but raises no challenge as to any of the other five alternative providers, conceding that CBT meets the second prong even without Cricket.

Because CBT meets all objective criteria required by Competitive Test 4, its application should be approved automatically.

II. Cricket Is A Facilities-Based Alternative Provider.

Despite conceding that CBT meets Competitive Test 4, the OCC challenges the status of Cricket as a facilities-based provider. The OCC asserts that "[a] carrier using another carrier's network cannot be deemed to be facilities-based under Test 4."² The OCC provides no legal authority for this naked assertion, which is wrong on its face. There is no prohibition on a carrier using another carrier's network to qualify as facilities-based. Most CLECs use parts of ILEC networks through unbundling and there is no serious argument that a CLEC could not qualify as a facilities-based provider.

A "facilities-based alternative provider" means a provider of competing service(s) to the basic local exchange service offering(s) *using facilities that it owns, operates, manages or*

² OCC Opposition, at p. 3.

controls to provide such services, regardless of the technology and facilities used in the delivery of the services (wireline, wireless, cable, broadband, etc.).³ There is nothing in this rule that limits facilities-based carriers to those who *own* facilities. The rule provides several alternatives to network ownership, including operating, managing or controlling facilities, even absent ownership. A carrier that operates over another carrier’s network still qualifies as facilities-based.

When it filed its Application in this case, CBT believed that Cricket was still leasing its network facilities from Alaska Native Broadband 1 License, LLC (“ANB License 1”), which was the original FCC licensee for call sign WQDI523 operating in BTA 081. The OCC now challenges whether Cricket qualifies as a facilities-based provider if it operates using facilities owned by ANB License 1. But, under Commission Rule 4901:1-4-01(G), such a relationship is sufficient to qualify Cricket as a facilities-based provider because Cricket “operate[d], manage[d] or control[led]” those facilities for purposes of providing its wireless service. The OCC’s challenge to Cricket’s qualifications fails on that basis alone.

Nevertheless, it turns out that the facts are more favorable to CBT’s position. Cricket no longer operates using another carrier’s facilities – as explained below, Cricket now owns those facilities. Thus, under any interpretation of Rule 4901:1-4-01(G), Cricket qualifies as facilities-based because it is the owner, in addition to being the operator, manager and controller of those facilities.

³ Ohio Admin. Code § 4901:1-4-01(G) (emphasis added).

Upon further checking of FCC records, CBT has learned that the license originally owned by ANB 1 License is now owned by Cricket.⁴ In addition, the FCC Form 499-A filed by ANB 1 License for the year 2007⁵ states that ANB License 1 was managed by Cricket Communications, Inc. in 2007, but that ANB was no longer active as of December 31, 2007, having been absorbed by another entity. That other entity, identified as “Filer 819360,” is Cricket Communications, Inc.

Cricket is a subsidiary of Leap Wireless International, Inc. (“Leap”) and Leap’s 2007 Annual Report⁶ explains the relationship between Cricket and ANB License 1. Leap acquired a 75% non-controlling membership interest in Alaska Native Broadband 1, LLC (“ANB 1”) in November 2004.⁷ Alaska Native Broadband, LLC (“ANB”) held the remaining 25% and controlling membership in ANB 1. ANB 1 was the sole member and manager of ANB 1 License, which was the original license holder for call sign WQDI523. In January 2007, ANB exercised its option to sell its 25% controlling interest in ANB 1 to Cricket.⁸ The FCC approved the transfer of the wireless licenses held by ANB 1 License to Cricket.⁹ On December 31, 2007 ANB 1 License transferred its wireless licenses to a Cricket subsidiary, Cricket Licensee 2007

⁴ See PCS Broadband License-WQDI523-Cricket Licensee 2007 LLC (copy attached as Exhibit 1).

⁵ See FCC Form 499-A Telecommunications Reporting Worksheet (copy attached as Exhibit 2).

⁶ 2007 Form 10-K, Leap Wireless International, Inc. (relevant excerpts attached as Exhibit 3).

⁷ *Id.* at p. 10.

⁸ The result of this transaction is confirmed by a June 7, 2007 Notice of Change of Members and/or Managers filed by ANB 1 with the Alaska Department of Commerce, showing that Cricket Communications, Inc. is now the 100% owner of ANB 1 (copy attached as Exhibit 4).

⁹ See FCC Transfer of Control form (copy attached as Exhibit 5).

LLC, and ANB 1 and ANB 1 License were merged into Cricket.¹⁰ Thus, Cricket undoubtedly qualifies as a facilities-based alternative provider under the Commission's rules because it owns its network facilities.

The Commission's rejection of Cricket as an alternative provider in Case No. 06-1002-TP-BLS has no relevance to this case. Nothing in the Commission's rejection of Cricket in 2006 indicated that it was because Cricket was not a facilities-based provider. The Commission merely cited the lack of information in the record regarding Cricket and that Cricket had only started providing residential service in the Cincinnati and Hamilton exchanges in June 2006. Because of the recency of Cricket's market entry at the time of CBT's 2006 BLES alternative regulation case, CBT did not have data showing that customers had actually switched from CBT residential service to Cricket wireless service. CBT's 2006 market survey was conducted prior to Cricket's entry. In this case, however, CBT has provided actual porting data showing that residential customers have switched service to Cricket in each of the affected exchanges, so the earlier reason for rejecting Cricket as an alternative provider no longer exists.

The fact that Cricket (1) has a license and owns physical network facilities, (2) has entered into an interconnection agreement with CBT and exchanges traffic, (3) advertises that it provides wireless service, and (4) has ported former CBT residential telephone numbers onto its switch proves that Cricket is a facilities based provider that is providing service to residential customers in these exchanges.

¹⁰ Exhibit 3, at p. 10.

III. The OCC's Policy Arguments Against Allowing Alternative Regulation Have Already Been Rejected By The Commission and the Ohio Supreme Court.

The OCC has raised no arguments in opposition to CBT's Application in this case that the Commission has not already heard and rejected in prior cases.

First, the OCC complains that, if CBT is granted alternative regulation in these exchanges, that it will have the right to increase the monthly rate for BLES by \$1.25 per year. That is not a legitimate argument against granting alternative regulation, as the ability to increase rates by such a limited amount is the inherent result of qualifying for alternative regulation. The only question here is whether CBT's application satisfies the requirements of Competitive Rule 4, which it does. The OCC is essentially criticizing the rule again, not CBT's application, so it presents no basis for disapproving the application. If the ability to increase rates was accepted as a reason to reject an application, none could ever be approved. Such a result would be absurd and make the granting of alternative regulation for BLES under the existing rules impossible.

Next, the OCC complains that alternative providers do not offer stand-alone basic service, they price their bundled service above the price of CBT's stand-alone basic service, and their services have some different features than CBT's service. The OCC argued these same points *ad nauseum* in both Case No. 06-1002-TP-BLS and the rulemaking that preceded it,¹¹ as well as in its appeals to the Ohio Supreme Court.¹² The Ohio Supreme Court has already rejected the OCC's arguments:

OCC's argument that only basic service competition may be considered fails to recognize the legislative guidance provided by the H.B. 218 amendments.

¹¹ Case No. 05-1305-TP-ORD.

¹² *Ohio Consumers' Counsel v. Pub. Util. Comm.*, 117 Ohio St.3d 289, 2008-Ohio-860; *Ohio Consumer's Counsel v. Pub. Util. Comm.*, 117 Ohio St.3d 301, 2008-Ohio-861.

In amending R.C. 4927.02, the General Assembly provided the commission with new factors to consider when determining whether an applicant is “subject to competition” and those factors include consideration of the larger environment of telephone service providers, specifically, “the ability of alternative providers to make functionally equivalent or substitute services readily available” on competitive terms. R.C. 4927.02(A)(2)(c).

The commission established that bundled services provide competition to basic phone service. The commission determined that customers are switching service in the presence of competitors and that it is plausible to assume that those customers find the alternative services to be adequate substitutes for CBT’s services.¹³

The Commission need not give further consideration to the OCC’s tired arguments.

Finally, the OCC resorts to rate-of-return type arguments about whether a rate increase can be justified based on earnings. This argument ignores the premise of alternative regulation where rates, not rates of return, are regulated.¹⁴ Telephone companies that elect alternative regulation are exempt from rate of return review, so the OCC’s arguments should not be considered.

¹³ 2008-Ohio-860, ¶¶ 18-19.

¹⁴ Ohio Admin. Code §§ 4901:1-4-03(A)(2); 4901:1-4-01(F).

IV. CONCLUSION.

CBT has satisfied all of the elements of competitive test (4). CBT has lost at least 15% of its residential lines in the Bethany, Harrison, Little Miami and Williamsburg exchanges between 2002 and June 30, 2008. There are at least five unaffiliated facilities-based alternative providers serving the residential market in each of those exchanges. CBT is in compliance with all of the requirements of its current EARP. The OCC has offered no legitimate objection to the Application. Therefore, CBT has demonstrated that it qualifies for alternative regulation for BLES and other Tier 1 services and the Application should be granted automatically in accordance with the Commission's rules.

Respectfully submitted,

/s/ Douglas E. Hart

Douglas E. Hart (0005600)

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Suite 4192

Cincinnati, OH 45202

(513) 621-6709

(513) 621-6981 fax

dhart@douglasshart.com

Attorney for Cincinnati Bell

Telephone Company LLC

CERTIFICATE OF SERVICE

It is hereby certified that a true copy of the foregoing was served electronically this
20th day of October, 2008 upon the following.

/s/ Douglas E. Hart _____

Duane W. Luckey
Assistant Attorney General
Chief, Public Utilities Section
180 East Broad Street, 9th Floor
Columbus, Ohio 43215-3793
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David C. Bergmann
Terry L. Etter
Assistant Consumers' Counsel
Office of the Ohio Consumers' Counsel
10 West Broad Street, Suite 1800
Columbus, OH 43215-3485
bergmann@occ.state.oh.us
etter@occ.state.oh.us

Exhibit 1

ULS License

PCS Broadband License - WQDI523 - Cricket Licensee 2007 LLC

Call Sign	WQDI523	Radio Service	CW - PCS Broadband
Status	Active	Auth Type	Regular

Market

Market	BTA081 - Cincinnati, OH	Channel Block	C
Submarket	1	Associated Frequencies (MHz)	001895.00000000- 001910.00000000- 001975.00000000- 001990.00000000

Dates

Grant	09/06/2005	Expiration	09/06/2015
Effective	01/28/2008	Cancellation	

Buildout Deadlines

1st	09/06/2010	2nd	
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Notification Dates

1st	12/07/2006	2nd	
-----	------------	-----	--

Licensee

FRN	0017171950	Type	Limited Liability Company
-----	------------	------	---------------------------

Licensee

Cricket Licensee 2007 LLC 10307 Pacific Center Court San Diego, CA 92121 ATTN Robert J. Irving	P: (858)882-6048 F: (858)882-6080 E: rirving@cricketcommunications.com
---	--

Contact

Latham & Watkins LLP James H Barker 555 Eleventh Street NW Suite 1000 Washington, DC 20004	P: (202)637-2200 F: (202)637-2201 E: jim.barker@lw.com
---	--

Ownership and Qualifications

Radio Service Type	Mobile		
Regulatory Status	Common Carrier	Interconnected	Yes

Alien Ownership

The Applicant answered "No" to each of the Alien Ownership questions.

Basic Qualifications

The Applicant answered "No" to each of the Basic Qualification questions.

Tribal Land Bidding Credits

This license did not have tribal land bidding credits.

Demographics

Race

Ethnicity

Gender

Exhibit 2

**CGB - Form 499A Search Results Detailed Information**[FCC](#) > [CGB Home](#) > [499-A Search Form](#) > [499-A Detail](#)[FCC site map](#)**FCC Form 499-A Telecommunications Reporting Worksheet****DETAILED INFORMATION****Filer Identification Information:****No Longer Active as of 12/31/2007.****The company has been absorbed by another filing entity.****Replaced by filer: [819360](#)****Historical Data:**

499 Filer ID Number:	825860
Registration Current as of:	4/2/2007
Legal Name of Reporting Entity:	Alaska Native Broadband 1 License, LLC.
Doing Business As:	Cricket ANB
Principal Communications Type:	Cellular/PCS/SMR
Universal Service Fund Contributor:	No
(Contact USAC at 888-641-8722 if this is not correct.)	
Holding Company:	Alaska Native Broadband 1, LLC
Registration Number (CORESID):	0012200002
Management Company:	Cricket Communications, Inc.
Headquarters Address:	10307 Pacific Center Court
City:	San Diego
State:	CA
ZIP Code:	92121
Customer Inquiries Address:	10307 Pacific Center Court
City:	San Diego
State:	CA
ZIP Code:	92121
Customer Inquiries Telephone:	856-274-2538
Other Trade Names:	Cricket ANB

Agent for Service of Process:

Local/Alternate Agent for Service of Process:

Telephone:

Extension:

Fax:

E-mail:

Business Address of Agent for

Mail or Hand Service of Documents:

City:

State:

ZIP Code:

D.C. Agent for Service of Process:

CSC Corporation Service

Telephone:

800-241-6518

Extension:

Fax:

202-408-3140

E-Mail:

dthomas@cscinfo.com

Business Address of D.C. Agent for
Mail or Hand Service of Documents: **1090 Vermont Ave Nw**
Suite 430
City: **Washington**
State:
ZIP Code: **20004**

FCC Registration Information:

Chief Executive Officer: **Doug Hutchenson**
Business Address: **10307 Pacific Center Court**
City: **San Diego**
State: **CA**
ZIP Code: **92121**

Chairman or Other Senior Officer: **Amin Khalifa**
Business Address: **10307 Pacific Center Court**
City: **San Diego**
State: **CA**
ZIP Code: **92121**

President or Other Senior Officer: **Grant Burton**
Business Address: **10307 Pacific Center Court**
City: **San Diego**
State: **CA**
ZIP Code: **92121**

Jurisdictions in Which the Filing Entity Provides Telecommunications Services:

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Kentucky
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Ohio
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499 Filer ID Number: 819360
Registration Current as of: 4/1/2008
Legal Name of Reporting Entity: Cricket Communications, Inc.
Doing Business As: Cricket Communications, Inc.
Principal Communications Type: Cellular/PCS/SMR
Universal Service Fund Contributor: Yes
(Contact USAC at 888-641-8722 if this is not correct.)
Holding Company: Leap Wireless International, Inc.
Registration Number (CORESID): 0004321139
Management Company:
Headquarters Address: 10307 Pacific Center Ct.
United States
City: San Diego
State: CA
ZIP Code: 92121
Customer Inquiries Address: 10307 Pacific Center Ct.
City: San Diego
State: CA
ZIP Code: 92121
Customer Inquiries Telephone: 866-274-2538
Other Trade Names: Cricket Communications, Inc.

Agent for Service of Process:

Local/Alternate Agent for Service
of Process:

Telephone:

Extension:

Fax:

E-mail:

Business Address of Agent for

Mail or Hand Service of Documents:

City:

State:

ZIP Code:

D.C. Agent for Service of Process:

Telephone:

Extension:

Fax:

E-Mail:

Business Address of D.C. Agent for

Mail or Hand Service of Documents:

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State:

ZIP Code:

CSC Corporation Service

800-241-6518

202-408-3140

dthomas@cscinfo.com

1090 Vermont Ave. NW

Suite 430

Washington

DC

20004

FCC Registration Information:

Chief Executive Officer:

Doug Hutcheson

Business Address: 10307 Pacific Center Ct.
United States
City: San Diego
State: CA
ZIP Code: 92121

Chairman or Other Senior Officer: William Ingram
Business Address: 10307 Pacific Center Ct.
United States
City: San Diego
State: CA
ZIP Code: 92121

President or Other Senior Officer: Jeff Nachbor
Business Address: 10307 Pacific Center Ct.
United States
City: San Diego
State: CA
ZIP Code: 92121

Jurisdictions in Which the Filing Entity Provides Telecommunications Services:

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Exhibit 3



Form 10-K

LEAP WIRELESS INTERNATIONAL INC - LEAP

Filed: February 29, 2008 (period: December 31, 2007)

Annual report which provides a comprehensive overview of the company for the past year

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EX-32 (EXHIBIT 32)

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-K**

(Mark One)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2007

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____.

Commission file number 0-29752

LEAP WIRELESS INTERNATIONAL, INC.

(Exact Name of Registrant as Specified in its Charter)

Delaware

(State or Other Jurisdiction of Incorporation or Organization)

10307 Pacific Center Court, San Diego, CA

(Address of Principal Executive Offices)

33-0811062

(I.R.S. Employer Identification No.)

92121

(Zip Code)

(858) 882-6000

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class

Common Stock, \$.0001 par value

Name of Each Exchange on Which Registered

The NASDAQ Stock Market, LLC

Securities registered pursuant to Section 12(g) of the Act:

None.

Indicate by check mark whether the registrant is a well-known seasoned issuer as defined in Rule 405 of the Securities Act.

YES ☐ NO ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. YES ☐

NO ☒

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding twelve months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES ☒ NO ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☒

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐ (Do not check if a smaller reporting company)

Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐

No ☒

As of June 30, 2007, the aggregate market value of the registrant's voting and nonvoting common stock held by non-affiliates of the registrant was approximately \$4,079,005,970, based on the closing price of Leap's common stock on the NASDAQ Global Select Market on June 29, 2007 of \$84.50 per share.

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Section 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. Yes ☒

No ☐

The number of shares of registrant's common stock outstanding on February 22, 2008 was 68,713,151.

Documents incorporated by reference: Portions of the definitive Proxy Statement relating to the 2008 Annual Meeting of Stockholders are incorporated by reference into Part III of this report.

LEAP WIRELESS INTERNATIONAL, INC.
ANNUAL REPORT ON FORM 10-K
For the Year Ended December 31, 2007
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PART I

As used in this report, unless the context suggests otherwise, the terms “we,” “our,” “ours,” and “us” refer to Leap Wireless International, Inc., or Leap, and its subsidiaries, including Cricket Communications, Inc., or Cricket. Leap, Cricket and their subsidiaries are sometimes collectively referred to herein as “the Company.” Unless otherwise specified, information relating to population and potential customers, or POPs, is based on 2008 population estimates provided by Claritas Inc.

Cautionary Statement Regarding Forward-Looking Statements

Except for the historical information contained herein, this report contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements reflect management’s current forecast of certain aspects of our future. You can identify most forward-looking statements by forward-looking words such as “believe,” “think,” “may,” “could,” “will,” “estimate,” “continue,” “anticipate,” “intend,” “seek,” “plan,” “expect,” “should,” “would” and similar expressions in this report. Such statements are based on currently available operating, financial and competitive information and are subject to various risks, uncertainties and assumptions that could cause actual results to differ materially from those anticipated or implied in our forward-looking statements. Such risks, uncertainties and assumptions include, among other things:

- our ability to attract and retain customers in an extremely competitive marketplace;
- changes in economic conditions, including interest rates, consumer credit conditions, unemployment and other macro-economic factors that could adversely affect the demand for the services we provide;
- the impact of competitors’ initiatives;
- our ability to successfully implement product offerings and execute effectively on our planned coverage expansion, launches of markets we acquired in the Federal Communications Commission’s, or FCC’s, auction for Advanced Wireless Services, or Auction #66, market trials and introductions of higher-speed data services and other strategic activities;
- our ability to obtain roaming services from other carriers at cost-effective rates;
- delays in our market expansion plans, including delays resulting from any difficulties in funding such expansion through our existing cash, cash generated from operations or additional capital, delays in the availability of handsets for the Advanced Wireless Services, or AWS, spectrum we acquired in Auction #66, or delays by existing U.S. government and other private sector wireless operations in clearing the AWS spectrum, some of which users are permitted to continue using the spectrum for several years;
- our ability to attract, motivate and retain an experienced workforce;
- our ability to comply with the covenants in our senior secured credit facilities, indenture and any future credit agreement, indenture or similar instrument;
- failure of our network or information technology systems to perform according to expectations; and
- other factors detailed in “Item 1A. Risk Factors” below.

All forward-looking statements in this report should be considered in the context of these risk factors. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. In light of these risks and uncertainties, the forward-looking events and circumstances discussed in this report may not occur and actual results could differ materially from those anticipated or implied in the forward-looking statements. Accordingly, users of this report are cautioned not to place undue reliance on the forward-looking statements.

Item 1. Business

Overview

We are a wireless communications carrier that offers digital wireless service in the U.S. under the “Cricket®” brand. Our Cricket service offers customers unlimited wireless service for a flat monthly rate without requiring a fixed-term contract or credit check.

Cricket service is offered by Cricket, a wholly owned subsidiary of Leap, and is also offered in Oregon by LCW Wireless Operations, LLC, or LCW Operations, a designated entity under FCC regulations. Cricket owns an indirect 73.3% non-controlling interest in LCW Operations through a 73.3% non-controlling interest in LCW Wireless, LLC, or LCW Wireless. Cricket also owns an 82.5% non-controlling interest in Denali Spectrum, LLC, or Denali, which purchased a wireless license in Auction #66 covering the upper mid-west portion of the U.S. as a designated entity through its wholly owned subsidiary, Denali Spectrum License, LLC, or Denali License. We consolidate our interests in LCW Wireless and Denali in accordance with Financial Accounting Standards Board Interpretation No., or FIN, 46(R), “Consolidation of Variable Interest Entities,” because these entities are variable interest entities and we will absorb a majority of their expected losses.

Leap was formed as a Delaware corporation in 1998. Leap’s shares began trading publicly in September 1998 and we launched our innovative Cricket service in March 1999. On April 13, 2003, we filed voluntary petitions for relief under Chapter 11 in federal bankruptcy court. On August 16, 2004, our plan of reorganization became effective and we emerged from Chapter 11 bankruptcy. On that date, a new board of directors of Leap was appointed, Leap’s previously existing stock, options and warrants were cancelled, and Leap issued 60 million shares of new Leap common stock for distribution to two classes of creditors. See “— Chapter 11 Proceedings Under the Bankruptcy Code” below. On June 29, 2005, Leap’s common stock became listed for trading on the NASDAQ National Market (now known as the NASDAQ Global Market) under the symbol “LEAP.” Effective July 1, 2006, Leap’s common stock became listed for trading on the NASDAQ Global Select Market, also under the symbol “LEAP.” Leap conducts operations through its subsidiaries and has no independent operations or sources of operating revenue other than through dividends, if any, from its subsidiaries.

Cricket Business Overview

Cricket Service

At December 31, 2007, Cricket service was offered in 23 states and had approximately 2.9 million customers. As of December 31, 2007, we, LCW License, LLC, or LCW License (a wholly owned subsidiary of LCW Wireless), and Denali License owned wireless licenses covering an aggregate of 186.5 million POPs (adjusted to eliminate duplication from overlapping licenses). The combined network footprint in our operating markets covered approximately 54 million POPs at the end of 2007, which includes new markets launched in 2007 and incremental POPs attributed to ongoing footprint expansion. The licenses we and Denali License purchased in Auction #66, together with the existing licenses we own, provide 20 MHz of coverage and the opportunity to offer enhanced data services in almost all markets in which we currently operate or are building out, assuming Denali License were to make available to us certain of its spectrum.

In addition to the approximately 54 million POPs we covered at the end of 2007 with our combined network footprint, we estimate that we and Denali License hold licenses in markets that cover up to approximately 85 million additional POPs that are suitable for Cricket service, and we and Denali License have already begun the build-out of some of our Auction #66 markets. We and Denali License expect to cover up to an additional 12 to 28 million POPs by the end of 2008, bringing total covered POPs to between 66 and 82 million by the end of 2008. We and Denali License may also develop some of the licenses covering these additional POPs through partnerships with others.

The AWS spectrum that was auctioned in Auction #66 currently is used by U.S. federal government and/or incumbent commercial licensees. Several federal government agencies have cleared or announced plans to promptly clear spectrum covered by licenses we and Denali License purchased in Auction #66. Other agencies, however, have not yet finalized plans to relocate their use to alternative spectrum. If these agencies do not relocate to alternative spectrum within the next several months, their continued use of the spectrum covered by licenses we and Denali License purchased in Auction #66 could delay the launch of certain markets.

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We continue to seek additional opportunities to enhance our current market clusters and expand into new geographic markets by participating in FCC spectrum auctions, by acquiring spectrum and related assets from third parties, and/or by participating in new partnerships or joint ventures. We also expect to continue to look for opportunities to optimize the value of our spectrum portfolio. Because some of the licenses that we and Denali License hold include large regional areas covering both rural and metropolitan communities, we and Denali License may sell some of this spectrum and pursue the deployment of alternative products or services in portions of this spectrum.

We expect that we will continue to build out and launch new markets and pursue other strategic expansion activities for the next several years. We intend to be disciplined as we pursue these expansion efforts and to remain focused on our position as a low-cost leader in wireless telecommunications. We expect to achieve increased revenues and incur higher operating expenses as our existing business grows and as we build out and after we launch service in new markets. Large-scale construction projects for the build-out of our new markets will require significant capital expenditures and may suffer cost overruns. Any such significant capital expenditures or increased operating expenses would decrease earnings, operating income before depreciation and amortization, or OIBDA, and free cash flow for the periods in which we incur such costs. However, we are willing to incur such expenditures because we expect our expansion activities will be beneficial to our business and create additional value for our stockholders.

We believe that our business model is different from most other wireless companies. Our services primarily target market segments underserved by traditional communications companies: our customers tend to be younger, have lower incomes and include a greater percentage of ethnic minorities. We have designed the Cricket service to appeal to customers who value unlimited mobile calling with a predictable monthly bill and who make the majority of their calls from within Cricket service areas. Our internal customer surveys indicate that approximately 65% of our customers use our service as their sole phone service and approximately 90% as their primary phone service. For the year ended December 31, 2007, our customers used our Cricket service for an average of approximately 1,450 minutes per month, which we believe was substantially above the U.S. wireless national carrier customer average.

The majority of wireless customers in the U.S. subscribe to post-pay services that may require credit approval and a contractual commitment from the subscriber for a period of at least one year, and include overage charges for call volumes in excess of a specified maximum. According to International Data Corporation, U.S. wireless penetration was approximately 80% at December 31, 2007. We believe that a large portion of the remaining growth potential in the U.S. wireless market consists of customers who are price-sensitive, who have lower credit scores or who prefer not to enter into fixed-term contracts. We believe our services appeal strongly to these customer segments. We believe that we are able to serve these customers and generate significant OIBDA because of our high-quality network and low customer acquisition and operating costs.

We believe that our business model is scalable and can be expanded successfully into adjacent and new markets because we offer a differentiated service and an attractive value proposition to our customers at costs significantly lower than most of our competitors. As part of this expansion strategy, for example:

- We increased our combined network footprint by approximately 6 million POPs during 2007. We and Denali License expect to cover up to an additional 12 to 28 million POPs by the end of 2008, and expect to cover up to an additional 28 to 50 million POPs by the end of 2010.
- In January 2008, we agreed to exchange an aggregate of 20 MHz of disaggregated spectrum under certain of our existing PCS licenses in Tennessee, Georgia and Arkansas for an aggregate of 30 MHz of disaggregated and partitioned spectrum in New Jersey and Mississippi under certain of Sprint Nextel's existing wireless licenses. Completion of this transaction is subject to customary closing conditions, including FCC approval.
- In April 2007, Denali License was awarded a wireless license covering 59.9 million POPs (which includes markets covering 5.8 million POPs which overlap with certain licenses we purchased in Auction #66).

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- In December 2006, we purchased 99 wireless licenses in Auction #66 covering 124.9 million POPs (adjusted to eliminate duplication among certain overlapping Auction #66 licenses).
- In November 2006, we completed the purchase of 13 wireless licenses in the Carolinas for an aggregate purchase price of \$31.8 million. During 2007, we launched Cricket service in select new markets in North and South Carolina, adding approximately 1.9 million POPs to our network footprint.
- In August 2006, we exchanged our wireless license in Grand Rapids, Michigan for a wireless license in Rochester, New York to form a new market cluster with our existing Buffalo and Syracuse markets in upstate New York. In June 2007, we launched Cricket service in Rochester, New York, resulting in an expanded regional network footprint covering 2.4 million POPs.
- In July 2006, we acquired a non-controlling membership interest in LCW Wireless, which held a license for the Portland, Oregon market and to which we contributed, among other things, our existing Eugene and Salem, Oregon markets. LCW Wireless launched Cricket service in the Portland, Oregon market in December 2006, creating a new expanded network footprint in Oregon covering 2.7 million POPs.

Cricket Business Strategy

- *Target Underserved Customer Segments.* Our services are targeted primarily toward market segments underserved by traditional communications companies. On average, our customers tend to be younger and have lower incomes than the customers of other wireless carriers. Moreover, our customer base also reflects a greater percentage of ethnic minorities than those of the national carriers. We believe these underserved market segments are among the fastest growing population segments in the U.S.
- *Continue to Develop and Evolve Products and Services.* We continue to develop and evolve our product and service offerings to better meet the needs of our target customer segments. For example, during the last two years, we began to offer unlimited wireless broadband internet, added unlimited mobile web access to our product portfolio, and introduced new higher-priced, higher-value rate plans that allow unlimited calling from any Cricket calling area. With the completion of our deployment of CDMA2000[®] 1xEV-DO, or EvDO, technology across all of our existing and new markets, we are able to offer an expanded array of services to our customers, including high-demand wireless data services such as mobile content and high quality music downloads at speeds of up to 2.4 Megabits per second. We believe these and other enhanced data offerings will be attractive to many of our existing customers and will enhance our appeal to new data-centric customers. We expect to continue to develop our voice and data product and service offerings in 2008 and beyond.
- *Build Our Brand and Strengthen Our Distribution.* We are focused on building our brand awareness in our markets and improving the productivity of our distribution system. Since our target customer base is diversified geographically, ethnically and demographically, we have decentralized our marketing programs to support local customization and better target our advertising expenses. We have redesigned and re-merchandized our stores and introduced a new sales process aimed at improving both the customer experience and our revenue per user. We have also established our premier dealer program, and we are in the process of enabling our premier dealers and other indirect dealers to provide greater customer support services. We expect these changes will enhance the customer experience and improve customer satisfaction.
- *Maintain Industry Leading Cost Structure.* Our networks and business model are designed to provide service to our customers at a significantly lower cost than many of our competitors. As we continue to build out new markets, we expect to continue to spread our fixed costs over a growing customer base. We seek to maintain low customer acquisition costs through focused sales and marketing initiatives and cost-effective distribution strategies.

- *Enhance Established Existing Markets.* We continue to expand our network coverage and capacity in many of our existing established markets by deploying additional cell sites, allowing us to offer our customers a larger local calling area. During 2007, we deployed approximately 300 new cell sites in our established existing markets, thereby adding approximately 2 million POPs to our network footprint in these markets. For example, in Arizona we significantly expanded our network footprint in our Phoenix and

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Tucson markets and are joining these two markets into a single, contiguous local calling area for the first time. We expect to deploy approximately 250 cell sites in our established existing markets during 2008.

- *Develop Market Clusters and Expand Into Attractive Strategic Markets.* We continue to seek additional opportunities to develop and enhance our market clusters and expand into new geographic markets by participating in FCC spectrum auctions, by acquiring spectrum and related assets from third parties, or by participating in new partnerships or joint ventures. An example of our market cluster strategy is the Rochester, New York market we launched in 2007 to create a new market cluster in upstate New York by connecting our existing Buffalo and Syracuse markets. Examples of our strategic market expansion include the central Texas market cluster (including Houston, Austin and San Antonio) and the San Diego, California market that we acquired and launched in 2006. All of these markets meet our internally developed criteria concerning customer demographics and population density which we believe enable us to offer Cricket service on a cost-competitive basis in these markets. We also anticipate that the licenses we and Denali License purchased in Auction #66 will provide the opportunity to substantially enhance our coverage area and allow us and Denali License to launch Cricket service in numerous new markets over time, with new market launches expected to begin in 2008.

Cricket Business Operations

Products and Services

Cricket Service Plans. Our service plans are designed to attract customers by offering simple, predictable and affordable wireless services that are a competitive alternative to traditional wireless and wireline services. Unlike traditional wireless services, we offer service on a flat-rate, unlimited usage basis, without requiring fixed-term contracts, early termination fees or credit checks. Our service plans allow our customers to place unlimited calls within Cricket service areas and receive unlimited calls from anywhere in the world.

In April 2007, we launched a new suite of Cricket rate plans, which all include unlimited wireless services, the foundation of our business. Our new premium plans offer unlimited local and U.S. long distance service from any Cricket service area and unlimited use of multiple calling features and messaging services, bundled with specified roaming minutes in the continental U.S. (previously only available a la carte) or unlimited mobile web access and directory assistance. Our most popular plan combines unlimited local and U.S. long distance service from any Cricket service area with unlimited use of multiple calling features and messaging services. In addition, we offer basic service plans that allow customers to make unlimited calls within their Cricket service area and receive unlimited calls from any area, combined with unlimited messaging and unlimited U.S. long distance service options. We have also launched a new weekly rate plan, Cricket By Week, and a flexible payment option, BridgePay, which give our customers greater flexibility in the use and payment of wireless service and which we believe will help us to improve customer retention.

With the completion of our deployment of EvDO technology across all of our existing and new markets, we are able to offer an expanded array of services to our customers, including high-demand wireless data services such as mobile content and high quality music downloads at speeds of up to 2.4 Megabits per second. We expect to continue to develop our product and service offerings in 2008 and beyond to better meet our customers' needs.

Cricket Plan Upgrades. We continue to evaluate new product and service offerings in order to enhance customer satisfaction and attract new customers. Examples of services that customers can add to their plans include: packages of international calling minutes to Canada and/or Mexico; roaming service packages, which allow our customers to use their Cricket phones outside of their Cricket service areas on a prepaid basis; and Cricket Flex Bucket[®] service, which allows our customers to pre-purchase services (including additional directory assistance calls, roaming services, domestic and international long distance, ring tones, premium short message service (SMS) and text messaging to wireless users) and applications (including customized ring tones, wallpapers, photos, greeting cards, games and news and entertainment message deliveries) on a prepaid basis.

Handsets. Our handsets range from high-end to budget low-cost models, and include models that provide mobile web browsers, picture-enabled caller ID, color screens, high-resolution cameras with digital zoom and flash,

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integrated FM radio and MP3 stereo, USB, infrared and Bluetooth connectivity, over 20MB of on-board memory, and other features to facilitate digital data transmission. Currently, all of the handsets that we offer use CDMA2000 1xRTT, or CDMA 1xRTT, technology. In addition, we occasionally offer selective handset upgrade incentives for customers who meet certain criteria.

Handset Replacement and Returns. We facilitate warranty exchanges between our customers and the handset manufacturers for handset issues that occur during the applicable warranty period, and we work with a third party who provides our customers with an extended handset warranty/insurance program. Customers have limited rights to return handsets and accessories based on the time elapsed since purchase and usage. Returns of handsets and accessories have historically been negligible.

Cricket Wireless Internet Service. In September 2007, we introduced our first unlimited wireless broadband service in select markets. Like our Cricket unlimited service plans, this service allows customers to access the internet through their laptops for one low, flat rate with no long-term commitments or credit checks, and brings low-cost broadband data capability to the unlimited wireless segment. During 2008, we expect to expand the availability of our unlimited wireless broadband service.

Jump[®] Mobile. Our per-minute prepaid service, Jump Mobile, brings Cricket's attractive value proposition to customers who prefer active control over their wireless usage and allows us to better target the urban youth market. Our Jump Mobile plan allows our customers to receive unlimited calls from anywhere in the world at any time, and to place calls to any place in the U.S. (excluding Alaska) at a flat rate of \$0.10 per minute, provided they have sufficient funds in their account. In addition, our Jump Mobile customers receive free unlimited inbound and outbound text messaging, provided they have a credit balance in their account, as well as access to roaming service (for \$0.69 per minute), international long distance service, and other services and applications.

Customer Care and Billing

Customer Care. We outsource our call center operations to multiple call center vendors and strive to take advantage of call centers in the U.S. and abroad to continuously improve the quality of our customer care and reduce the cost of providing care to our customers. One of our international call centers is located in Central America, which facilitates the efficient provision of customer support to our large and growing Spanish-speaking customer segment.

Billing and Support Systems. We outsource our billing, provisioning, and payment systems with external vendors and also contract out our bill presentment, distribution and fulfillment services to external vendors.

Sales and Distribution

Our sales and distribution strategy is to continue to increase our market penetration, while minimizing expenses associated with sales, distribution and marketing, by focusing on improving the sales process for customers and by offering easy-to-understand service plans and attractive handset pricing and promotions. We believe our sales costs are lower than traditional wireless providers in part because of this streamlined sales approach.

We sell our Cricket handsets and service primarily through two channels: Cricket's own retail locations and kiosks (the direct channel); and authorized dealers and distributors, including premier dealers, local market authorized dealers, national retail chains and other indirect distributors (the indirect channel). Premier dealers are independent dealers that sell Cricket products, usually exclusively, in stores that look and function similar to our company-owned stores, enhancing the in-store experience and the level of customer service for customers and expanding our brand presence within a market. As of December 31, 2007, we and LCW Operations had 152 direct locations and 2,690 indirect distributors, including approximately 790 premier dealers. Our direct sales locations were responsible for approximately 22% of our gross customer additions in 2007. Premier dealers tend to generate significantly more business than other indirect dealers. We strategically place our direct and indirect retail locations to enable us to focus on our target customer demographic and provide the most efficient market coverage while minimizing cost. As a result of our product design and cost efficient distribution system, we have been able to

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achieve a cost per gross customer addition, or CPGA, which measures the average cost of acquiring a new customer, that is significantly lower than most of our competitors.

We are focused on building and maintaining brand awareness in our markets and improving the productivity of our distribution system. We combine mass and local marketing strategies to build brand awareness of the Cricket service within the communities we serve. In order to reach our target segments, we advertise primarily on radio stations and, to a lesser extent, on television and in local publications. We also maintain the Cricket website (www.mycricket.com) for informational, e-commerce, and customer service purposes. Some third party internet retailers sell the Cricket service over the internet and, working with a third party, we have also developed and launched internet sales on our Cricket website. We also have redesigned and re-merchandized our stores and introduced a new sales process aimed at improving both the customer experience and our average revenue per user.

As a result of these marketing strategies and our unlimited calling value proposition, we believe our advertising expenditures are generally at much lower levels than those of traditional wireless carriers. We also believe that our CPGA is one of the lowest in the industry. See “Part II — Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations — Performance Measures.”

Network and Operations

We have deployed in each of our markets a high quality CDMA 1xRTT network that delivers high capacity and outstanding quality at a low cost that can be easily upgraded to support enhanced capacity. During 2007, we completed the upgrade to EvDO technology in all existing and new markets, providing us the technical ability to support next generation high-speed data services. Our network has regularly been ranked by third party surveys commissioned by us as one of the top networks within the advertised coverage area in the markets Cricket serves.

Our service is based on providing customers with levels of usage equivalent to landline service at prices substantially lower than those offered by most of our wireless competitors for similar usage and at prices that are competitive with unlimited wireline plans. We believe our success depends on operating our CDMA 1xRTT network to provide high quality, concentrated coverage and capacity rather than the broad, geographically dispersed coverage provided by traditional wireless carriers. CDMA 1xRTT technology provides us substantially higher capacity than other technologies, such as global system for mobile communications (GSM).

As of December 31, 2007, our wireless network consisted of approximately 5,100 cell sites (most of which are co-located on leased facilities), a Network Operations Center, or NOC, and 31 switches in 33 switching centers. A switching center serves several purposes, including routing calls, supervising call originations and terminations at cell sites, managing call handoffs and access to and from the public switched telephone network, or PSTN, and other value-added services. These locations also house platforms that enable services including text messaging, picture messaging, voice mail and data services. Our NOC provides dedicated, 24 hours per day monitoring capabilities every day of the year for all network nodes to ensure highly reliable service to our customers.

Our switches connect to the PSTN through fiber rings leased from third party providers which facilitate the first leg of origination and termination of traffic between our equipment and both local exchange and long distance carriers. We have negotiated interconnection agreements with relevant exchange carriers in each of our markets. We use third party providers for long distance services and for backhaul services carrying traffic to and from our cell sites and switching centers.

We monitor network quality metrics, including dropped call rates and blocked call rates. We also engage an independent third party to test the network call quality offered by us and our competitors in the markets where we offer service. According to the most recent results, we rank first or second in network quality within most of our core market footprints.

We generally build out our Cricket network in local population centers of metropolitan communities serving the areas where our customers live, work and play. During 2007, we expanded our network coverage and capacity in many of our existing markets, allowing us to offer our customers a larger local calling area. During this period, we deployed approximately 300 new cell sites in our established existing markets, thereby adding approximately 2 million POPs to our network footprint in these markets. For example, in Arizona we significantly expanded our network footprint in our Phoenix and Tucson markets and are joining these two markets into a

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single, contiguous local calling area for the first time. We expect to deploy approximately 250 cell sites in our established existing markets during 2008.

Some of the Auction #66 licenses we and Denali License purchased include large regional areas covering both rural and metropolitan communities. Based on our preliminary analysis of the potential new markets covered by these Auction #66 licenses, we believe that a significant portion of the POPs included within such new licenses may not be well suited for Cricket service. Therefore, among other things, we and/or Denali License may seek to partner with others, sell spectrum or pursue alternative products or services to utilize or benefit from the spectrum not otherwise used for Cricket service.

Arrangements with LCW Wireless

In July 2006, we acquired a 72% non-controlling membership interest in LCW Wireless. In December 2006, we completed the replacement of certain network equipment of LCW Operations, entitling us to receive additional membership interests in LCW Wireless. The membership interests in LCW Wireless are now held as follows: Cricket holds a 73.3% non-controlling membership interest; CSM Wireless, LLC, or CSM, holds a 24.7% non-controlling membership interest; and WLPCS Management, LLC, or WLPCS, holds a 2% controlling membership interest. WLPCS contributed \$1.3 million in cash to LCW Wireless in exchange for its controlling membership interest. LCW Wireless is a “very small business” designated entity under FCC regulations, which owned a wireless license for Portland, Oregon and to which we contributed two wireless licenses in Salem and Eugene, Oregon, related operating assets and approximately \$21 million in cash.

LCW Wireless, together with its wholly owned subsidiaries, is a wireless communications carrier that offers digital wireless service in the Oregon market cluster through its subsidiary, LCW Operations, under the Cricket and Jump Mobile brands. LCW Operations launched service in Portland, Oregon in December 2006, creating a market cluster with its existing Salem and Eugene markets covering approximately 2.7 million POPs.

We anticipate that LCW Wireless’ working capital needs will be funded through Cricket’s initial equity contribution and through third party debt financing. In October 2006, LCW Operations entered into a senior secured credit agreement consisting of two term loans for \$40 million in the aggregate. The loans bear interest at LIBOR plus the applicable margin ranging from 2.70% to 6.33%. The obligations under the loans are guaranteed by LCW Wireless and LCW License. Outstanding borrowings under the term loans must be repaid in varying quarterly installments starting in June 2008, with an aggregate final payment of \$24.5 million due in June 2011. Under the senior secured credit agreement, LCW Operations and the guarantors are subject to certain limitations, including limitations on their ability to: incur additional debt or sell assets with restrictions on the use or proceeds; make certain investments and acquisitions; grant liens; pay dividends; and make certain other restricted payments. In addition, LCW Operations will be required to pay down the facilities under certain circumstances if it or the guarantors issue debt, sell assets or generate excess cash flow. The senior secured credit agreement requires that LCW Operations and the guarantors comply with financial covenants related to adjusted earnings before interest, taxes, depreciation and amortization, or EBITDA, gross additions of subscribers, minimum cash and cash equivalents and maximum capital expenditures, among other things.

Limited Liability Company Agreement. In July 2006, Cricket entered into the LLC Agreement of LCW Wireless, LLC, or the LCW LLC Agreement, with CSM and WLPCS. Under the LCW LLC Agreement, a board of managers has the right and power to manage, operate and control LCW Wireless and its business and affairs, subject to certain protective provisions for the benefit of Cricket and CSM. The board of managers is currently comprised of five members, with three members designated by WLPCS (who have agreed to vote together as a block), one member designated by CSM and one member designated by Cricket. In the event that LCW Wireless fails to qualify as an “entrepreneur” and a “very small business” under FCC rules, then in certain circumstances, subject to FCC approval, WLPCS is required to sell its entire equity interest to LCW Wireless or a third party designated by the non-controlling members.

Under the LCW LLC Agreement, during the first five years following the date of the agreement, members generally may not transfer their membership interest, other than to specified permitted transferees or through the exercise of put rights set forth in the LCW LLC Agreement. Following such period, if a member desires to transfer

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its interests in LCW Wireless to a third party, the non-controlling members have a right of first refusal to purchase such interests on a pro rata basis.

Under the LCW LLC Agreement, WLPCS has the option to put its entire equity interest in LCW Wireless to Cricket for a purchase price not to exceed \$3.0 million during a 30-day period commencing on the earlier to occur of August 9, 2010 and the date of a sale of all or substantially all of the assets, or the liquidation, of LCW Wireless. If the put option is exercised, the consummation of this sale will be subject to FCC approval. Alternatively, WLPCS is entitled to receive a liquidation preference equal to its capital contributions plus a specified rate of return, together with any outstanding mandatory distributions owed to WLPCS.

Under the LCW LLC Agreement, CSM also has the option, during specified periods, to put its entire equity interest in LCW Wireless to Cricket in exchange for either cash, Leap common stock, or a combination thereof, as determined by Cricket at its discretion, for a purchase price calculated on a pro rata basis using either the appraised value of LCW Wireless or a multiple of Leap's enterprise value divided by its EBITDA and applied to LCW Wireless' adjusted EBITDA to impute an enterprise value and equity value for LCW Wireless. If Cricket elects to satisfy its put obligations to CSM with Leap common stock, the obligations of the parties are conditioned upon the block of Leap common stock issuable to CSM not constituting more than five percent of Leap's outstanding common stock at the time of issuance.

Management Agreement. In July 2006, Cricket and LCW Wireless entered into a management services agreement, pursuant to which LCW Wireless has the right to obtain management services from Cricket in exchange for a monthly management fee based on Cricket's costs of providing such services plus a mark-up for administrative overhead.

Arrangements with Denali

In May 2006, Cricket and Denali Spectrum Manager, LLC, or DSM, formed Denali as a joint venture to participate (through its wholly owned subsidiary, Denali License) in Auction #66 as a "very small business" designated entity under FCC regulations. Cricket owns an 82.5% non-controlling membership interest and DSM owns a 17.5% controlling membership interest in Denali. DSM, as the sole manager of Denali, has the exclusive right and power to manage, operate and control Denali and its business and affairs, subject to certain protective provisions for the benefit of Cricket. On April 30, 2007, Denali purchased a wireless license in Auction #66 covering the upper mid-west portion of the U.S. as a designated entity through its wholly owned subsidiary Denali License.

Cricket's principal agreements with the Denali entities are summarized below.

Limited Liability Company Agreement. In July 2006, Cricket and DSM entered into an amended and restated limited liability company agreement, or the Denali LLC Agreement, under which Cricket and DSM made equity investments in Denali of approximately \$7.6 million and \$1.6 million, respectively. In October 2006, Cricket and DSM made further equity investments in Denali of \$34.2 million and \$7.3 million, respectively. In September and October 2007, Cricket and Denali made further equity investments in Denali of \$41.8 million and \$8.9 million, respectively.

Under the Denali LLC Agreement, DSM, as the sole manager of Denali, has the exclusive right and power to manage, operate and control Denali and its business and affairs, subject to certain protective provisions for the benefit of Cricket including, among other things, Cricket's consent to the acquisition of wireless licenses or the sale of its wireless licenses or the sale of any additional membership interests. DSM can be removed as the manager of Denali in certain circumstances, including DSM's fraud, gross negligence or willful misconduct, DSM's insolvency or bankruptcy, or DSM's failure to qualify as an "entrepreneur" and a "very small business" under FCC regulations, or other limited circumstances.

During the first ten years following the initial grant of wireless licenses to Denali License, members of Denali generally may not transfer their membership interests to non-affiliates without Cricket's prior written consent. Following such period, if a member desires to transfer its interests in Denali to a third party, Cricket has a right of first refusal to purchase such interests or, in lieu of exercising this right, Cricket has a tag-along right to participate in the sale. DSM may offer to sell its entire membership interest in Denali to Cricket on the fifth anniversary of the

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initial grant of wireless licenses to Denali License and on each subsequent anniversary thereof for a purchase price equal to DSM's equity contributions in cash to Denali, plus a specified return, payable in cash. If exercised, the consummation of the sale will be subject to FCC approval.

Senior Secured Credit Agreement. In July 2006, Cricket entered into a senior secured credit agreement with Denali License and Denali. Pursuant to this agreement, as amended, Cricket loaned to Denali License approximately \$223.4 million to fund the payment of its net winning bid in Auction #66. Under the agreement, Cricket also agreed to loan to Denali License an amount equal to \$0.75 times the aggregate number of POPs covered by the license for which it was the winning bidder (approximately \$44.5 million) to fund a portion of the costs of the construction and operation of the wireless network using such license, which build-out loan sub-facility may be increased from time to time with Cricket's approval. As at December 31, 2007, Cricket had loaned to Denali License approximately \$6.0 million under this build-out loan sub-facility. Loans under the credit agreement accrue interest at the rate of 14% per annum and such interest is added to principal quarterly. All outstanding principal and accrued interest is due on the fourteenth anniversary of the grant date of the wireless license awarded to Denali License in Auction #66. Outstanding principal and accrued interest is amortized in quarterly installments commencing on the tenth anniversary of the license grant date. However, if DSM makes an offer to sell its membership interest in Denali to Cricket under the Denali LLC Agreement and Cricket accepts such offer, then the amortization commencement date under the credit agreement will be extended to the first business day following the date on which Cricket has paid DSM the offer price for its membership interest in Denali. Denali License may prepay loans under the credit agreement at any time without premium or penalty. In February 2008, Cricket entered into a letter of credit and reimbursement agreement, under which Cricket agreed to use reasonable efforts to procure stand-by letters of credit from financial institutions in favor of certain vendors and lessors of Denali in connection with its build-out activities, the aggregate stated amount of which may not exceed \$7.5 million. Denali is required to reimburse Cricket with respect to any drawing under a letter of credit, and to pay interest with respect to any unreimbursed drawing. The obligations of Denali License and Denali under these agreements are secured by all of the personal property, fixtures and owned real property of Denali License and Denali, subject to certain permitted liens.

Management Agreement. In July 2006, Cricket and Denali License entered into a management services agreement, pursuant to which Cricket is to provide management services to Denali License and its subsidiaries in exchange for a monthly management fee based on Cricket's costs of providing such services plus overhead. Under the management services agreement, Denali License retains full control and authority over its business strategy, finances, wireless licenses, network equipment, facilities and operations, including its product offerings, terms of service and pricing. The initial term of the management services agreement is ten years. The management services agreement may be terminated by Denali License or Cricket if the other party materially breaches its obligations under the agreement.

Alaska Native Broadband

In November 2004, we acquired a 75% non-controlling membership interest in Alaska Native Broadband 1, LLC, or ANB 1, whose wholly owned subsidiary, Alaska Native Broadband 1 License, LLC, or ANB 1 License, participated in the FCC's Auction #58. Alaska Native Broadband, LLC, or ANB, owned a 25% controlling membership interest in and was the sole manager of ANB 1, and ANB 1 was the sole member and manager of ANB 1 License. ANB 1 License was eligible to bid on certain restricted licenses offered by the FCC in Auction #58 as a designated entity. In January 2007, ANB exercised its option to sell its entire 25% controlling interest in ANB 1 to Cricket. The FCC approved the application to transfer control of ANB 1 License to Cricket, we closed the sale transaction on March 5, 2007, and ANB and ANB 1 License became guarantors under our senior secured credit agreement, or Credit Agreement, and our senior unsecured indenture. On December 31, 2007, ANB 1 License transferred its wireless licenses to a Cricket subsidiary and ANB 1 and ANB 1 License were merged into Cricket, with Cricket as the surviving entity.

Competition

The telecommunications industry is very competitive. We believe that our primary competition in the U.S. wireless market is with national and regional wireless service providers including Alltel, AT&T, Sprint Nextel (and Sprint Nextel affiliates), T-Mobile, U.S. Cellular and Verizon Wireless. AT&T, Sprint Nextel, T-Mobile

SUBSIDIARIES

Subsidiary Name	Jurisdiction of Incorporation	Other names under which entity does business
Cricket Communications, Inc.	Delaware	Cricket Wireless, Inc.
Cricket Licensee (Reauction), Inc.	Delaware	
Cricket Licensee I, Inc.	Delaware	
Cricket Licensee 2007, LLC	Delaware	
Chasetel Real Estate Holding Company, Inc.	Tennessee	
Cricket Alabama Property Company	Delaware	
Cricket Arizona Property Company	Delaware	
Cricket Arkansas Property Company	Delaware	
Cricket California Property Company	Delaware	
Cricket Colorado Property Company	Delaware	
Cricket Florida Property Company	Delaware	
Cricket Georgia Property Company, Inc.	Delaware	
Cricket Idaho Property Company	Delaware	
Cricket Illinois Property Company	Delaware	
Cricket Indiana Property Company	Delaware	
Cricket Kansas Property Company	Delaware	
Cricket Kentucky Property Company	Delaware	
Cricket Michigan Property Company	Delaware	
Cricket Minnesota Property Company	Delaware	
Cricket Mississippi Property Company	Delaware	
Cricket Nebraska Property Company	Delaware	
Cricket Nevada Property Company	Delaware	
Cricket New Mexico Property Company	Delaware	
Cricket New York Property Company, Inc.	Delaware	
Cricket North Carolina Property Company	Delaware	
Cricket Ohio Property Company	Delaware	
Cricket Oklahoma Property Company	Delaware	
Cricket Oregon Property Company	Delaware	
Cricket Pennsylvania Property Company	Delaware	
Cricket Texas Property Company	Delaware	
Cricket Utah Property Company	Delaware	
Cricket Washington Property Company	Delaware	
Cricket Wisconsin Property Company	Delaware	
Leap Wireless Mexico S.A. de C.V.	Mexico	
Orrengrove Investments Limited	Cyprus	

Exhibit 4



Department of Commerce, Community, and Economic Development
Corporations, Business and Professional Licensing
CORPORATIONS SECTION
PO Box 110808
Juneau AK 99811-0808

**LIMITED LIABILITY COMPANY
NOTICE OF CHANGE OF MEMBERS AND/OR MANAGERS**

Name of LLC Alaska Native Broadband 1, LLC Alaska Entity # 96089

Prior Information

Name	Title
Alaska Native Broadband 1, LLC	Member <u>25%</u>

New Information

Name	Cricket Communications, Inc.	Title	Member	% Ownership	100%
Mailing Address	10307 Pacific Center Court	City	San Diego	State	CA ZIP 92121
Name		Title		% Ownership	
Mailing Address		City		State	ZIP
Name		Title		% Ownership	
Mailing Address		City		State	ZIP

To list additional managers or members, provide the above information on a 8½" x 11" sheet of paper and attach it to this form.

AS 10.50.840. Execution of Documents.

a) Unless otherwise provided in this chapter, a document required by this chapter to be filed with the department by or for a limited liability company shall be signed by

- (1) a manager of the company if the company is managed by a manager;
- (2) a member of the company if the articles of organization do not provide that the company is managed by a manager;
- (3) a person organizing the company if the company is not organized;
- (4) the fiduciary if the company is controlled by a receiver, trustee, or other court-appointed fiduciary.

(b) A person signing a document filed with the department under this chapter shall state beneath or opposite the signature the person's name and the capacity in which the person signs.

(c) A person signing a document filed with the department under this chapter may sign as an attorney-in-fact, but is not required to provide or file with the department a document authorizing the person to act as attorney-in-fact for the signing of a document.

Signature of Authorized Person	Capacity	Date
	PRESIDENT ASRC WIRELESS	JUNE 1, 2007
	SERVICES INC. MANAGER OF ALASKA NATIVE BROADBAND, LLC	

There are no fees associated with this filing. If there is a change in the registered agent of this LLC, a Registered Agent Registered Address Statement of Change form is required. The form is available on our web site at www.corporations.alaska.gov or you can call 907-465-2530 to request the form to be mailed or faxed to you.

Return this form to: State of Alaska
Division of Banking, Securities and Corpo
Corporations Section
PO Box 110808, Juneau, AK 99811-0801

State of Alaska
Zero Dollar Transaction 1 Page(s)



T0715827011

Exhibit 5



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Universal Licensing System

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[FCC Site Map](#)

ULS Application

0002866513 - Cricket Communications, Inc.

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MAIN	ADMIN	TRANS LOG	TRANSFERS	LICENSES	DESIGNATED ENTITY	REVENUE
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File Number	0002866513	Application Status	M - Consummated
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General Information

Application Purpose	TC - Transfer of Control		
Receipt Date	01/08/2007		
Entered Date	01/08/2007	Action Date	04/17/2007
Waiver	No	Number of Rules	
Attachments	Yes		
Application Fee Exempt	No	Waiver/Deferral Fee	No

Licensee Information

FRN	0012200002 (View Ownership Filing)	Type	Limited Liability Company
Name	Alaska Native Broadband 1 License, LLC ATTN Raymond J. Kaufman 3900 C Street Anchorage, AK 99503-5963		P:(907)339-6000 F:(907)339-6028 E:rkaufman@asrc.com
Race		Gender	
Ethnicity			

Licensee Contact Information

Name	Alaska Native Broadband 1 License, LLC ATTN Raymond J. Kaufman 3900 C Street Anchorage, AK 99503-5963	P:(907)339-6000 F:(907)339-6028 E:rkaufman@asrc.com
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Transferor Information

FRN	0015833551 (View Ownership Filing)	Type	Limited Liability Company
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Name	Alaska Native Broadband, LLC ATTN Raymond J. Kaufman 3900 C Street Anchorage, AK 99503-5963	P:(907)339-6000 F:(907)339-6028 E:rkaufman@asrc.com
------	--	---

Race	Gender
Ethnicity	

Transferor Contact Information

Name	Alaska Native Broadband, LLC ATTN Raymond J. Kaufman 3900 C Street Anchorage, AK 99503-5963	P:(907)339-6000 F:(907)339-6028 E:rkaufman@asrc.com
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Transferee Information

FRN	0010202521 (View Ownership)	Type	Corporation
Name	Cricket Communications, Inc. ATTN Robert J. Irving 10307 Pacific Center Court San Diego, CA 92121		P:(858)882-6010 F:(858)882-6080 E:rirving@cricketcommunications.com
Real Party In Interest	Cricket Communications, Inc.	FRN of Real Party in Interest	0010202521
Race		Gender	
Ethnicity			

Transferee Contact Information

Name	Latham & Watkins LLP James H Barker 555 Eleventh Street NW Suite 1000 Washington, DC 20004	P:(202)637-2200 F:(202)637-2201 E:jim.barker@lw.com
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Transferee Qualifications and Ownership Information

Alien Ownership

The Applicant answered "No" to each of the [Alien Ownership](#) questions.

Basic Qualifications

The Applicant answered "No" to each of the [Basic Qualification](#) questions.

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About ULS	Privacy Statement - About ULS - ULS Home
Basic Search	<div style="border: 1px solid #ccc; padding: 2px;"> By File Number <div style="background-color: #e0e0e0; width: 15px; height: 15px; display: inline-block; margin-left: 5px;"></div> </div> <div style="margin-left: 20px;"> <div style="background-color: #e0e0e0; padding: 2px 10px; border: 1px solid #ccc; border-radius: 5px;">SEARCH</div> </div>

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Washington, DC 20554

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Commission of Ohio Docketing Information System on

10/20/2008 3:00:09 PM

in

Case No(s). 08-1007-TP-BLS

Summary: Response of Cincinnati Bell Telephone Company LLC to Opposition by the Office of the Ohio Consumers' Counsel electronically filed by Mr. Douglas E. Hart on behalf of CINCINNATI BELL TELEPHONE COMPANY