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May 6, 2005

**RECEIVED**

MAY 9 2005

PUBLIC SERVICE  
COMMISSION

Ms. Beth A. O'Donnell  
Executive Director  
Kentucky Public Service Commission  
P. O. Box 615  
211 Sower Boulevard  
Frankfort, KY 40602-0615

Re: Notice of Agreement to Contribute, Lease and Sublease between Global Signal Inc. and Sprint Corporation

Dear Ms. O'Donnell:

I am writing on behalf of Sprint Corporation ("Sprint"), and certain Sprint subsidiaries owning property that is used to provide wireless telecommunications services in the Commonwealth of Kentucky. In an effort by Sprint to streamline its operations, Sprint and Global Signal, Inc. ("Global") have entered into an Agreement to Contribute, Lease and Sublease (the "Agreement to Lease") concerning Sprint's wireless towers.

Although Sprint does not believe it necessary to seek Commission approval of the Agreement to Lease, Sprint is providing notice of the same to the Commission. The transaction is expected to close by May 31, 2005. The Agreement to Lease between Global and Sprint is discussed in more detail below.

**Description of Transaction**

Under the Agreement to Lease, Global has agreed to lease from (or, if certain consents have not been obtained, operate for) one or more newly formed special purpose entities of Sprint (collectively, "Sprint TowerCo"), over 6,600 wireless communications tower sites and the related towers and assets (collectively, the "Towers") for a period of 32 years under one or more master leases for which Global has agreed to pay \$1.202 billion as prepaid rent/fees (the "Upfront Rental Payment"), subject to certain conditions, adjustments and pro-rations (the "Sprint Transaction").

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At the Closing, Sprint TowerCo will enter into a Master Lease and Sublease with one or more special purpose entities (collectively, "Lessee") created by Global (the "Master Lease"). The term of the Master Lease will expire in 2037. Except for the Upfront Rental Payment, the Lessee will not be required to make any further payments to Sprint TowerCo for the right to lease or operate the Towers during the term of the Master Lease.

The Lessee will assume all post-Closing obligations under the Tower ground leases or other instruments creating Sprint's interest in the Towers. Additionally, the Lessee will be required to pay all costs of operating the Towers as well as an agreed upon amount of the real and personal property taxes attributable to the Towers. During the period commencing one year prior to the expiration of the Master Lease and ending one hundred and twenty days prior to the expiration of the Master Lease, the Lessee will have the option to purchase all (but not less than all) of the Towers then leased.

The Lessee will be entitled to all revenue from the Towers leased or operated by it during the term of the Master Lease, including amounts payable under existing Tower collocation agreements with third parties. In addition, under the Master Lease, Sprint entities that are part of Sprint's wireless division have agreed to sublease or otherwise occupy collocation space (the "Sprint Collocation Agreement") at approximately 6,400 of the Towers for an initial monthly collocation charge of \$1,400 per Tower (the "Sprint Collocation Charge") for an initial period of ten years. The Sprint Collocation Charge is scheduled to increase each year, beginning January 2006, at a rate equal to the lesser of (i) 3% and (ii) the sum of 2% and the increase in the consumer price index during the prior year.

After ten years, Sprint may terminate the Sprint Collocation Agreement at any or all Towers; provided, however, that if Sprint does not exercise its termination right prior to the end of nine years at a Tower (effective as of the end of the tenth year), the Sprint Collocation Agreement at that Tower will continue for a further five-year period. Sprint may, subsequent to the ten-year initial term, terminate the Sprint Collocation Agreement as to any or all Towers upon the 15th, 20th, 25th, or 30th anniversary of the commencement of the Master Lease.

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**Conclusion**

Given the description of the Agreement to Lease, and its transparent effect to Sprint's wireless customers located within the Commonwealth, Sprint does not believe it is necessary for the Commission to approve this transaction. Sprint respectfully requests that if the Commission believes the Agreement to Lease entered into between Global and Sprint requires approval, that the Commission advise undersigned counsel within ten (10) days from the Commission's receipt of this letter.

Please do not hesitate to contact me if you have any questions. Thank you for your attention to this matter.

Sincerely yours,

A handwritten signature in cursive script that reads "Edward Phillips". The signature is written in black ink and includes a horizontal line extending to the right from the end of the name.

Edward Phillips

HEP:sm

cc: Mr. John Hughes, Esq.  
Mr. John Chapman, Esq.