

SPRINT NEXTEL CORP
Form S-3/A
August 08, 2006

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As filed with the Securities and Exchange Commission on August 8, 2006

Registration No. 333-132734

**SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

**Amendment No. 1
to
Form S-3
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933**

Sprint Nextel Corporation

(Exact name of registrant as specified in its charter)

Kansas

*(State or other jurisdiction of
Incorporation or organization)*

48-0457967

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

**2001 Edmund Halley Drive
Reston, Virginia 20191
(703) 433-4000**

*(Address, including zip code, and telephone number,
including area code, of registrant's principal executive offices)*

**Leonard J. Kennedy, Esq.
General Counsel
Sprint Nextel Corporation
2001 Edmund Halley Drive
Reston, Virginia 20191
(703) 433-4000**

*(Name, address, including zip code, and telephone number,
including area code, of agent for service)*

Copies to:
Lisa A. Stater, Esq.
Jones Day
1420 Peachtree Street, N.E., Suite 800
Atlanta, Georgia 30309-3053
(404) 521-3939

Approximate date of commencement of proposed sale to the public: As soon as practicable following the effective date of this Registration Statement.

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a registration statement pursuant to General Instruction I.D. or a post-effective amendment thereto that shall become effective upon filing with the Commission pursuant to Rule 462(e) under the Securities Act, check the following box.

If this Form is a post-effective amendment to a registration statement filed pursuant to General Instruction I.D. filed to register additional securities or additional classes of securities pursuant to Rule 413(b) under the Securities Act, check the following box.

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered	Proposed Maximum Offering Price per Unit(2)	Proposed Maximum Aggregate Offering Price(2)	Amount of Registration Fee(2)
Guarantees of debt securities issued by Alamosa (Delaware), Inc. and AirGate PCS, Inc.(1)	\$675,561,000(2)	100%(2)	\$675,561,000(2)	\$72,285(2)

(1) This registration statement relates to the offer by Sprint Nextel Corporation to fully and unconditionally guarantee certain outstanding debt securities of Alamosa (Delaware), Inc. and AirGate PCS, Inc. in return for the consent of the holders of the debt securities to amendments to the indentures under which the debt securities were issued.

(2)

The registration fee has been calculated in accordance with Rule 457 of the Securities Act of 1933, as amended. For purposes of this calculation, the maximum aggregate offering price, which is estimated solely for the purpose of calculating the registration fee, is the aggregate book values of the Alamosa (Delaware), Inc. and AirGate PCS, Inc. debt securities that would be amended and receive the guarantees registered hereby, which are \$500,561,000 and \$175,000,000, respectively. Sprint Nextel Corporation previously paid a registration fee of \$114,245, as the amount of guarantees being registered was originally \$1,067,706,300. Subsequent to the filing of the initial registration statement, certain of the notes proposed to be guaranteed were redeemed, resulting in a reduction in the proposed maximum aggregate offering price of the guarantees being registered. Consequently, the amount of the registration fee has also been reduced accordingly.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until this Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

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The information in this prospectus is not complete and may be changed. We may not sell or offer these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and we are not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

Subject to Completion, Dated August 8, 2006

Prospectus

**SPRINT NEXTEL CORPORATION
Consent Solicitation and Offer to Guarantee**

**11% Senior Notes due 2010
(\$250,561,000 principal amount outstanding)
(CUSIP No. 11588 AE 0)** **and** **8 1/2% Senior Notes due 2012
(\$250,000,000 principal amount outstanding)
(CUSIP No. 11588 AH 3)**

of

ALAMOSA (DELAWARE), INC.

and

**First Priority Senior Secured Floating Rate Notes due 2011
(\$175,000,000 principal amount outstanding)
(CUSIP No. 09367 AF 0)**

of

AIRGATE PCS, INC.

**The consent solicitation will expire at 5:00 p.m.,
New York City time, on Friday, August 25, 2006, unless extended.**

We are offering to fully and unconditionally guarantee the above notes of our subsidiaries, Alamosa (Delaware), Inc. and AirGate PCS, Inc., in return for your consent to proposed amendments to the indentures under which the notes were issued. The guarantees will be issued if the holders of a majority in aggregate principal amount of each of the classes of the above notes consent to the proposed amendments. These proposed amendments would amend certain covenants contained in the indentures governing the above notes to provide us with the operational flexibility to integrate more effectively Alamosa's and AirGate's businesses with ours and substitute certain reports we file with the Securities and Exchange Commission, or SEC, for those of Alamosa and AirGate, respectively. If we receive the required consents, and the guarantees are issued, our guarantees of your notes will rank equal to all of our other existing and future senior unsecured indebtedness.

For a discussion of factors you should consider before you decide whether to consent, see Risk Factors beginning on page 7.

The expiration date for the consent solicitation is 5:00 p.m., New York City time, on Friday, August 25, 2006 unless extended.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities, nor have any of these organizations determined that this prospectus is accurate or complete. Any representation to the contrary is a criminal offense.

The solicitation agent for the consent solicitation is:

Bear, Stearns & Co. Inc.

The date of this prospectus is August , 2006

REFERENCES TO ADDITIONAL INFORMATION

As used in this prospectus, we, us or our refers to Sprint Nextel Corporation (formerly known as Sprint Corporation). Alamosa Holdings refers to Alamosa Holdings, Inc., our wholly owned subsidiary, Alamosa refers to Alamosa (Delaware), Inc. and AirGate refers to AirGate PCS, Inc., wholly owned subsidiaries of Alamosa Holdings, and Nextel Communications or Nextel refers to Nextel Communications, Inc. prior to its merger with and into one of our wholly owned subsidiaries and, thereafter, to that subsidiary as the surviving corporation in that merger (which was renamed Nextel Communications, Inc.), in each case, together with such corporation's subsidiaries. This prospectus incorporates important business and financial information about us that is not included in or delivered with this prospectus. You may obtain documents that we file with the SEC and incorporate by reference into this prospectus by requesting the documents, in writing or by telephone, from the SEC or from:

Sprint Nextel Corporation
 2001 Edmund Halley Drive
 Reston, Virginia 20191
 Attention: Investor Relations
 Telephone: (703) 433-4300

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PROSPECTUS SUMMARY

This summary highlights basic information about us, Alamosa, AirGate, the consent solicitation and the guarantees, but does not contain all information important to you. You should read the more detailed information and consolidated financial statements and the related notes incorporated by reference into this prospectus.

Overview

Sprint Nextel

2001 Edmund Halley Drive
Reston, Virginia 20191
(703) 433-4000

On August 12, 2005, Nextel Communications merged with one of our wholly owned subsidiaries. In connection with the merger, we changed our name from Sprint Corporation to Sprint Nextel Corporation. We offer a comprehensive suite of wireless and long distance wireline communications products and services to individuals, small businesses, large enterprises and government customers. We own extensive wireless networks and a global long distance, Tier 1 Internet backbone. At the time that we announced the merger with Nextel, we also announced that we intended to spin-off our local communications business. We completed the spin-off on May 17, 2006.

Alamosa and AirGate

5225 S. Loop 289
Lubbock, Texas 79424
(800) 722-1100

Alamosa and AirGate are principally engaged in the ownership and operation of wireless communications. Alamosa and AirGate are personal communications services, or PCS, providers and have the right to provide wireless services under the Sprint® brand name within their service areas. On February 1, 2006, we completed the acquisition of Alamosa and AirGate by merging one of our wholly owned subsidiaries with Alamosa Holdings.

The indentures governing the 11% Senior Notes due 2010 and 8 1/2% Senior Notes due 2012 of Alamosa contain provisions that require Alamosa to make an offer to repurchase these notes upon a change in control. The indenture governing the First Priority Senior Secured Floating Rate Notes due 2011 of AirGate contains a similar provision that requires AirGate to make an offer to repurchase these notes upon a change in control. Our acquisition of Alamosa Holdings triggered these provisions.

On February 15, 2006, Alamosa initiated an offer to purchase its outstanding 11% Senior Notes due 2010 and 8 1/2% Senior Notes due 2012. On February 15, 2006, AirGate also initiated an offer to purchase its outstanding First Priority Senior Secured Floating Rate Notes due 2011. Each of the offers expired on March 16, 2006, and in connection with those offers, \$334,000 in aggregate principal amount of the 11% notes were validly tendered and not withdrawn. See Description of the Amended 11% Notes and 8 1/2% Notes Repurchase at the Option of Holders Upon a Change of Control, and Description of the Amended AirGate Notes Repurchase at the Option of Holders Change of Control.

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Use of Proceeds

We will not receive any cash proceeds from the issuance of our guarantees.

The Consent Solicitation

The Notes

11% Senior Notes due 2010, or 11% notes.

8 1/2% Senior Notes due 2012, or 8 1/2% notes, which, together with the 11% notes, are referred to in this prospectus as the Alamosa notes.

First Priority Senior Secured Floating Rate Notes due 2011, or first priority notes, which are also referred to in this prospectus as the AirGate notes, and, collectively with the Alamosa notes, are referred to in this prospectus as the notes.

The Consent Solicitation

We are soliciting consents from the holders of the notes to the proposed amendments described below. See The Consent Solicitation. We will provide our guarantees if consents to the proposed amendments have been validly submitted and not withdrawn by holders of record of a majority in aggregate principal amount of each of the series of notes.

Record Date

August 4, 2006

Proposed Amendments

We are making the consent solicitation to amend certain covenants contained in the indentures governing the notes to provide us with the operational flexibility to integrate more effectively our and Alamosa's and AirGate's respective businesses and substitute our financial reports that we file with the SEC for those of Alamosa and AirGate, respectively. The proposed amendments would, among other things:

- modify the definition of Asset Sale to exclude specifically any transfer or sale of assets from Alamosa or AirGate, or their respective restricted subsidiaries to us or any of our other direct or indirect subsidiaries;

- permit Alamosa and AirGate to provide our periodic reports and other information filed with the SEC to the holders of the notes, in lieu of separate reports and information relating only to Alamosa and AirGate, respectively; and

- modify the affiliate transactions covenant to permit Alamosa and AirGate, and their respective restricted subsidiaries, to engage in transactions with us and any of our other direct or indirect subsidiaries, so long as such transactions are on terms that are no less favorable to Alamosa, AirGate and their respective restricted subsidiaries than those that would have been obtained in comparable transactions by Alamosa, AirGate and their respective restricted subsidiaries with an unrelated person, without having to obtain:

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an independent fairness opinion; or

except in transactions above a certain dollar threshold, the approval of Alamosa's and AirGate's respective boards of directors.

The Supplemental Indentures

The proposed amendments to the indentures would be set forth in supplemental indentures to be executed by Alamosa, its subsidiary guarantors and the trustee with respect to the Alamosa notes, and AirGate, its subsidiary guarantors and the trustee with respect to the AirGate notes, promptly following the expiration date, if the required consents have been obtained. If the proposed amendments become effective, each indenture, as amended, will apply to each holder of the corresponding notes, regardless of whether that holder delivered a consent to the proposed amendments.

Expiration Date; Waiver; Amendment; Termination

The consent solicitation will expire at 5:00 p.m., New York City time, on Friday, August 25, 2006, unless extended in respect of any or all series of the notes. We expressly reserve the right to waive or modify any term of, or terminate, the consent solicitation in respect of any or all series of the notes.

Required Consents

The proposed amendments to the indentures governing the Alamosa notes require the consent of the holders of a majority in aggregate principal amount of each series of the Alamosa notes for the proposed amendments to any of the indentures to become operative. We may waive this requirement, however, for either series of the Alamosa notes, if we receive the required consents from the holders of a majority of that series of notes.

The proposed amendments to the indenture governing the AirGate notes require the consent of the holders of a majority in aggregate principal amount of the AirGate notes for the proposed amendments to the indenture to become operative.

Revocation of Consents

A holder of notes may revoke a previously submitted consent at any time prior to the expiration date by following the procedures set forth herein.

Guarantees

We are offering to fully and unconditionally guarantee Alamosa's payment obligations under the Alamosa notes and the indentures governing the Alamosa notes, or the Alamosa indentures, and AirGate's payment obligations under the AirGate notes and the indenture governing the AirGate notes, or the AirGate indenture, which, collectively with the Alamosa indentures, are referred to in this prospectus as the indentures, on a senior, unsecured basis, if the proposed amendments to the Alamosa indentures and the AirGate indenture become effective. If the guarantees are issued and Alamosa cannot make any payment on either of the Alamosa notes or AirGate cannot make any payment on the AirGate notes, we would be required to make the payment instead.

United States Federal Income Tax
Considerations

Although the issue is not free from doubt, we believe that a holder of
notes should not recognize any income, gain or loss as a result

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of the implementation of the proposed amendments to the indentures governing the notes and the provision of our guarantees. See United States Federal Income Tax Considerations.

Solicitation Agent The solicitation agent for the consent solicitation is Bear, Stearns & Co. Inc.

Consent Agents The consent agents for the consent solicitation are, with respect to the Alamosa notes, Wells Fargo Bank, National Association, or the Alamosa consent agent, and, with respect to the AirGate notes, The Bank of New York, or the AirGate consent agent. The Alamosa consent agent and AirGate consent agent are referred to together in this prospectus as the consent agents.

Information Agent The information agent for the consent solicitation is Georgeson Shareholder Communications, Inc. Additional copies of this prospectus, the letter of consent and other related materials may be obtained from the information agent.

Risk Factors You should read the Risk Factors section beginning on page 7 of this prospectus, as well as other cautionary statements included or incorporated by reference into this prospectus, to ensure that you understand the risks associated with the consent solicitation and the guarantees.

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The following table sets forth our selected historical financial data. The following data as of and for each of the years in the five-year period ended December 31, 2005 have been derived from our audited consolidated financial statements. The consolidated financial statements for the years ended December 31, 2005 and 2004 were audited by KPMG LLP and the consolidated financial statements for each of the years in the three-year period ended December 31, 2003 were audited by Ernst & Young LLP. The statement of operations and balance sheet data as of March 31, 2006 and 2005 have been derived from our unaudited consolidated financial statements. In the opinion of management, all adjustments (consisting only of normal recurring accruals) considered necessary for a fair presentation have been included. The following information should be read together with our consolidated financial statements and the notes related to those financial statements, which are incorporated by reference into this prospectus. The information set forth below is not necessarily indicative of the results of future operations.

	As of or for the Three Months Ended March 31,		As of or for the Years Ended December 31,				
	2006	2005	2005	2004	2003	2002	2001
	(In millions, except per share amounts)						
Statement of Operations Data:							
Net operating revenues	\$ 11,548	\$ 6,936	\$ 34,680	\$ 27,428	\$ 26,197	\$ 26,679	\$ 25,562
Operating income (loss)(1)(2)	863	1,036	3,826	(303)	1,007	2,096	(910)
Income (loss) from continuing operations(1)(2)	419	472	1,801	(1,012)	(292)	451	(1,599)
Net income (loss)(1)(2)	419	472	1,785	(1,012)	1,290	610	(1,447)
Diluted earnings (loss) per common share from continuing operations(1)(2)(3)(4)	\$ 0.14	\$ 0.31	\$ 0.87	\$ (0.71)	\$ (0.21)	\$ 0.32	\$ (1.16)
Basic earnings (loss) per common share from continuing operations(1)(2)(3)(4)	\$ 0.14	\$ 0.32	\$ 0.88	\$ (0.71)	\$ (0.21)	\$ 0.32	\$ (1.16)
Diluted earnings (loss) per common share(3)(4)	\$ 0.14	\$ 0.31	\$ 0.87	\$ (0.71)	\$ 0.91	\$ 0.43	\$ (1.05)
Basic earnings (loss) per common share(3)(4)	\$ 0.14	\$ 0.32	\$ 0.87	\$ (0.71)	\$ 0.91	\$ 0.43	\$ (1.05)
Diluted weighted average common shares outstanding(3)(4)	2,993	1,495	2,054	1,443	1,415	1,404	1,382

Basic weighted average common shares outstanding(3)(4)	2,966	1,477	2,033	1,443	1,415	1,400	1,382
Dividends per common share(5)(6)	0.025	0.125	0.30	Note(6)	Note(6)	Note(6)	Note(6)
Balance Sheet Data:							
Total assets	\$ 102,768	\$ 40,337	\$ 102,580	\$ 41,321	\$ 42,675	\$ 45,113	\$ 45,619
Property, plant and equipment, net	31,449	22,247	31,133	22,628	27,101	28,565	28,786
Total debt (including short-term and long-term borrowings, equity unit notes and redeemable preferred stock)	25,950	16,369	25,926	17,451	19,407	22,273	22,883
Shareholders equity	52,615	13,920	51,937	13,521	13,113	12,108	12,450

- (1) In the first quarter 2006, we recorded net charges reducing our operating income by \$172 million and income from continuing operations by \$105 million. These charges related to merger and integration costs, asset impairments and restructuring charges. In 2005, we recorded net charges reducing our operating

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income by \$844 million and income from continuing operations by \$520 million. These charges related to merger and integration costs, asset impairments, restructurings and hurricane-related costs.

In 2004, we recorded net charges reducing our operating income by \$3.7 billion to an operating loss and reducing income from continuing operations by \$2.3 billion to an overall loss from continuing operations. The charges related primarily to restructurings and a long distance network impairment, partially offset by recoveries of fully reserved MCI Communications Corporation, or MCI, (now Verizon) receivables.

In 2003, we recorded net charges reducing our operating income by \$1.9 billion and reducing income from continuing operations by \$1.2 billion resulting in an overall loss from continuing operations. The charges related primarily to restructurings, asset impairments, and executive separation agreements, offset by recoveries of fully reserved MCI receivables.

In 2002, we recorded charges reducing our operating income by \$402 million and reducing income from continuing operations by \$253 million. The charges related primarily to restructurings, asset impairments and expected loss on MCI receivables.

In 2001, we recorded charges reducing our operating income by \$1.8 billion to an operating loss and increasing the loss from continuing operations by \$1.2 billion. The charges related primarily to restructurings and asset impairments.

- (2) We adopted Statement of Financial Accounting Standards, or SFAS, No. 142, *Goodwill and Other Intangibles*, on January 1, 2002. Accordingly, amortization of goodwill, spectrum licenses and trademarks ceased as of that date because they are indefinite life intangibles.
- (3) As the effects of including the incremental shares associated with options, restricted stock units and employees stock purchase plan shares are antidilutive, both basic loss per share and diluted loss per share reflect the same calculation for the years ended December 31, 2004, 2003 and 2001.
- (4) All per share amounts have been restated, for all periods before 2004, to reflect the recombination of our common stock and PCS common stock as of the earliest period presented at an identical conversion ratio (0.50 shares of our common stock for each share of PCS common stock). The conversion ratio was also applied to dilutive PCS securities (mainly stock options, employees stock purchase plan shares, convertible preferred stock and restricted stock units) to determine diluted weighted average shares on a consolidated basis.
- (5) In the first and second quarter 2005, a dividend of \$0.125 per share was paid. In the third and fourth quarter 2005, the dividend was \$0.025 per share.
- (6) Before the recombination of our two tracking stocks, shares of PCS common stock did not receive dividends. For each of the four years ended December 31, 2004 and prior, shares of our common stock (before the conversion of shares of PCS common stock) received dividends of \$0.50 per share. In the first quarter 2004, shares of our common stock (before the conversion of shares of PCS common stock) received a dividend of \$0.125 per share. In the second, third and fourth quarter 2004, shares of our common stock, which included shares resulting from the conversion of shares of PCS common stock, received quarterly dividends of \$0.125 per share.

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RISK FACTORS

You should carefully consider the risk factors discussed below, as well as the other information included and incorporated by reference into this prospectus, in connection with participation in the consent solicitation.

Risk Factors Relating to the Proposed Amendments to the Indentures

The proposed amendments to the indentures would result in fewer restrictions on Alamosa's and AirGate's conduct than currently exist.

If the proposed amendments to the indentures become effective, the covenants in the amended indentures would generally impose fewer restrictions on Alamosa's and AirGate's conduct than the covenants currently in the indentures. The proposed amendments would allow Alamosa and AirGate to take actions that would otherwise have been restricted or conditioned, including certain transactions with affiliates, and with which you may not agree. For example, if permitted by the collateral documents related to the indentures governing the AirGate notes, the proposed amendments would allow AirGate to sell assets to any of our subsidiaries without using the proceeds to acquire other assets used or useful in AirGate's business. This could result in a decrease in revenues of AirGate that would be available to repay its indebtedness, including the AirGate notes. Similarly, the proposed amendments to the indentures would permit Alamosa and AirGate to engage in transactions with affiliates, which might, in certain circumstances, otherwise require Alamosa and AirGate, respectively, to seek a waiver from noteholders. See "The Consent Solicitation - Description of the Proposed Amendments" and Annexes A through C to this prospectus for more information about the differences between what actions are currently restricted by the covenants currently applicable to the Alamosa notes and AirGate notes and what actions would be restricted by the covenants following the effectiveness of the proposed amendments.

Holders of the notes may be adversely affected if we do not issue our guarantees because, in that case, holders will have a claim only against Alamosa or AirGate, or their respective subsidiary guarantors and not us.

Alamosa and AirGate each have a substantial amount of debt, including their respective obligations under the Alamosa notes and AirGate notes. The indentures governing the Alamosa notes and AirGate notes limit Alamosa's and AirGate's respective abilities to, among other things, borrow more money, which limits their respective abilities to raise additional capital that may be necessary to pay their respective debts, including the notes. If we do not receive the required consents, in which case we would not issue the guarantees, and Alamosa and/or AirGate are unable to satisfy their respective payment obligations on the notes, holders of the notes would have no direct claim against us for these payment obligations.

There can be no assurance that the implementation of the proposed amendments to the indentures and the provision of our guarantees of the notes will not constitute a taxable event for the holders of the notes.

We believe that the adoption of the proposed amendments and the provision of our guarantees of the notes should not constitute a taxable event for the holders of the notes. However, these actions could be treated as significant modifications of the notes resulting in a deemed exchange not treated as a recapitalization for tax purposes. If, contrary to our belief, the implementation of the proposed amendments and the provision of our guarantees were treated in this manner, a holder of the notes would recognize gain or loss in an amount equal to the difference, if any, between the amount realized by the holder in the deemed exchange and the holder's adjusted tax basis in the notes deemed to be exchanged.

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Risk Factors Relating to the Sprint-Nextel Merger and the Spin-off of Embarq

We may not be able to successfully integrate the businesses of Nextel with ours and realize the anticipated benefits of the merger.

Significant management attention and resources are being devoted to integrating the Nextel wireless network and other wireless technologies with ours, as well as the business practices, operations and support functions of the two companies. The challenges we are facing and/or may face in the future in connection with these integration efforts include the following:

integrating our code division multiple access, or CDMA, and integrated Digital Enhanced Network, or iDEN[®], wireless networks, which operate on different technology platforms and use different spectrum bands, and developing wireless devices and other products and services that operate seamlessly on both technology platforms;

developing and deploying next generation wireless technologies;

combining and simplifying diverse product and service offerings, su