

to request that USCC produce a budget. I reviewed the work in progress and reviewed the final exhibit before it was submitted to the FCC. While USCC worked on preparing the budget, I was responsible for each and every exhibit in the 1987 amendment. No single exhibit was prepared without my prior approval. No document was submitted to the FCC unless I had an opportunity to review it and check it for accuracy.

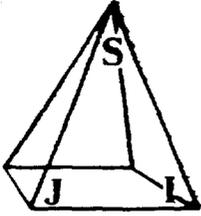
La Star also amended its financial showing in 1987. The showing was based on a commitment from TDS supported by a letter from Harris Bank. The financial commitment from American Security Bank submitted in La Star's 1983 application was no longer available. In addition to negotiating a commitment from TDS, I contacted Jackson Bank of Mississippi and First Interstate Bank in Thibodaux, Louisiana. The financing package available from TDS was considerably better than that offered by Jackson Bank or First Interstate Bank. I believed it was in the best interest of La Star to use the best available financing.

The fact that TDS has promised to supply the necessary financing for construction and first year operating expenses of the St. Tammany Parish system, does not give TDS any right to control or operate the St. Tammany Parish system. First, neither TDS nor USCC has ever tried to exercise control as a result of TDS's commitment of financing. Second, should such an event occur, SJI and its affiliate companies have sufficient financial resources to acquire financing on short notice from another financial institution.

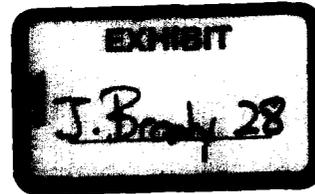
I am aware that USCC paid for attorney's fees, engineering fees, consulting fees and renewals of cell site options, pursuant to the Joint Venture Agreement, and that an employee at USCC executed cell site option agreements at SJI Cellular's request. TDS also prepared La Star's 1988 and 1989 tax returns at SJI Cellular's request. I was aware of all of the actions at the times they occurred. They give USCC or TDS no right to control the affairs of La Star.

Executed this ____ day of August, 1990.

John A. Brady, Jr.



SJI, Inc.



112 West 10th Street
Post Office Box 188
Larose, Louisiana 70373
(504) 693-4567

January 3, 1991

COPY

Mr. Donald H. Nelson
U.S. Cellular
8410 West Brynmar
Suite 700
Chicago, IL 60631

Re: LaStar Cellular

Dear Mr. Nelson:

You will find enclosed copies of requests for payment of US Cellular's 49% share of LaStar Cellular expenses. These invoices total \$76,966.41. Please place these invoices in line for payment. All of the invoices are past due, and your prompt attention will be appreciated.

Also, there is the matter of the records of LaStar Cellular. Prior to our latest arrangement, you were keeping accounting records and preparing the tax returns as instructed by the management committee. I have been informed by the management committee that we will now assume those duties. Would you please call me to discuss how we are going to secure the records in order to fulfill our responsibility.

Yours very truly,

Tony Duet
Controller, SJI, Inc.

Enclosure

The SJI Family:

Lafourche Telephone Company, Inc. • SJI Cellular, Inc.
SOLA Communications, Inc. • Central Systematologists, Inc.
Lafourche Telecommunications Financial Co., Inc. • MobileTel, Inc.

SJI 000269

EXHIBIT

J. Brady 29

POTOSI COMPANY

128 South Congress, Suite 1208
Jackson, Mississippi 39201-3304

Telephone (601) 353-1823

Facsimile (601) 353-0960

February 22, 1993

Mr. Pat Brady
Mr. John Brady, Jr.
Lafourche Telephone Company
Post Office Box 188
Larose, Louisiana 70373

Dear John and Pat:

We tried to call you this afternoon, but you were out, and this letter is in explanation of our call. We filed a response last week against a recent TDS filing (see enclosed). We don't feel that it has any effect on you, but have received a copy of a letter from our attorney today which concerned us (copy enclosed, Kenneth Hardman).

We would be happy to make a supplemental filing to the effect that our response intended no reflection on you, and in fact was directed only toward TDS. This was our intention. We feel that the substance of our response said as much, but if you feel it would be helpful, we would be happy to make that clarification.

On the other hand, you may wish that no such filing be made, and we will honor your wishes.

Very sincerely yours,



James H. Creekmore



Wade H. Creekmore, Jr.

AW

SJI 005731

T 95 Cell
New Orleans
B. Clark
"Hardman
Response"

KENNETH E. HARDMAN, P.C.

Attorney At Law

1205 - 23rd Street, N.W.

Suite 130

Washington, D.C. 20037-1170

Direct Dial: (202) 233-3772

TELEPHONE: (202) 859-9416

February 18, 1993

FEDERAL COMMUNICATIONS COMMISSION

1919 M Street, N.W.

Room 222

Washington, D.C. 20554

Attention: Mobile Services Division
Common Carrier Bureau

Re: Petition of United States Cellular
Corporation to Delete or Nullify the
Effect of Footnote Three, Application
of La Star Cellular Telephone Company,
et al., CC Docket No. 90-257

Ladies and Gentlemen:

The undersigned is in receipt of a "courtesy copy" of the above-referenced petition, which was filed with the Commission under date of February 2, 1993. The petition was sent to the undersigned evidently because I filed supplements in two application proceedings discussing the impact of footnote 3 in the La Star decision, 7 FCC Rcd 3762 (FCC 1992), which is also the focus of the petition.

Reviewing the contents of the petition, it plainly is an extraordinary, collateral attack on the merits of the Commission's La Star decision, and is thus no more than an untimely petition for reconsideration of that decision. However, as the Commission well knows, it has no power to even entertain a belated petition for reconsideration. See, e.g., Reuters Ltd. v. FCC, 781 F.2d 946, 951-952 (D.C.Cir. 1986).

Moreover, and of particular relevance to the undersigned, footnote 3 does not exclusively govern licenses held by Telephone and Data Systems, Inc. and its affiliated companies. Rather, it also governs licenses held by SJI, Inc. and its affiliated companies, including MobileTel, Inc., the licensee in the Louisiana 8 and 9 RSAs. As a result of the Commission's statements in footnote 3, my client Columbia Cellular, Inc. has raised in the proceedings in File Nos. 10538-CL-P-461-B-89 and 10539-CL-P-462-B-89 the fitness of MobileTel, Inc. to hold the licenses in those markets. Wholly apart from the insurmountable procedural bar to the

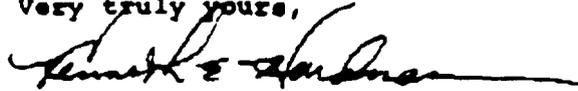
KENNETH E. HARDMAN, P. C.

Federal Communications Commission
February 18, 1993
Page Two

petition, as noted above, the petition is thus substantively flawed as well.

Under these circumstances, the only proper course for the Commission to take is to return the petition as defective.

Very truly yours,



Kenneth E. Hardman

cc: Mark D. Schneider, Esquire
Peter M. Connolly, Esquire ✓
Arthur V. Belendiuk, Esquire
L. Andrew Tollin, Esquire
David L. Hill, Esquire
William J. Sill, Esquire
Russell D. Lukas, Esquire

SJI 005733

EXHIBIT

J. Brady 30

DRAFT

DECLARATION
OF
JOHN A. BRADY, JR.

I, John A. Brady, Jr., hereby declare under penalty of perjury that the following declaration is true and accurate to the best of my knowledge and belief.

I am the Chairman of the Management Committee of La Star Cellular Telephone Company ("La Star") and will be the General Manager of the cellular system in St. Tammany Parish. I am President, Secretary, Treasurer and Director of SJI, Inc. ("SJI"), which is the parent company of SJI Cellular, Inc. ("SJI Cellular"), the 51 percent venturer of La Star.

The purpose of this Declaration is to respond to certain allegations raised by New Orleans CGSA, Inc. ("NOCGSA") in its Petition to Enlarge Issues against La Star. NOCGSA claims that La Star falsely represented to the Commission that La Star is controlled by its five member Management Committee. NOCGSA's accusations are groundless. At all times, La Star has been controlled by its Management Committee. Its Management Committee, in turn, is controlled by SJI Cellular which appoints three of the five members. During the seven year history of the La Star application, SJI Cellular has controlled and directed the prosecution of La Star's application. There is not a single instance in which the minority venturer has attempted to gain control over the prosecution of the application. As I stated in my Declaration attached to La Star's Motion for Summary Decision, I am aware that United Stated Cellular Corporation ("USCC"),

KNO2497

through Star, paid for attorney's fees, engineering fees, consulting fees, and the renewals of cell site option agreements. USCC did so pursuant to the terms of the Joint Venture Agreement. I am also aware that employees at USCC executed renewals of cell site option agreements, because SJI Cellular requested that USCC do so. USCC, also at SJI Cellular's request, prepared a budget which was used in the preparation of La Star's financial showing in its 1987 amendment. Telephone and Data Systems, Inc. ("TDS"), USCC's parent company prepared La Star's 1988 and 1989 tax returns, at SJI Cellular's request. I was aware of and approved all of the actions ^{before} ~~at the times~~ they occurred. USCC ~~simply~~ does not ~~have the authority to~~ ^{such} act on ~~these~~ matters unless they are approved by SJI Cellular in advance.

NOCGSA also contends that because formal joint venture partnership meetings have not been held, official minutes not kept, and written notice of meetings not given, ~~that somehow~~ the Management Committee no longer controls La Star. This is truly a preposterous statement. To date, La Star does not have ^{an} ~~a formal~~ operating system. ^{that is} There are no day-to-day decisions that need to be made. There have been years in which La Star did little more than wait for action from either the Court of Appeals or the Federal Communications Commission. La Star has no equipment to manage, no operating cash flow to tend, no employees to hire or fire, no buildings or towers to construct, no equipment to maintain, repair or replace. ^{merely} La Star is ~~a shell~~ waiting to receive authorization to commence operations. NOCGSA faults La

Star for not having meetings. What would NOCGSA have La Star decide at these meetings? In the seven year history of this application, there has been only one ^{have} ~~been~~ question ^{to} answer, and that is whether to continue the struggle to obtain operating authority in St. Tammany Parish. At various junctures, this question has been asked, and, at each and every juncture the answer has been a resounding and unanimous "yes." The work of prosecuting the application has been left to lawyers and engineers. I am not a lawyer or an engineer, and can ^{offer little help} ~~neither participate~~ in the formation of legal arguments or the calculation of 39 dBU contours. ~~These functions have been delegated to people in La Star's employ.~~ ^{Handled by} ~~That is why La Star employs a~~ ^{lawyers & engineers.} ~~That is why La Star employs a~~

NOCGSA contends it does not understand how decisions have been made. How La Star operates was repeatedly and consistently spelled out to NOCGSA during the course of depositions. Most decisions involving this application have involved questions of continuing litigation. La Star's attorney would contact individual members of the Management Committee and propose a course of action. Generally, I or Sinclair H. Crenshaw, La Star's in-house counsel, ^(2 members of Mgt Committee) would discuss the matter directly with La Star's counsels, Arthur V. Belendiuk. We would then provide input on how best to proceed. Our directions were always followed. Of significance to the matter at hand, at no time did Mr. Belendiuk or anyone else associated with the La Star application take any material action without my prior knowledge and consent.

NOCGSA contends that USCC controls La Star because it has performed certain ministerial actions ^{or taken} on behalf of La Star. USCC, through Star, is a forty-nine percent joint venturer in this application. Pursuant to the terms of the Joint Venture Agreement, it had a legal duty to pay the costs of filing and prosecuting La Star's application. Pursuant to the Joint Venture Agreement, it also has a right and obligation to participate in the prosecution of La Star's application. USCC's actions were ^{taken} not unilaterally, / they were taken with my knowledge and consent.

NOCGSA lists a total of four services provided by USCC on behalf of La Star. I offer the following as a list of services that I or SJI Cellular have provided on behalf of La Star. This list is not exhaustive but provides a flavor of the actions taken by SJI Cellular.

1. I negotiated with William Erdman of Maxcell Telecom Plus, Inc., the basic terms and conditions of the La Star Joint Venture Agreement.

2. At my insistence, the initial application was designed as a fully developed six-cell system.

3. I participated in the preparation of the initial La Star application in 1983. In that application, I was proposed as the system's General Manager. I also became Chairman of La Star's Management Committee. I reviewed each of the application's exhibits and executed the FCC Form 401.

4. In 1984, I directed the filing of La Star's application for review to the FCC of the dismissal of its application.

5. In 1985, I directed the filing of La Star's appeal of the dismissal of its application to the United States Court of Appeals for the District of Columbia.

6. In February 1987, after the oral argument in the Maxcell case, but before the Court of Appeals issued its decision, I traveled to New Orleans to meet with the original members of the Management Committee. It was clear to us at that time, that the Court was going to rule in our favor, and we wanted to have a strategy session to decide how to proceed. This meeting took place six months before USCC acquired its interest in La Star.

7. In 1987, both prior and subsequent to the time USCC acquired its interest in La Star, I negotiated with representatives of NOCGSA concerning a potential settlement of the La Star proceeding. Specifically, I spoke with John Cossart and Roy Etheridge. Neither Mr. Cossart nor Mr. Etheridge were confused as to who I was, who I represented, or how La Star conducted its business. Frankly, I find it somewhat disingenuous that, after negotiating with me on any number of occasions, NOCGSA would state in a pleading before the FCC that it was not sure how La Star conducted its business or who was in control of the application.

8. In 1987, I traveled to Chicago to participate in a meeting of the Management Committee. At that time, it was critical to me that our new partner was in agreement with our goals and would ~~allow us to pursue them unhindered.~~ ^{not hinder us in pursuing them} I left

Chicago satisfied that our position as La Star's majority venturer would be respected by USCC.

9. In 1987, I directed counsel to file an application for review of the grant of special temporary authority to NOCGSA. I approved subsequent oppositions to the Commission's continued extension of that authority.

10. In 1987, I directed counsel to file with the Commission a request for joint interim operating authority.

11. In 1987, I was advised that NOCGSA had filed a major amendment seeking to expand its CGSA in St. Tammany Parish. I authorized La Star's counsel to file a petition to deny.

12. In 1987, I directed the preparation of La Star's 1987 amendment. I reviewed and approved each exhibit in that amendment, and executed the amendment. Specifically, I negotiated with two banks concerning financing. I reviewed and approved the financing offered by TDS.

13. I approved the filing of a petition to deny in response to NOCGSA's 1987 amendment.

14. I was advised of the fact that NOCGSA had filed a petition to deny La Star's application and amendment. I directed counsel to prepare and file an appropriate reply.

15. In 1988, I directed counsel to file La Star's application for interim operating authority. In preparing the application, I participated in various strategy sessions which included such decisions as cellular system design, financing, the possible implementation of portable cells for the quick

deployment of an interim system, and the possibility of switch sharing with a neighboring cellular system. In short, I provided such assistance as I could, giving direction where I was able.

16. In 1988, I approved a petition to the Court of Appeals asking it to issue a writ of mandamus to order the Commission to act on La Star's pending application.

17. In 1988, prior to a settlement meeting between La Star's attorney and John Cossart and Roy Etheridge of NOCGSA, I instructed La Star's attorney with respect to settlement policy. On that occasion, there was no formal meeting or conference of the Management Committee, however, SJI Cellular and Star were able to present a united front. No meeting was necessary. A telephone call was sufficient.

18. In 1989, I participated in formulating a settlement strategy to present to NOCGSA. I participated in a telephone conference between members of SJI Cellular and members of USCC. I, along with my brother, James D. Brady, and Sinclair H. Crenshaw, traveled to Washington to meet with John Cossart and Roy Etheridge with NOCGSA and members of the FCC's staff for the purpose of discussing settlement. USCC did not send any member of the Management Committee but rather chose to send its ~~attorney~~ corporate attorney, Michael Hron.

19. After the settlement meeting in the offices of the FCC, I also had individual telephone discussions and in-person meetings with Roy Etheridge. Again, Mr. Etheridge was not

confused as to how La Star conducted its business or who had authority to make decisions.

20. In 1989, I approved the Petition to Deny the BellSouth and LIN merger. I was advised by La Star's counsel that such a merger would constitute a transfer of control of NOCGSA's St. Tammany Parish application.

21. Recently, after the Commission issued the Order Designation Applications for Hearing, I made the initial decision to continue to prosecute La Star's application for the FCC authorization for the cellular system in St. Tammany Parish. The decision to has always been mine.

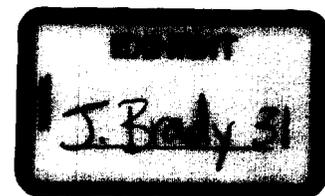
22. As previously stated, I participated in a telephone conference concerning the amendment of La Star's Joint Venture Agreement. I have paid fifty-one percent of La Star's expenses since May 31, 1990.

As is evidenced by La Star's activities to date, La Star has needed to do little more than litigate to enforce its right to maintain its applicant status before the FCC. At each juncture, I approved the filing or directed counsel to file appropriate pleadings. Counsel took no action until SJI Cellular approved that action. I reiterate, the prosecution of La Star's application from its inception has been under the control of SJI Cellular. There has not been a single instance in which any action has been taken without my knowledge and approval or against my wishes.

NOCGSA's attack on La Star is mired in minutia. For example, NOCGSA makes much of the fact that no one at SJI Cellular reviewed La Star's 1988 and 1989 tax returns. First, the returns were sent by SJI Cellular to USCC, and were prepared at SJI Cellular's request. Second, and what NOCGSA fails to mention, there was nothing to review. La Star does not have an operating system, it has no income, thus, La Star's 1988 and 1989 tax returns are mere pro forma notifications to the IRS. Each entry in the tax forms show a zero balance. I had every confidence in the ability of USCC to perform this task without wresting control from SJI Cellular. Likewise, USCC merely executed renewal of cell site option agreements. USCC did not negotiate the initial agreements. Nor did it prepare the renewals. The agreements were negotiated with cell site owners long before USCC purchased its interest in La Star. Again, the signing of a renewal and the payment of a fee, did not give control of La Star to USCC.

Executed this ____ day of August, 1990.

John A. Brady, Jr.



Assumes TDS has no rights or expectation to operate for LaFourche

<u>BELL</u> <u>SOUTH</u> <u>INTEREST</u>	<u>FROM</u> <u>OUR</u> <u>JV</u>	<u>TO</u> <u>US</u>	<u>ATTRACTIVE</u> <u>TO</u> <u>LaFOURCHE</u>	<u>ATTRACTIVE</u> <u>TO</u> <u>TDS</u>
Highest I	Out of MSA for	a) <u>Cash</u>	5 lowest	lowest
		b) <u>RSA</u> -7 -8 -9	6 lowest -3 -1 -2	low -1 -2 -3
		c) <u>MSA</u> Lafayette Baton Rouge	2 higher 3 higher	high higher
High II	Drop suit for New Orleans	Minority of all of New Orleans	4 lower	low
Lowest III	Drop suit for New Orleans	Partition of North New Orleans	1 highest	high

1 BEING HIGHEST
6 BEING LOWEST

MGH/645/JJB/Chart-A

Assumes TDS has no rights or expectation to operate for LaFourche

<u>BELL</u> <u>SOUTH</u> <u>INTEREST</u>	<u>FROM</u> <u>OUR</u> <u>JV</u>	<u>TO</u> <u>US</u>	<u>ATTRACTIVE</u> <u>TO</u> <u>LaFOURCHE</u>	<u>ATTRACTIVE</u> <u>TO</u> <u>TDS</u>	
Highest I	Out of MSA for	a) <u>Cash</u>	lowest	lowest	5
		b) <u>RSA</u>	low	low	6
		-7	-3	-1	
-8	-1	-2			
		-9	-2	-3	
		c) <u>MSA</u>			
		Lafayette	high	high	2
		Baton Rouge	higher	higher	
					3
High II	Drop suit for New Orleans	Minority of all of New Orleans	low	low	4
Lowest III	Drop suit for New Orleans	Partition of North New Orleans	high	high	1

MGH/645/JJB/Chart-A

Assumes TDS has no rights or expectation to operate for LaFourche

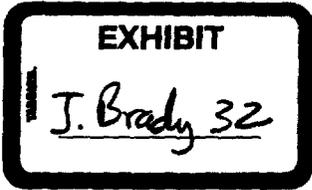
<u>BELL</u> <u>SOUTH</u> <u>INTEREST</u>	<u>FROM</u> <u>OUR</u> <u>JV</u>	<u>TO</u> <u>US</u>	<u>ATTRACTIVE</u> <u>TO</u> <u>LaFOURCHE</u>	<u>ATTRACTIVE</u> <u>TO</u> <u>TDS</u>
Highest I	Out of MSA for	a) <u>Cash</u>	5 lowest	lowest
		b) <u>RSA</u> -7 -8 -9	6 low -3 -1 -2	low -1 -2 -3
		c) <u>MSA</u> Lafayette Baton Rouge	2 high 3 higher	high higher
High II	Drop suit for New Orleans	Minority of all of New Orleans	4 low	low
Lowest III	Drop suit for New Orleans	Partition of North New Orleans	1 high	high

MGH/645/JJB/Chart-A

Assumes TDS has no rights or expectation to operate for LaFourche

<u>BELL</u> <u>SOUTH</u> <u>INTEREST</u>	<u>FROM</u> <u>OUR</u> <u>JV</u>	<u>TO</u> <u>US</u>	<u>ATTRACTIVE</u> <u>TO</u> <u>LaFOURCHE</u>	<u>ATTRACTIVE</u> <u>TO</u> <u>TDS</u>
Highest I	Out of MSA for	a) <u>Cash</u>	5 low	lowest
		b) <u>RSA</u>	6 low	low
		-7 -8 -9	-3 -1 -2	-1 -2 -3
		c) <u>MSA</u>	2 high	high
		Lafayette Baton Rouge	3 high	higher
High II	Drop sui for New Orleans	Minority of all of New Orleans	4 low	low
est III	Drop suit for New Orleans	Partition of North New Orleans	1 high	high

MGH/645/JJB/Chart-A



UNITED STATES CELLULAR CORPORATION
LICENSE COSTS

NEW ORLEANS

Y.T.D. 1990	51,085.94
1989	100,907.70
1988	115,415.87
1987	348,144.23

Balance as of May 31, 1990	615,553.74
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