Before the
Federal Communications Commission
Washington, D.C. 20554

In the Matter of	)	
	)	
Applications of Cellco Partnership d/b/a Verizon Wireless and SpectrumCo LLC and Cox TMI, LLC For Consent to Assign AWS-1 Licenses	)	WT Docket No. 12-4
	)	
Applications of Verizon Wireless and Leap for Consent to Exchange Lower 700 MHz, AWS-1, and PCS Licenses	)	ULS File Nos. 0004942973, 0004942992, 0004952444, 0004949596, and 0004949598
	)	
Applications of T-Mobile License LLC and Cellco Partnership d/b/a Verizon Wireless for Consent to Assign Licenses	)	WT Docket 12-175
	)	
Applications of Cellco Partnership d/b/a Verizon Wireless and Atlantis Holdings LLC	)	WT Docket No. 08-95
	)	
Applications of Cellco Partnership d/b/a Verizon Wireless and Rural Cellular Corporation	)	WT Docket No. 07-208
	)	
Applications of Vodafone Airtouch, PLC, and Bell Atlantic Corporation For Consent to Transfer of Control or Assignment of Licenses and Authorizations	)	File Nos. 0000032969, *et al.*

MEMORANDUM OPINION AND ORDER

Adopted: October 1, 2014 **Released: October 1, 2014**

By the: Chief, International Bureau, and Chief, Wireless Telecommunications Bureau

I. INTRODUCTION

1. In acting in the above-captioned proceedings, pursuant to sections 214 and 310(b) and (d) of the Communications Act of 1934, as amended (the "Act"),[1] the Commission placed certain conditions on the grant of the applications and related petitions for declaratory ruling due to the ownership interest in Cellco Partnership d/b/a Verizon Wireless ("Verizon Wireless") held by Vodafone Group Plc ("Vodafone").[2] On February 21, 2014, Verizon Communications Inc. ("Verizon") acquired Vodafone's

[1] 47 U.S.C. §§ 214, 310(b), (d).

[2] Applications of Cellco Partnership d/b/a Verizon Wireless and SpectrumCo LLC and Cox TMI, LLC, *et al*., WT Docket Nos. 12-4, 12-175 and ULS File Nos. 0004942973, *et al*., Memorandum Opinion and Order and Declaratory Ruling, 27 FCC Rcd 10698, 10766, ¶ 176, 10770, ¶ 191 (2012) ("*Verizon Wireless/SpectrumCo Order*"); Applications of Cellco Partnership d/b/a Verizon Wireless and Atlantis Holdings LLC, WT Docket 08-95, Memorandum Opinion and Order and Declaratory Ruling, 23 FCC Rcd 17444, 17545-46, ¶ 231, 17547, ¶ 237 (2008) ("*Verizon Wireless/Alltel Order*"); Applications of Cellco Partnership d/b/a Verizon Wireless and Rural Cellular Corporation, WT Docket 07-

(continued….)

ownership interest, and Verizon Wireless is now 100 percent owned by Verizon.[3] Due to this change in its ownership, Verizon Wireless requests that the Commission remove the specific conditions concerning Vodafone's ownership interest in the above-captioned proceedings.[4] As discussed below, we find that a material change in circumstance has occurred and that the basis for these conditions no longer exists. We thus grant the request and will remove the conditions adopted in the above-captioned proceedings related to the Vodafone ownership interest in Verizon Wireless.[5]

II. DISCUSSION

A. National Security

2. As part of its public interest review of transfer of control or assignment applications in which foreign ownership is involved, including any related requests to exceed the foreign ownership limits in section 310(b) of the Act, the Commission will consider any national security, law enforcement, foreign policy or trade policy concerns raised by the Executive Branch.[6] In 1999, Vodafone Airtouch PLC and Bell Atlantic filed applications for transfer of control to create Verizon Wireless. Vodafone is a widely-held, publicly-traded company organized in the United Kingdom.[7] After reviewing the transaction for national security, law enforcement, foreign policy or trade policy concerns, the Department of Defense ("DOD"), Department of Justice ("DOJ") and the Federal Bureau of Investigation ("FBI") filed jointly with Vodafone and Bell Atlantic a Petition to Adopt Conditions to Licenses and Authorizations requesting that the Commission condition grant of the transfer of control and assignment applications on Vodafone's and Bell Atlantic's compliance with a voluntary security agreement entered into by Vodafone, Bell Atlantic, DOD, DOJ and the FBI.[8] The International and Wireless Telecommunications Bureaus granted the Petition and conditioned grant of the applications on compliance with the security agreement, dated December 14, 1999.[9]

3. In the 2008 Verizon Wireless/RCC proceeding, the Department of Homeland Security ("DHS") requested that the Commission condition the grant of the transfer of control applications and

(Continued from previous page)
208, Memorandum Opinion and Order and Declaratory Ruling, 23 FCC Rcd 12463, 12526-28, ¶¶ 152-54, 159 (2008) ("*Verizon Wireless/RCC Order*"); Applications of Vodafone Airtouch, PLC, and Bell Atlantic Corporation For Consent to Transfer of Control or Assignment of Licenses and Authorizations, File Nos. 0000032969, *et al.*, Memorandum Opinion and Order, 15 FCC Rcd 16507, 16520-21, ¶¶ 34-37, 16521-22, ¶ 41 (Int'l Bur./WTB 2000) ("*Vodafone/Bell Atlantic Order*").

[3] *See* Letter from Katharine R. Saunders, Assistant General Counsel, Verizon, to Marlene H. Dortch, Secretary, FCC, filed in WT Docket No. 12-4, WT Docket No. 07-208, File Nos. 0000032969, *et al.,* at 2 (dated March 21, 2014) ("*Verizon March 21, 2014 Letter*").

[4] Letter from Kathleen Grillo, Senior Vice President, Federal Regulatory Affairs, Verizon, to Marlene H. Dortch, Secretary, FCC, filed in WT Docket No. 08-95 (dated April 9, 2014) ("*Verizon April 9, 2014 Letter*"); *Verizon March 21, 2014 Letter*.

[5] This Order does not remove or alter any other conditions adopted in the above-captioned proceedings.

[6] *Rules and Policies on Foreign Participation in the U.S. Telecommunications Market,* IB Docket Nos. 97-142 and 95-22, Report and Order and Order on Reconsideration, 12 FCC Rcd 23891, 23918, ¶ 59, 23919-21, ¶¶ 61-66 (1997), Order on Reconsideration, 15 FCC Rcd 18158 (2000). *See also Review of Foreign Ownership Policies for Common Carrier and Aeronautical Radio Licensees under Section 310(b)(4) of the Communications Act of 1934, as amended*, IB Docket No. 11-133, Second Report and Order, 28 FCC Rcd 5741, 5742, ¶ 1, 5745-46, ¶ 5, 5757 ¶ 26, 5760-62, ¶¶ 31-34 (2013).

[7] *See, e.g., Verizon Wireless/Alltel Order,* 23 FCC Rcd at 17542, ¶ 224; *Vodafone/Bell Atlantic Order,* 15 FCC Rcd at 16513-14, ¶ 16.

[8] *Vodafone/Bell Atlantic Order,* 15 FCC Rcd at 16520-21, ¶¶ 34-37; 16523, Appendix A (DOD/DOJ/FBI Agreement).

[9] *Vodafone/Bell Atlantic Order,* 15 FCC Rcd at 16521-22, ¶ 41.

petition for declaratory ruling on the compliance of Verizon Wireless with the March 27, 2008 letter, which incorporates by reference the terms of the December 14, 1999 agreement, from Verizon Wireless to the Assistant Secretary of Policy, DHS.[10] The March 27, 2008 letter conferred on DHS the same rights and benefits accorded to DOD, DOJ, and the FBI in the December 14, 1999 security agreement (DHS, DOD, DOJ and the FBI, collectively, the "USG Signatories").[11] The Commission conditioned grant of the applications and declaratory ruling on compliance by Verizon Wireless with the commitments set out in the March 27, 2008 letter.[12] In the *Verizon Wireless/SpectrumCo Order*, the Commission conditioned the grant of the assignment applications and declaratory ruling on continued compliance with the terms of the March 27, 2008 letter.[13]

4. Verizon Wireless now requests that the conditions to comply with the terms of the March 27, 2008, letter and the December 14, 1999, security agreement be removed because Vodafone no longer holds any ownership interest in Verizon Wireless.[14] The USG Signatories concur with Verizon's request to remove these conditions and have agreed to terminate the security agreement.[15] Because the basis for these conditions is no longer present given the termination of Vodafone's ownership interest in Verizon Wireless, and the USG Signatories concur with the removal of these conditions, we grant the request and remove the requirement for Verizon Wireless to comply with the March 27, 2008, letter and December 14, 1999, security agreement.

B. Voting Trust

5. In the Verizon Wireless/Alltel proceeding, Verizon Wireless proposed to acquire Alltel Corporation, including its subsidiaries and partnerships in which Alltel had either controlling or non-controlling general partnership interests.[16] Among those partnerships were three in which Alltel held minority, non-controlling general partnership interests – Illinois Valley Cellular RSA # 2-II Partnership ("Illinois Valley"), Northwest Missouri Cellular Limited Partnership ("Northwest Missouri"), and Pittsfield Cellular Telephone Company ("Pittsfield").[17] To ensure that the post-transaction foreign ownership of those partnerships, due to the Vodafone interest in Verizon Wireless, complied with the requirements of section 310(b)(3) of the Act,[18] the Commission conditioned its grant of the transfer applications on Verizon Wireless placing its voting rights in those partnerships in a voting trust.[19] Contemporaneously with the closing of the transaction, an executed Voting Trust Agreement appointed a trustee to exercise all of Alltel's voting rights under the three partnership agreements.[20]

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[10] *Verizon Wireless/RCC Order,* 23 FCC Rcd at 12526-27, ¶¶ 152-53, 12551, Appendix C (Petition to Adopt Conditions to Authorizations and Licenses and Executive Branch Agreement).

[11] *Id.*

[12] *Verizon Wireless/RCC Order,* 23 FCC Rcd at 12527-28, ¶¶ 154, 159.

[13] *Verizon Wireless/SpectrumCo Order,* 27 FCC Rcd at 10766, ¶ 176, 10770, ¶ 191.

[14] *Verizon March 21, 2014 Letter.*

[15] *See* Letter from Richard Sofield, Director, Foreign Investment Review Staff, National Security Division, DOJ, to James Ball, Chief, Policy Division, International Bureau, FCC, filed in WT Docket No. 12-4, WT Docket No. 07-208, File Nos. 0000032969, *et al.* (dated Sept. 2, 2014).

[16] *Verizon Wireless/Alltel Order*, 23 FCC Rcd 17444.

[17] *Id.* at 17456-57, ¶ 22, 17545-46, ¶ 231.

[18] 47 U.S.C. § 310(b)(3).

[19] *Verizon Wireless/Alltel Order*, 23 FCC Rcd at 17545-46, ¶ 231, 17547, ¶ 237. The relevant equity interests amounted to less than 20%. *Id.* at 17546 n.800.

[20] *See Verizon April 9, 2014 Letter* at 1.

6. Verizon Wireless now requests that the requirement to have the voting interests in the three partnerships, Illinois Valley, Northwest Missouri, and Pittsfield, held in a voting trust be removed because Vodafone no longer holds any ownership interest in Verizon Wireless.[21] Because the basis for this condition is no longer present given the termination of Vodafone's ownership interest in Verizon Wireless, we grant the request and remove the requirement for Verizon Wireless to place its voting rights in those partnerships in a voting trust.

III. CONCLUSION

7. As discussed above, the Commission imposed certain conditions on Verizon Wireless due to the Vodafone ownership interest. We find that Verizon Wireless has demonstrated that a material change in circumstance has occurred that renders those conditions no longer necessary. Thus, we grant the requests of Verizon Wireless and remove the conditions related to the Vodafone ownership of Verizon Wireless from the licenses, authorizations and rulings acted on in the above-captioned proceedings.

IV. ORDERING CLAUSES

8. IT IS ORDERED, pursuant to sections 4(i) and (j), 214, 309, and 310 of the Communications Act of 1934, as amended, 47 U.S.C. §§ 154(i), (j), 214, 309, 310, that the requests of Verizon Wireless to remove conditions placed on Verizon Wireless, due to the Vodafone ownership interest, set out in the *Verizon Wireless/SpectrumCo Order,*[22] *Verizon Wireless/Alltel Order,*[23] *Verizon Wireless/RCC Order,*[24] *and Vodafone/Bell Atlantic Order*[25] ARE GRANTED to the extent discussed herein, and those conditions are removed from the licenses, authorizations and rulings acted on in those proceedings.

9. IT IS FURTHER ORDERED, pursuant to section 1.103 of the Commission's rules, 47 C.F.R. § 1.103, that this Memorandum Opinion and Order IS EFFECTIVE upon release. Petitions for reconsideration under section 1.106 of the Commission's rules, 47 C.F.R. § 1.106, or applications for review under section 1.115 of the Commission's rules, 47 C.F.R. § 1.115, may be filed within thirty days of the date of public notice of this Memorandum Opinion and Order.

10. This action is taken under delegated authority pursuant to sections 0.51, 0.131, 0.261, and 0.331 of the Commission's Rules, 47 C.F.R. §§ 0.51, 0.131, 0.261, 0.331.

FEDERAL COMMUNICATIONS COMMISSION

Mindel De La Torre
Chief, International Bureau

Roger C. Sherman
Chief, Wireless Telecommunications Bureau

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[21] *Id.*

[22] *Verizon Wireless/SpectrumCo Order,* 27 FCC Rcd at 10770, ¶ 191.

[23] *Verizon Wireless/Alltel Order*, 23 FCC Rcd at 17547, ¶ 237.

[24] *Verizon Wireless/RCC Order,* 23 FCC Rcd at 12528, ¶ 159.

[25] *Vodafone/Bell Atlantic Order,* 15 FCC Rcd at 16521-22, ¶ 41.