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June 3, 2015

VIA ECFS

Marlene H. Dortch, Esq.
Secretary
Federal Communications Commission
445 Twelfth Street, SW
Washington, D.C. 20554

Re: *Applications of AT&T Inc. and Cellular Properties, Inc. for Consent to Assign
Authorizations, WT Docket No. 15-78*
REDACTED – FOR PUBLIC INSPECTION

Dear Ms. Dortch:

Pursuant to the *Joint Protective Order* in the above-referenced proceeding¹ and the instructions set forth in the Commission's General Information Request dated May 20, 2015 ("Request"), enclosed please find the *unredacted* Highly Confidential response of AT&T Inc. to that Request. Enclosed is one copy of a DVD-ROM containing the *unredacted* narrative response to the Request and related exhibits.

AT&T hereby requests Highly Confidential treatment of this submission. Separately, AT&T is submitting a redacted public version of this filing via ECFS and copies of the unredacted submission to the Commission Staff.

Please contact me at (202) 942-5769 or Scott.Feira@aporter.com if you have any questions. Thank you for your assistance.

¹ See *AT&T Inc. and Cellular Properties, Inc. Seek FCC Consent to the Assignment of Two Cellular A Block Licenses, Point-to-Point Microwave Licenses, and an International Section 214 Authorization, WT Docket No. 15-78, Joint Protective Order, DA 15-609 (WTB rel. May 20, 2015)* ("Joint Protective Order").

ARNOLD & PORTER LLP

Marlene H. Dortch
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Respectfully submitted,



Scott Feira
Counsel for AT&T Inc.

Enclosure
cc: Scott Patrick
Linda Ray
Kate Matraves
Jim Bird

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

In the matter of)
)
)
Applications of AT&T Inc. and Cellular)
Properties, Inc. for Consent To Assign Licenses) WT Docket No. 15-78
and Authorizations))

RESPONSE OF AT&T INC. TO THE
GENERAL INFORMATION REQUEST DATED MAY 20, 2015

June 3, 2015

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**RESPONSE OF AT&T INC. TO THE
GENERAL INFORMATION REQUEST DATED MAY 20, 2015**

June 3, 2015

Introduction

AT&T Inc. (“AT&T”) provides this response (“Response”) to the letter dated May 20, 2015, from Roger C. Sherman, Chief of the Wireless Telecommunications Bureau of the Federal Communications Commission (“FCC” or “Commission”), and the General Information Request for AT&T attached thereto (collectively, the “Request”). In eight requests, the FCC asks AT&T to provide by June 3, 2015, documents, data, charts, maps, and other information to complete the FCC’s review of the applications for AT&T’s acquisition of certain assets of Cellular Properties, Inc. (“CPI”).

AT&T’s responses are based on a review of available documents that are likely to contain responsive information and inquiry of those individuals and available sources that are likely to have relevant information. In certain cases, AT&T does not maintain some of the information requested in the ordinary course of business, or AT&T does not maintain the information in the precise manner requested.

Where the Request seeks charts, spreadsheets, or similar graphic or tabular information, responsive information is provided in exhibits to the Response, numbered with reference to the specific request (*e.g.*, Exhibit 1.1 responds to Request No. 1). An Index of Exhibits is appended as Exhibit A. Where the Request seeks specific documents, such documents are provided in exhibits to the Response.

The Request calls for AT&T to submit certain information and documents that are

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sensitive from a commercial, competitive, or financial perspective, and that AT&T would not reveal in the ordinary course of business to the public or its competitors. AT&T is submitting such information and documents on a Confidential and Highly Confidential basis pursuant to the Joint Protective Order for this proceeding that was issued on May 20, 2015. The inadvertent inclusion of any material that is subject to an assertion of the attorney-client, attorney work-product, or other applicable privilege is not intended as a waiver of such privilege.

In accordance with the Request and the Joint Protective Order, in the public version of the Response, AT&T has redacted Confidential Information and marked the redactions with **“[BEGIN AT&T CONFIDENTIAL INFORMATION] . . . [END AT&T CONFIDENTIAL INFORMATION].”** AT&T also has redacted Highly Confidential Information and marked the redactions with **“[BEGIN AT&T HIGHLY CONFIDENTIAL INFORMATION] . . . [END AT&T HIGHLY CONFIDENTIAL INFORMATION].”** The redacted Response is marked **“REDACTED – FOR PUBLIC INSPECTION”** and is being filed electronically in the Commission’s Electronic Comment Filing System (“ECFS”). The Highly Confidential, unredacted Response is marked, **“HIGHLY CONFIDENTIAL INFORMATION – SUBJECT TO JOINT PROTECTIVE ORDER IN WT DOCKET NO. 15-78 BEFORE THE FEDERAL COMMUNICATIONS COMMISSION – ADDITIONAL COPYING RESTRICTED”** and **“CONFIDENTIAL INFORMATION - SUBJECT TO JOINT PROTECTIVE ORDER IN WT DOCKET NO. 15-78 BEFORE THE FEDERAL COMMUNICATIONS COMMISSION.”** A copy of the unredacted Response is being

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delivered to the Secretary, and additional copies are being delivered as instructed in the Request and Joint Protective Order.

RESPONSES

1. REQUEST:

On page 3 of the Public Interest Statement, the Applicants claim that “AT&T’s integration of CPI’s network will include an upgrade to LTE from HSPA+ and EDGE.” For each Relevant Area, provide a detailed discussion of the Company’s plans to provide high-speed wireless broadband services prior to the Proposed Transaction, including a detailed description of the Company’s current and planned deployment of LTE, which identifies the spectrum bands and the total amount of spectrum used for LTE deployment, as well as the Company’s plans and timeline for deploying the spectrum that it would acquire in the Proposed Transaction. Specifically for Illinois 9 — Clay, provide a detailed explanation of why the Company needs more than one-third of the suitable and available spectrum below 1 GHz for the provision of mobile wireless services. Provide all documents relied on in preparing the response.

RESPONSE:

The transaction will improve the quality of AT&T’s wireless services. In Illinois-7,

AT&T’s network currently does not provide coverage for [BEGIN AT&T HIGHLY

CONFIDENTIAL INFORMATION] [END AT&T HIGHLY CONFIDENTIAL

INFORMATION] percent of the land area and [BEGIN AT&T HIGHLY CONFIDENTIAL

INFORMATION] [END AT&T HIGHLY CONFIDENTIAL INFORMATION] percent

of the population. When AT&T customers travel to these areas, they roam on CPI’s network,

which provides them more limited functionality than they enjoy on AT&T’s network. Even in

those areas where AT&T has network coverage, 4G LTE availability is limited. Only [BEGIN

AT&T HIGHLY CONFIDENTIAL INFORMATION] [END AT&T HIGHLY

CONFIDENTIAL INFORMATION] percent of the land area in Illinois-7 and [BEGIN

AT&T HIGHLY CONFIDENTIAL INFORMATION] [END AT&T HIGHLY

CONFIDENTIAL INFORMATION] percent of the population have 4G LTE service.

[BEGIN AT&T HIGHLY CONFIDENTIAL INFORMATION]

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[END AT&T HIGHLY CONFIDENTIAL

INFORMATION] AT&T holds no Lower 700 MHz B and C block spectrum in Illinois-7,

[BEGIN AT&T HIGHLY CONFIDENTIAL INFORMATION]

[END AT&T HIGHLY CONFIDENTIAL

INFORMATION] AT&T holds only 10 MHz of AWS-1 spectrum in Illinois-7, **[BEGIN**

AT&T HIGHLY CONFIDENTIAL INFORMATION]

[END AT&T HIGHLY CONFIDENTIAL INFORMATION] AT&T

holds only 40 MHz of PCS in many parts of Illinois-7, **[BEGIN AT&T HIGHLY**

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[END AT&T HIGHLY CONFIDENTIAL

INFORMATION]

This transaction will result in LTE being available in substantially all of Illinois-7. The

¹ **[BEGIN AT&T HIGHLY CONFIDENTIAL INFORMATION]**
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[END AT&T HIGHLY

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transaction provides AT&T with 25 MHz of cellular spectrum across Illinois-7. AT&T plans
[BEGIN AT&T HIGHLY CONFIDENTIAL INFORMATION]

[END AT&T HIGHLY

CONFIDENTIAL INFORMATION]

The transaction also will improve the quality of AT&T's wireless services in the three counties in Illinois-9 that are a part of this transaction. The transaction provides AT&T with 25 MHz of cellular spectrum across the three counties. AT&T plans [BEGIN AT&T HIGHLY CONFIDENTIAL INFORMATION]

[END AT&T HIGHLY CONFIDENTIAL

INFORMATION] Such a deployment has significant public interest benefits.²

AT&T's present intention is to complete the network integration and upgrades described above [BEGIN AT&T HIGHLY CONFIDENTIAL INFORMATION]

² Cf. *Applications of AT&T Inc., E.N.M.R. Telephone Cooperative, Plateau Telecommunications, Inc., New Mexico RSA 4 East Limited Partnership, and Texas RSA 3 Limited Partnership for Consent to Assign Licenses and Authorizations*, Memorandum Opinion and Order, FCC 15-53, ¶ 53 (2015)

[END AT&T

HIGHLY CONFIDENTIAL INFORMATION]

These plans are necessarily preliminary -- AT&T is still in the early stages of planning the integration of the CPI network, and AT&T's access to detailed information about CPI's network about CPI's network has been limited. In preparing this response, AT&T relied on the information in the preliminary plans set forth in Exhibits 1.1 ("Project Centaur Overview"), 1.2 ("CPI Site List and Spectrum"), 1.3 ("AT&T County Covered Areas POPS End of April 2015"), 1.4 ("2015 Market Review"), and 1.5 ("2014 Market Review Meeting").

2. REQUEST:

On page 3 of the Public Interest Statement, the Applicants contend that both AT&T and CPI customers will benefit from a broader, denser, more advanced network. Further, on page 4 of the Public Interest Statement, the Applicants assert that both AT&T and CPI customers will enjoy a better user experience due to the elimination of roaming. In addition, on pages 4-5 of the Public Interest Statement, the Applicants contend that CPI customers will benefit from access to AT&T's array of services. Provide a detailed discussion of the potential benefits to both AT&T and CPI customers as a result of the Proposed Transaction, including but not limited to, those identified above. Explain, and describe in detail, all roaming cost savings as a result of the Proposed Transaction. Provide all documents relied on in preparing the response.

RESPONSE:

The assignment of CPI's licenses to AT&T unambiguously serves the public interest.

CPI serves only two RSAs -- CMAA400 and a portion of CMAA402, and the company has not

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upgraded to 4G LTE technology. AT&T's integration of CPI's network will include an upgrade to LTE from HSPA+ and EDGE. The transaction will permit AT&T to expand its network capacity and coverage quickly in the rural communities that CPI serves and bring LTE to these communities.

AT&T currently has no facilities-based network in part of CPI's service territory. Instead, when AT&T customers travel to those areas, they roam on CPI's network, which provides the AT&T customers with more limited functionality than they enjoy on AT&T's network. Because AT&T will integrate the two networks, AT&T's customers will enjoy the experience of on-net service throughout these two RSAs. Similarly, when CPI customers travel outside of CPI's service territory today, they must roam on other carriers' networks, and the handovers to surrounding markets can result in dropped calls, among other problems. In the areas where the AT&T and CPI's networks do overlap, AT&T will integrate complementary cell sites and select other equipment, which AT&T has preliminarily determined will result in a denser network in some areas.

AT&T has preliminarily identified in Exhibit 1.2 ("CPI Site List and Spectrum") the counties where AT&T may be able to integrate existing AT&T and CPI cell sites, and preliminarily identified on Slide 23 of Exhibit 1.1 ("Project Centaur Overview") the locations where AT&T will integrate the sites.³ Customers of both companies will enjoy a better experience, particularly in areas where they may be experiencing dropped calls, dead spots, and

³ These preliminary estimates were based on the limited information on CPI that was available to AT&T in due diligence and on certain high-level assumptions made by AT&T based on its own experience. AT&T will not be in a position to make any final determinations until it is able to obtain more detailed information about CPI's operations, which will occur later in the acquisition process.

coverage gaps. Greater cell site density also will enable faster data speeds and permit better signal penetration of homes and other buildings, as well as help AT&T to keep up with growing demands for broadband service due to the increased capacity of a denser network.

The access to AT&T's wide-ranging network that will result from this transaction will bring numerous other benefits for CPI's customers, including:

- Faster and more reliable mobile data services.
- On-network service in most parts of the United States. CPI's network is limited to two RSAs, and CPI rate plans are subject to cancellation if a customer engages in excessive roaming usage outside CPI's home service area.
- The ability to make and receive calls in more than 225 countries and access data services in more than 210 countries, as well as use nearly 402,000 Wi-Fi hotspots, globally through roaming agreements.

Other benefits that will be available after CPI's network is integrated into AT&T's include:

- Expanded choice of handsets with advanced service capabilities, including the latest handsets from all major manufacturers;
- Rollover data;
- Wider variety of rate plans;
- More robust set of data services;
- Access to AT&T's nationwide footprint when traveling; and
- Free access to 32,000 Wi-Fi hotspots for eligible subscribers.

As a result of this transaction, AT&T and CPI will no longer incur any charges as a result

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of roaming on each other's network. This transaction will internalize these annual roaming costs, thus contributing to the efficiencies created by the transaction.

3. REQUEST:

Explain the Proposed Transaction's effects on any roaming agreements to which CPI is a party, including the end date, and whether these agreements may be terminated as a result of the Proposed Transaction. Provide current copies of all such roaming agreements, and if with parties other than AT&T, explain whether AT&T will honor the terms and conditions of such agreements.

RESPONSE:

AT&T is not acquiring CPI's roaming agreements, and AT&T accounts for more than

[BEGIN AT&T HIGHLY CONFIDENTIAL INFORMATION] [END AT&T HIGHLY

CONFIDENTIAL INFORMATION] percent of the roaming traffic on CPI's network. After

the transaction closes, roaming will continue to be available in the CPI coverage footprint on terms and conditions that comply with the FCC's roaming rules and orders.

4. REQUEST:

On pages 6-8 of the Public Interest Statement, the Applicants state that "the [proposed] transaction will not result in any competitive harms nationally or in the license areas that are the subject of this transaction" and that "the [proposed] transaction will increase competition by allowing AT&T to better compete" (emphasis in the original). For each Relevant Area, provide a detailed discussion of how the Proposed Transaction promotes and preserves meaningful competition, would still allow rival service providers and potential new entrants to provide an effective competitive constraint, and how it would allow the Company to become a more effective competitor. Provide all documents relied on in preparing the response.

RESPONSE:

The transaction preserves and promotes competition by making AT&T a more effective competitor while still allowing rival service providers and potential new entrants to provide an effective competitive restraint. As described in response to Question 1, above, the transaction

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will result in improved wireless offerings from AT&T. In Illinois-7, for the first time, AT&T will have on-network wireless coverage across the CMA, and this coverage will include 4G LTE across the CMA. In Illinois-9, the transaction will enable AT&T to offer **[BEGIN AT&T**

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[END AT&T HIGHLY CONFIDENTIAL INFORMATION] for the first time.

Even after this transaction, however, competitors and new entrants will have ample opportunities to expand their operations and thereby serve as an effective competitive restraint. Sprint will remain the largest holder of spectrum in CPI's license area, with a population-weighted average of 160 MHz, as compared to the 120 MHz that AT&T will hold after the transaction closes. T-Mobile will hold 700 MHz, PCS, and AWS-1 licenses; DISH will hold 700 MHz, H block, and AWS-4 licenses; and US Cellular will hold 700 MHz licenses. Verizon, for its part, historically has been the market leader in these RSAs.

Wide swaths of currently available spectrum, including low band spectrum, are currently unused in both RSAs, which creates expansion opportunities for both existing competitors and new entrants. In Illinois-7, 42 MHz of low band spectrum is unused -- DISH holds 6 MHz, U.S. Cellular holds 24-36 MHz, and T-Mobile holds 0-12 MH. In Illinois-9, 30 MHz of low band spectrum is unused -- DISH holds 6 MHz, US Cellular holds 12-24 MHz, and T-Mobile holds 0-12 MHz. Other unused spectrum includes DISH's 40 MHz of AWS-4 and 10 MHz of H block spectrum, which are available in all parts of both CMAs.

Additional spectrum will become available in the next few years, creating additional opportunities for both existing competitors and new entrants. In the recent AWS-3 auction,

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DISH-backed entities were the high bidders for 15 MHz of spectrum across CPI's entire license area. Licenses for AWS-3 spectrum in parts of CPI's license area also were won by two potential new entrants -- Cypress Cellular and Joseph Sofo -- as well as T-Mobile, among others. The upcoming 600 MHz auction will make additional licensed spectrum available.

Exhibits 1.1 and 1.2 and the Commission's ULS and auction databases provide the basis for this response.

5. REQUEST:

On page 5 of the Public Interest Statement, the Applicants contend that “[a]s part of the transition, AT&T plans to offer CPI subscribers comparable rate plans without requiring any contract extension. Any customers to whom AT&T is unable to offer comparable rate plans will be offered the choice between non-comparable rate plans and terminating their service without early termination fees.” Describe in detail how AT&T expects to migrate CPI customers and provide all documents discussing the migration plan, including plans for customer transition to new pricing plans and devices, and the timeline for this transition. In addition, explain:

- a. The likely effect of the Proposed Transaction and the Company's migration plans on CPI customers' existing rates, service plans, and devices, including, but not limited to, a discussion of device replacement plans, device comparability, and whether customers will be subsidized, in full or in part, for the cost of new devices. This explanation should also include, but not be limited to, a discussion of the Company's maintenance and transition of those CPI customers, detailed by plan, that have lower price rate plans to the extent that the Company does not provide comparably-priced plans for comparable services.
- b. Whether AT&T will honor the terms and conditions of the CPI customers' existing contracts for the term of their contracts. Include in your explanation a detailed discussion of each type of postpaid and prepaid/no-contract plan (e.g., daily, monthly all-you-can-eat, and pay as you go) currently available to CPI's customers.
- c. How CPI customers will be notified of the transition and a timeline for the transition of all CPI customers.
- d. How many CPI customers AT&T estimates will not have a comparable rate plan.

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Provide all documents relied upon in preparing the responses to 5(a) — 5(d).

RESPONSE:

[BEGIN AT&T HIGHLY CONFIDENTIAL INFORMATION]

[END AT&T HIGHLY CONFIDENTIAL

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6. REQUEST:

Provide polygons in an ESRI shapefile format representing geographic coverage for AT&T, including each mobile broadband network technology (e.g., CDMA, EV-DO, EV-DO Rev. A, GSM, EDGE, UMTS, HSPA, HSPA+, LTE) deployed in each frequency band (e.g., Lower 700 MHz, Cellular, AWS-1, PCS). Provide all assumptions, methodology (e.g., propagation, projection, field measurements), calculations (including link budgets), tools (e.g., predictive and field measurements) and data (e.g., terrain, morphology, buildings) used in the production of the polygons, and identify the propagation tool used, the propagation model used within that tool, including but not limited to, the coefficients used in the model and any additions, corrections or modifications made to the model.

RESPONSE:

Exhibit 6.1 provides polygons in ESRI shapefile format representing geographic coverage for AT&T. The polygons were generated by Forsk's Atoll propagation tool, which AT&T uses in the ordinary course of its business to create signal level files, which are collected and compiled to create coverage maps. Inputs to the propagation tool include cell site location, antenna height, antenna down tilt, antenna azimuth (direction in which the antenna points),

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antenna pattern (shape of antenna signal), signal power, topography/terrain, and clutter (physical land use and vegetation obstructions to the propagation of radio waves other than topography).

AT&T customizes the Atoll propagation tool primarily through the use of area-specific propagation models, which leverage up-to-date geographic terrain and clutter information provided by **[BEGIN AT&T HIGHLY CONFIDENTIAL INFORMATION]**

[END AT&T HIGHLY CONFIDENTIAL INFORMATION], a geodata provider.

AT&T contracts with a third-party vendor. **[BEGIN AT&T HIGHLY CONFIDENTIAL INFORMATION]** **[END AT&T HIGHLY**

CONFIDENTIAL INFORMATION], to tune and deliver pre-calibrated propagation models to AT&T. The calibrated propagation models are based on **[BEGIN AT&T HIGHLY CONFIDENTIAL INFORMATION]**

[END AT&T HIGHLY CONFIDENTIAL

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7. REQUEST:

Provide the Company's quarterly subscriber data, as specified in Attachment A.

RESPONSE:

Exhibit 7.1 provides quarterly subscriber data. **[BEGIN AT&T CONFIDENTIAL**

INFORMATION]

[END AT&T CONFIDENTIAL

INFORMATION]

8. REQUEST:

Provide the Company's quarterly porting data, as specified in Attachment B.

RESPONSE:

Exhibit 8.1 provides quarterly porting data. **[BEGIN AT&T CONFIDENTIAL**

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[END AT&T CONFIDENTIAL INFORMATION]

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EXHIBIT A: INDEX OF EXHIBITS

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Polygons in ESRI Shapefile Format Representing Geographic Coverage for AT&T.....	6.1
Quarterly Subscriber Data.....	7.1
Quarterly Porting Data.....	8.1

Custodians are: **[BEGIN AT&T CONFIDENTIAL INFORMATION]**

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**EXHIBITS REDACTED IN THEIR ENTIRETY AS
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