

decisions. Here, however, Applicants seek a waiver of the spectrum cap with respect to *only one* market, not forty-two, as were sought in the VoiceStream transactions.

Moreover, grant of the requested waiver will not adversely affect competition during the brief divestiture period. In essence, the waiver merely preserves the *status quo*. Pursuant to a management agreement, AT&T already runs the day-to-day operations of the Los Angeles cellular system. In fact, in March 1999, AT&T rebranded the cellular service offered by AB Cellular in Los Angeles as AT&T Wireless service. Thus, the grant of this waiver will ensure that current subscribers of AB Cellular in Los Angeles are not inconvenienced in any way.

Unlike the relief requested by applicants in the other divestiture cases, the waiver sought here has the advantage of being tied both to a date certain (January 27, 2001) and an identified buyer who is clearly qualified. As noted above, BellSouth's interest in the A band cellular license in Los Angeles is held through AB Cellular. Pursuant to the AB Cellular Formation Agreement, there are redemption provisions that give BellSouth 30 days from December 13, 2000 to elect one of the following three options:

- Option 1: Redeem AT&T's interest in AB Cellular by distributing the Los Angeles property to AT&T and obtain complete control of AB Cellular and its remaining cellular properties in Houston and Galveston;
- Option 2: Partially redeem BellSouth's interest in AB Cellular where BellSouth receives the cash contributed by AT&T (or the assets purchased with that cash) and AT&T receives full managerial and operational control over AB Cellular and all the FCC licenses it holds; or
- Option 3: Redeem BellSouth's interest in AB Cellular in return for cash equal to the lesser of (i) the value of its interest at the formation of AB Cellular, plus interest, and (ii) the fair market value of its interest in AB Cellular.³¹

³¹ See Section 9.1 of the Limited Liability Company Agreement for AB Cellular Holding, LLC (November 13, 1998) ("Formation Agreement") (Attachment D hereto).

SBC and BellSouth have agreed that Newco will have the right to make this election, and they have further agreed that, within Newco, SBC has the sole right to select the option. Thus, on December 13, 2000, SBC will be able to direct the election of one of the three options. At this time, SBC anticipates choosing Option 1, which would result in AT&T holding the A band cellular license in Los Angeles and Newco obtaining control of AB Cellular and the remaining cellular licenses it holds — Houston and Galveston.

The Applicants commit that, whichever election is made, the license overlap and corresponding spectrum cap issue in Los Angeles will be cured no later than January 27, 2001. Applicants request this 45-day period to ensure sufficient time for AT&T and BellSouth to comply with the AB Cellular Formation Agreement and to provide adequate time to prepare and file the necessary transfer applications, especially given the intervening holiday period. Thus, this situation is unique in that a pre-existing agreement spells out a *date certain* upon which the divestiture process will begin and ensures that an identified and clearly qualified buyer for the divested property will be selected.

Finally, the proposed divestiture date (i) is likely to be well in advance of the outer limit afforded VoiceStream (180 days from grant of the merger applications), and (ii) may be within the 90 days from consummation deadline granted in the VoiceStream decisions. Applicants obviously would prefer the most expeditious action possible to bring the joint venture to the market, given that there already are other national CMRS carriers currently operational. As demonstrated in the table below, however, it has taken the FCC between 120 and 213 days to issue decisions with respect to recent wireless transactions designed to create nationwide CMRS providers.

**TIMELINE FOR FCC ACTION ON RECENT WIRELESS MERGER/
JOINT VENTURE APPLICATIONS**

Merger/Joint Venture	Application Filing Date	FCC Grant Date	Elapsed Time
VoiceStream/Omnipoint	July 16, 1999	February 14, 2000	213 days
Bell Atlantic/Vodafone	October 14, 1999	March 30, 2000	168 days
VoiceStream/Aerial	December 1, 1999	March 30, 2000	120 days

The average time for a decision in each of these transactions has been 167 days.

If the instant transaction is subject to a similar timeline and outcome, the anticipated grant date would be October 18, 2000. Assuming Applicants consummated the transaction within thirty days of grant, the 90 day grant period afforded applicants in the VoiceStream decisions would expire on February 15, 2001 — nineteen days later than the requested divestiture deadline. Similarly, under this scenario, the proposed divestiture date would be well within the 180 days from grant time limit — April 16, 2001. Even if the FCC released a decision within the shortest period (120 days), the proposed January 27th divestiture date still would be within the 180-day limit granted in the VoiceStream decisions.

Based on the foregoing, Applicants respectfully submit that the public interest would be served by grant of a waiver of Section 20.6(e) that authorizes them to close the instant transaction subject to the condition that they eliminate the CMRS license overlap in Los Angeles no later than January 27, 2001 or, if the Commission does not act prior to December 13, 2000, the earlier of 180 days from grant or 90 days from closing.

C. There Are No Anticompetitive Effects

Apart from the limited overlaps discussed above that implicate the Commission's Rules, and that will be cured prior to closing, there are no competitive issues that require

any consideration.³² Rather, this transaction is a simple and straightforward consolidation of wireless properties that will enhance competition for all of the reasons that the Commission has identified in numerous orders regarding the creation of regional and national wireless carriers.

In addition to creating a sixth national wireless carrier, the agreements between SBC and BellSouth preserve and enhance the ability of SBC and BellSouth to compete both with Newco and with each other. Thus, this transaction will not only add a new national wireless competitor on the day it is implemented; it would also result in the addition of two additional competitors in many markets.³³ Moreover, the formation of

³² Other than the wireless voice and data market that is the subject of this transaction, the only other arguably relevant market is the market for international services, since both SBC's and BellSouth's wireless carriers provide international service. The Commission regulates the Applicants' provision of such services on a resale basis as nondominant on all international routes, including those where BellSouth and SBC have foreign carrier affiliations. In addition, although BellSouth Wireless Data is authorized to provide facilities-based service between the United States and Canada, it too is regulated as nondominant on that route. See International Authorizations Granted, DA 99-1317, *Public Notice*, 14 FCC Rcd. 13107 (July 2, 1999). The amount of combined international traffic carried by the Applicants' CMRS affiliates is nowhere near significant enough to raise anticompetitive concerns on any international route. Moreover, the transaction will not harm competition because it will not eliminate a significant participant in the provision of international services. See Bell Atlantic/Vodafone ¶ 28; VoiceStream/Aerial ¶ 39. The Commission has determined consistently that the BellSouth wireless carriers are to be regulated on a nondominant basis. Although SBC is affiliated with several foreign carriers, the Commission has recently concluded, in approving the SBC/Ameritech merger, that these affiliations do not raise competitive concerns. See In re Applications of Ameritech Corp. and SBC Communications Inc., FCC 99-279, *Memorandum Opinion and Order*, 14 FCC Rcd. 14712, ¶¶ 527-38 (Oct. 8, 1999) ("SBC/Ameritech"). In any event, BellSouth and SBC are contributing only their wireless carriers and the international Section 214 authorizations held by those carriers to Newco.

³³ Indeed, SBC and BellSouth will not be limited to offering wireless services only through their investment in Newco. Rather, they will also be able to sell wireless services provided over Newco's facilities – in competition with Newco and with each

Newco will not limit the ability of SBC and BellSouth to compete against each other outside the wireless market. Rather, Newco will be free to offer packages of services that combine its own CMRS service with landline service. SBC and BellSouth, in turn, will be allowed to package CMRS service obtained from Newco – both resold service out of region and service offered as Newco’s agent in region – with landline and other services in order to offer packages to consumers. Thus, the formation of Newco, with its near national wireless footprint, will enhance the ability of SBC and BellSouth to serve their current and future customers. It will also enhance their ability to compete with other carriers and with each other in the provision of other telecommunications services.

Indeed, by greatly expanding SBC’s ability to offer facilities-based wireless service, the joint venture will enhance SBC’s ability to offer packages of service in several major markets that it is committed to enter pursuant to its “National-Local” Strategy and the conditions to which it agreed to in connection with its merger with Ameritech.³⁴ Thus, far from raising competitive concerns, the joint venture is strongly procompetitive.

Footnote continued from previous page
other – both in and out of region. Specifically, out of their respective regions, SBC and BellSouth will each be able to resell Newco’s service, while in region they will, at least initially, act as Newco’s agent. Both parties, however, may convert to reseller status in region after six months for national accounts or for the sale of wireless services as part of packages, and may resell stand-alone wireless service after three years.

³⁴ See Sigman Aff. ¶ 9.

VII. SBC, BELLSOUTH AND NEWCO ARE EMINENTLY QUALIFIED TO CONTROL THESE LICENSES

There can be no question as to the qualifications of SBC and BellSouth, and thus of their joint venture, Newco, to control the authorizations at issue. Each company already controls the kinds of authorizations that are being contributed to the venture by the other. The qualifications of SBC and BellSouth are well known to the Commission, which has repeatedly found that they are qualified to control the types of authorizations at issue here.³⁵ SBC and BellSouth are two of the nation's most successful cellular carriers and they also have extensive PCS operations. They both provide high quality, competitive CMRS service to their customers. Given the experience and capabilities of both SBC and BellSouth, the qualifications of Newco to control these authorizations are beyond dispute.

VIII. RELATED GOVERNMENTAL FILINGS

The Department of Justice will conduct its own review of the competitive aspects of this transaction pursuant to the Hart-Scott-Rodino Antitrust Improvements Act of 1976, 15 U.S.C. § 18a, and the rules promulgated under that Act. SBC and BellSouth

³⁵ See e.g., International Bureau and Wireless Telecommunications Bureau Grant Consent for Transfer of Control of Licenses of Cellular Communications of Puerto Rico, Inc. to SBC Communications Inc., DA 99-1654, *Public Notice*, 14 FCC Rcd. 13506 (WTB/IB Aug. 18, 1999); SBC/Ameritech ¶¶ 568-573; In re Applications of Comcast Cellular Holdings, Co. and SBC Communications Inc., DA 99-1318, *Memorandum Opinion and Order*, 14 FCC Rcd. 10604 ¶¶ 4-5 (WTB July 2, 1999) ("SBC/Comcast"); SBC/SNET ¶¶ 26-27; In re Applications of Pacific Telesis Group and SBC Communications, Inc., FCC 97-28, *Memorandum Opinion and Order*, 12 FCC Rcd. 2624, ¶ 11 (Jan. 31, 1997) ("SBC/Telesis"); FCC Public Notice, Report No. 284 (July 28, 1999). Moreover, the Commission has granted all of Applicants' renewal applications filed to date. See e.g., FCC Public Notice, Report No. 375 (Nov. 17, 1999); FCC Public Notice, Report No. CWS-99-9 (Nov. 27, 1998).

will soon submit to the Department of Justice and the Federal Trade Commission a pre-merger notification form and an associated documentary appendix. In addition, although the proposed joint venture will only operate domestically, the transaction still requires clearance from the European Commission ("EC") under its Merger Regulation.

Notification of this transaction was given to the EC on April 25, 2000. The joint venture does not present any significant competition issues for the European Union, however, and Applicants expect to obtain EC clearance in the near future.

IX. ADDITIONAL AUTHORIZATIONS

In addition to seeking the Commission's approval of the transfers of control of the FCC authorizations covered in these applications, the Applicants are also requesting the additional authorizations described below.

A. After-Acquired Authorizations

While the lists of authorizations specified in the applications for approval of the transfers of control are intended to be complete, SBC's and BellSouth's subsidiaries and affiliates that are the subject of this transaction may have on file, and may file for, additional authorizations for new or modified facilities, some of which may be granted during the pendency of these transfer of control applications. Accordingly, SBC and BellSouth request that the grant of the transfer of control applications include authority for Newco to acquire control of the following items:

- (1) any authorization issued to SBC's or BellSouth's subsidiaries and affiliates during the Commission's consideration of the transfer of control

applications and the period required for consummation of the transaction following approval;

- (2) construction permits held by such licensees that mature into licenses after closing and that may not have been included in the transfer of control applications; and
- (3) applications that will have been filed by such licensees and that are pending at the time of consummation of the proposed transfer of control.

Such action would be consistent with prior decisions of the Commission.³⁶

B. Unconstructed Systems/Antitrafficking Rules

SBC holds three PCS authorizations that were obtained by competitive bidding within the last three years and that will be transferred to Newco in connection with this transaction.³⁷ Pursuant to 47 C.F.R. § 1.2111(a), Applicants state that there was no separate consideration assigned to these (or any other) licenses that are being transferred to Newco as part of the overall joint venture. In addition, both SBC and BellSouth have obtained authorizations to provide service in unserved areas during the last year. These authorizations do not raise any issue under 47 C.F.R. § 22.943(b) because the areas in question are being served by systems that have been in operation for more than one year.

³⁶ See, e.g., SBC/Ameritech ¶ 583; SBC/SNET ¶ 49; SBC/Telesis ¶ 93; In re Applications of Craig O. McCaw and American Tel. & Tel. Co., FCC 94-238, *Memorandum Opinion and Order*, 9 FCC Rcd. 5836, ¶ 137 n.300 (Sept. 19, 1994), *aff'd sub nom. SBC Communications Inc. v. FCC*, 56 F.3d 1484 (D.C. Cir.), *recons. in part*, 10 FCC Rcd. 11786 (Oct. 30, 1995).

³⁷ These three PCS licenses were originally obtained by Comcast Corp. through competitive bidding in June 1997. SBC acquired control of these and other wireless authorizations of Comcast in July 1999.

Although virtually all of the microwave authorizations controlled by SBC and BellSouth that are the subject of the proposed transfer of control represent constructed facilities, there is a small number of authorizations for which facilities have not yet been constructed. Under § 101.55(d) of the Commission's Rules, the transfer of control of such authorizations does not implicate the Commission's antitrafficking restrictions because the transfer is incidental to the larger transaction involving the transfer of control of the ongoing CMRS businesses of SBC and BellSouth, with no separate payment being made with respect to any individual authorizations or facilities.³⁸

C. Blanket Exemptions to Cut-Off Rules

The public notice announcing the plan for Newco to acquire virtually all of the wireless licenses controlled by SBC and BellSouth will provide adequate notice to the public with respect to such licenses, including any for which license modifications are now pending. Therefore, no waiver needs to be sought from Sections 1.927(h) and 1.929(a)(2) of the Commission's Rules to provide a blanket exemption from any applicable cut-off rules in cases where SBC or BellSouth file amendments to pending applications to reflect the consummation of the proposed transfer of control.³⁹

³⁸ See SBC/SNET ¶ 49; SBC/Telesis ¶ 91.

³⁹ See In re Applications of Ameritech Corp. and GTE Consumer Servs. Inc., DA 99-1677, Memorandum Opinion and Order, __ FCC Rcd. __, ¶ 2 n.6 (WTB Aug. 20, 1999); SBC/Comcast ¶ 2 n.3.

X. CONCLUSION

For the foregoing reasons, Applicants respectfully request that the Commission conclude that this joint venture serves the public interest, convenience and necessity, and thus expeditiously grant the applications to transfer control of SBC's and BellSouth's FCC authorizations to Newco.

AFFIDAVIT OF STAN SIGMAN

STATE OF TEXAS)
)
COUNTY OF BEXAR) SS

STAN SIGMAN, being duly sworn, deposes and says:

1. My name is Stan Sigman. I am the Group President-SBC National Operations. In that capacity, I am responsible for managing all of the wireless services of SBC Communications Inc. These services include the cellular services offered within SBC's traditional five-state territory (which are marketed under the Southwestern Bell brandname), the PCS services offered in California and Nevada (which are marketed under the Pacific Bell and Nevada Bell Mobile Services brandnames), the cellular and PCS services offered in the former Ameritech in-region states (which are marketed under the Ameritech Mobile brandname) and, cellular services offered in other parts of the country including the US Virgin Islands and Puerto Rico (which are operated under the Cellular One brand name).

2. In my responsibilities for SBC I am also the Chairman of the Board of SBC Telecom Inc. ("SBCT"), which is the SBC subsidiary through which SBC will implement our 30 market National-Local Strategy. SBCT is currently undertaking efforts to enter the 30 largest MSAs not served by an SBC affiliate as an incumbent local exchange carrier.

3. SBC and BellSouth have agreed to contribute substantially all of their domestic wireless operations to NewCo. SBC will derive substantial benefits from the formation of NewCo. These benefits will, in turn, result in a number of pro-competitive and pro-consumer benefits which will not only make NewCo an effective wireless competitor but will result in the availability of enhanced wireless services to the public. Those advantages, which were the main driver of this transaction, are described below. In addition, while we did not undertake a detailed analysis of expected cost savings through reductions in staff, overhead and the like, we expect to achieve those types of savings.

4. The wireless industry has undergone a substantial transition over the last few years. While a wireless company's "footprint" has always been of paramount importance to the customer, prior to the passage of the Telecom Act, the primary calling scopes made available to consumers were market specific or, at best, regional in nature. With the passage of the Telecom Act and the freedom afforded to wireless companies affiliated with BOCs to offer expanded calling scopes as a result of new interLATA freedoms, the competitive landscape changed dramatically. The market almost immediately began to create larger regional calling scopes which then became state-wide calling scopes and have now become national in scope. This phenomenon is evidenced by the large number of single rate plans offered by competitors such as AT&T, Verizon Wireless, Nextel, Sprint and VoiceStream/ Omnipoint/Aerial.

5. As these rate plans have proliferated, the need for wireless carriers to have their own national networks has become more apparent. Early efforts to offer single rate plans consisted primarily of carriers buying down roaming minutes and offering those minutes in packages to customers. This is a highly inefficient method of providing a single rate plan. As these plans became more prevalent, and the number of customers utilizing these plans increased dramatically, carriers began to focus on efforts to obtain a single network platform to the fullest extent possible. This has resulted in the combination of Bell Atlantic, Vodafone and (soon) GTE into the new Verizon Wireless, AT&T continuing to expand its footprint, Sprint's construction of a national network and the combination of VoiceStream/Omnipoint and Aerial.

6. SBC and BellSouth, each of whom has its own strong regional footprint and brand names, lack a single national network to compete with these other carriers. The combination of the wireless assets of SBC and BellSouth into NewCo is the most efficient and cost-effective way to build a foundation on which NewCo can ultimately create a sixth national network to compete in the new wireless market. This combination will produce the broader geographic coverage, enable the minimization of roaming fees and generate the marketing efficiencies which will make NewCo a more effective competitor than either SBC and BellSouth would have been on its own.

7. In addition to the competitive and marketing consequences of having a single network, NewCo will, in fact, experience a number of cost savings and efficiencies. One of the most important efficiencies that will be derived by NewCo is a

result of the fact that BellSouth and SBC have made similar technology choices for their wireless networks. One of the critical components to offering a national rate plan is the ability to offer the same services and features on a ubiquitous basis around the country. This cannot be done without a compatible network technology. This is particularly important as data capabilities become more significant to wireless offerings. SBC and BellSouth each use TDMA digital platforms in their cellular markets and GSM platforms in their PCS markets. While the GSM and TDMA systems are not compatible today, each of the GSM and TDMA technologies are built on the same foundation (i.e., the division of the radio frequency into timeslots). As a result, the GSM and TDMA technologies are rapidly converging, so that NewCo will be able to offer a single device that will work on both networks in the not too distant future. Moreover, by combining our resources, including the purchase of network equipment and wireless phones, and working together in the standard setting process, we will be able to expedite the convergence of TDMA and GSM more effectively on a combined basis than either SBC or BellSouth could have on their own.

8. NewCo will also be a more efficient provider of wireless services than either SBC or BellSouth would have been on its own. These efficiencies will be derived through the creation of a national network, which will reduce the reliance of NewCo on roaming rates as NewCo promotes its own one rate plan, the creation of a single headquarters' staff that will manage the business and will result in the elimination of duplication in that area, and other economies of scale which can be derived from combining these two well-managed wireless entities into a single new company.

NewCo will be able to generate efficiencies by consolidating national advertising media, reducing customer service and billing costs and through decreased per-unit costs for network equipment, handsets and other inputs into the business. NewCo will also be able to more efficiently develop and offer new products and services as the new product development implementation and marketing costs will be spread over a larger network and subscriber base. By way of example, since SBC has built its wireless business through a number of acquisitions, we have multiple wireless OSS systems which must be maintained. This not only increases the cost of issuing bills, it makes it more difficult to offer common rate plans across many markets. To overcome these difficulties, SBC is converting its wireless operations to a single billing system. BellSouth has also been creating and implementing a single billing system. By spreading the cost of one billing system across both companies, we will be able to bill customers more efficiently and cost-effectively, we will be able to manage that single billing system with fewer people than are necessary to manage existing billing systems today, and we will be able to offer a more effective single bill capability to customers as we have a ubiquitous set of features, functionalities, capabilities and price plans spread across a larger company.

9. NewCo will also be able to fill out its national footprint more effectively than either SBC or BellSouth would have been able to undertake on its own. First, there is a limited amount of spectrum that is even available for wireless services in the US. It is quite likely that each of SBC and BellSouth would not have been able to create a truly national footprint on a standalone basis simply as a result of the lack of sufficient

available spectrum.

Lastly, from SBC's standpoint, having access to a national wireless capability will make SBC a more effective competitor as it rolls out its National-Local Strategy. Since SBC lacked a national wireless footprint, its ability to offer wireless components in a bundle as it competes with Bell Atlantic, BellSouth, US West, Qwest, AT&T and other carriers who are offering bundles of services would have been less effective without NewCo. Both SBC and BellSouth will have the ability to sell wireless services offered by NewCo. This ability to offer a national wireless capability as a part of a package of services as we enter markets such as Atlanta, Miami, and Charlotte other markets (including those in which NewCo acquires through auctions or other acquisitions), will enhance SBCT's competitive offerings.

/s/ Stan Figman

Subscribed and sworn to before me this 3rd day of May, 2000.

/s/ Herlinda H. Almaguer
Notary Public
State of Texas
Comm. Exp. 11/12/00

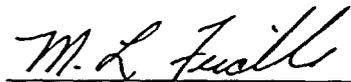
WorldCom/Sprint, and Voicestream/Omnipoint/Aerial, shows that there is strong momentum toward facilities-based national service. These are large well-capitalized competitors with substantial financial, technical, marketing and other resources. The U.S. wireless industry is increasingly shifting towards the use of flat-rate national pricing plans, which eliminate roaming and long distance charges.

5. It is against this background that the proposed joint venture should be reviewed. BellSouth and SBC have largely complementary wireless networks (both from a geographic and technical standpoint). The creation of a joint operating company offers the best chance to meet our competition. The merged entity will be strong in terms of coverage, network quality, research and development, technical expertise, customer service and marketing. The financial resources available to the new company will allow it to complete its goal of a national footprint and give it the ability to compete favorably with other national providers. Newco should also provide the opportunity to streamline all of these operations, while increasing the depth and resources of the new company by combining the best assets from BellSouth and SBC. The national pricing plans that BellSouth has offered to date have relied on a series of non-facilities-based roaming agreements. The joint venture will significantly reduce this costly way of operating and will facilitate the realization of each company's desire to have a national facilities-based wireless network.

6. The joint venture also will help us promote and develop BellSouth's nationwide mobile data service - BellSouth Mobile Data ("BSMD"). The new venture will permit BSMD to take full advantage of nationwide marketing and distribution systems created by the new

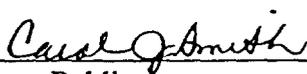
company. BSMD will be linked in customers' minds with a nationwide provider of wireless service. BSMD targets the business community by providing monitoring services, interactive messaging, and transactional services on a nationwide basis. These services will be greatly assisted by having a nationwide wireless company behind it. Moreover, the joint venture's research and development capability will help drive BSMD into even more innovative data services.

7. Finally, I have reviewed the material concerning BellSouth in the Public Interest Statement, and it is true and correct to the best of my belief.



Mark Feidler

Subscribed and sworn to before me
this 3rd day of May, 2000.



Notary Public

SBC/BELLSOUTH WIRELESS OVERLAPS

Market	SBC Interest	BellSouth Interest
New Orleans CMA 029	Cellular/A Band Radiofone, Inc. KNKA352	Cellular/B Band Louisiana Cellular Holdings, LLC KNKA224
Baton Rouge CMA 080	Cellular/A Band Baton Rouge Cellular Telephone Co. KNKA361	Cellular/B Band Louisiana Cellular Holdings, LLC KNKA268
Louisiana RSA 6 CMA 459	Cellular/A Band (A2) Radiofone, Inc. KNKQ396	Cellular/B Band (B1) Acadiana Cellular General Partnership KNKN499 Cellular/B Band (B2) Lafayette MSA Limited Partnership KNKN500
Louisiana RSA 8 CMA 461	Cellular/A Band Radiofone, Inc. KNKN442	Cellular/B Band (B1) Louisiana RSA No. 8 Limited Partnership KNKQ454
Louisiana RSA 9 CMA 462	Cellular/A Band Radiofone, Inc. KNKN724	Cellular/B Band (B1) Louisiana Cellular Holdings, L.L.C. KNKQ455
Los Angeles MTA 002 CMA 002	PCS/B Block Pacific Telesis Mobile Services KNLF205	Cellular/A Band AB Cellular Holding, LLC KNKA351

Market	SBC Interest	BellSouth Interest
<p>Indianapolis</p> <p>MTA 031</p> <p>CMA 217</p> <p>CMA 411</p> <p>CMA 028</p> <p>CMA 247</p> <p>CMA 282</p> <p>CMA 410</p> <p>CMA 407</p> <p>CMA 236</p> <p>CMA 185</p> <p>CMA 409</p>	<p>PCS/B Block Ameritech Wireless Communications, Inc. KNLF262</p>	<p>Cellular/A Band Westel-Indianapolis Company, Inc. KNKA806 KNKN307 KNKA208 KNKA558</p> <p>Cellular/A Band Bloomington Cellular Telephone Co. KNKA654</p> <p>Cellular/A Band Indiana 8, L.L.C. KNKN340</p> <p>Cellular/A Band Indiana Cellular Corporation KNKN445</p> <p>Cellular/A Band Muncie Cellular Telephone Co., Inc. KNKA661</p> <p>Cellular/A Band Terre Haute Cellular Telephone Company, Inc. KNKA762</p> <p>Cellular/A Band Westel-Milwaukee Company, Inc. KNKN449</p>

*Excerpt from Limited Liability Company Agreement of
November 13, 1998 for AB Cellular Holding, LLC*

ARTICLE IX
PUT AND CALL PROVISIONS

9.1. Options of the BellSouth Members.

Provided that a System Material Adverse Effect has not occurred, at any time during the 30-day period commencing on December 13, 2000, the BellSouth Members, in their full and absolute discretion, may elect any one of the following options:

(a) to cause the Company to redeem the Interests held by the AT&T Members in consideration of a distribution in kind of the Los Angeles System, or, if the Los Angeles System has been transferred to LA Newco as contemplated by Section 3.2, the entire membership interest of LA Newco held by the Company;

(b) to cause the Company to redeem a percentage of the BellSouth Members' Interests in consideration of an in kind distribution of all of the membership interests of Other Business Newco, such percentage to equal (i) the Fair Market Value of the assets of Other Business Newco, divided by (ii) the Fair Market Value of all of the Company's consolidated assets, in each case as of the BellSouth Exercise Date (as defined below); provided that the Houston Management Agreement shall terminate and the BellSouth Members shall remove their representatives from the Management Committee as of the date of its election of this option under subsection (b) and shall not have any right to appoint any further representatives to the Management Committee; provided, further, that the Company shall have a five-year call on the balance of the BellSouth Members' Interests for cash equal to the Fair Market Value of such Interests on the date the call is exercised pursuant to the following terms: The Company may elect to purchase the balance of the BellSouth Members' Interests by giving written notice (the "Company Call Notice") to all of the BellSouth Members not later than the expiration of such five-year period, and, if the Company elects to exercise its right under this Section 9.1(b), the BellSouth Members' Interests shall be purchased by the Company for cash at a purchase price (the "Call Purchase Price") equal to the Fair Market Value of such Interests. The closing of the purchase and sale of the balance of the BellSouth Members' Interests shall occur on the 10th day following the determination of such Interests' Fair Market Value at the Company's principal office, or at such other date and time agreed to by the Company and the BellSouth Members. At such closing, the Company shall deliver the Call Purchase Price to the BellSouth Members by wire transfer of immediately available funds (pursuant to written instructions delivered to the Company by the BellSouth Members) upon the receipt of such agreements, certificates, releases,

instruments and other documents as the Company may reasonably require in order to ensure that the BellSouth Members effectively transfer to the Company at closing their entire Interests in the Company, free and clear of any Liens; or

(c) to cause the Company to redeem the BellSouth Members' (collective) Interests in consideration of a cash payment equal to the lesser of: (i) the sum of the BellSouth Members' Capital Contributions, which shall be deemed to be the sum of the Interest Values attributable to the BellSouth Members (collectively) as of the Effective Date, and the amount of any additional Capital Contributions made by the BellSouth Members (collectively) pursuant to Section 4.3, plus an amount equal to an 8% return, less the amount of distributions received by the BellSouth Members pursuant to Article VII plus an amount equal to an 8% return, each such 8% return to be compounded annually on such amounts, with the return computed on any such amount from the Effective Date or the date of the contribution or distribution of such amount, as appropriate, to the date of the redemption of the BellSouth Members' Interests; or (ii) the Fair Market Value of the BellSouth Members' (collective) Interests as of the BellSouth Exercise Date (as defined below); provided that the Houston Management Agreement and the Other Business Management Agreement shall terminate and the BellSouth Members shall remove their representatives from the Management Committee as of the date of its election of this option under subsection (c) and shall not have the right to appoint any further representatives to the Management Committee; further provided that the AT&T Members shall have the option to cause the Company to conduct an auction and sale of the Permitted Other Business (if any) for cash and to distribute the net proceeds of such sale to the Members *pro rata* based on their Membership Percentages as of the BellSouth Exercise Date; provided, further, that if the AT&T Members cause the Company to conduct such auction and sale, the net proceeds of such sale shall be deemed to be the Fair Market Value of the Permitted Other Business for purposes of clause (ii) and shall be paid upon consummation of such sale.

In order to exercise any such election, the BellSouth Members (collectively) shall deliver Notice thereof to the AT&T Members within the aforementioned 30-day period. The date of the delivery of such Notice is hereinafter referred to as the "BellSouth Exercise Date." Any such election shall be irrevocable and shall specify which of the three options is being exercised by the BellSouth Members (collectively). After the BellSouth Members (collectively) make such election, each of the Members shall use its reasonable best efforts to take, or cause to be taken, all action and to do, or cause to be done, all things necessary, proper or advisable under applicable laws and regulations to consummate and make effective the transactions contemplated by this Section 9.1, including (i) filing any necessary notice filings with the FCC and any applicable Public Utility Commission; (ii) cooperation in determining whether any other action by or in respect of, or other filing with, any governmental body, agency or official or authority is required; (iii) cooperation in determining whether any actions, consents, approvals or waivers are required to be obtained from any third parties, including any third parties to any material contracts, in connection with the consummation of the transactions contemplated by this Agreement; (iv) cooperation in seeking and obtaining any such actions, consents, approvals or waivers; and (v) the execution of any additional instruments related to the consummation of the transactions contemplated hereby. (Notwithstanding the terms hereof, no party hereto shall be required to agree to the imposition by any Governmental Entity of conditions or limitations

which are materially adverse to such party, or otherwise take any step to avoid or eliminate any impediment which may be asserted under the laws of the United States or any state which, in the reasonable judgment of any party hereto, would result in a material limitation of the benefit expected to be derived by such party as a result of the consummation of the transactions contemplated hereunder.) The Members shall cause the closing of the transactions contemplated by this Section 9.1 to occur on the business day that is five Business Days after the date (the "Final Order Date") that is the later of (i) the date that all requisite approvals and consents of all applicable Governmental Entities are obtained, or (ii) in the event that any claim, suit, litigation, proceeding, complaint, charge, arbitration or mediation ("Action") is instituted that seeks to prevent the consummation of the transactions contemplated by this Section 9.1, the date that a Final Order or final, non-appealable judgment or order in favor of the Company or the BellSouth Members (collectively) or order dismissing such Action is entered by a Governmental Entity (including a court of competent jurisdiction). If, after the BellSouth Exercise Date and prior to the consummation of the transactions contemplated by this Section 9.1, a Final Order or a final, non-appealable order or judgment of a Governmental Entity (including a court of competent jurisdiction) is issued prohibiting or preventing the transactions contemplated by this Section 9.1, or a period of 18 months has passed since the BellSouth Exercise Date, the rights and duties of the Company, the BellSouth Members and the AT&T Members under Section 9.1 shall immediately terminate.

For the purposes of this Section 9.1, the Fair Market Value of the Company's consolidated assets or of the BellSouth Members' Interests or of the Permitted Other Business shall be determined by the Members in the exercise of good faith and, in the event that the Members are unable to promptly determine such value, by the Dispute Procedure.

In the event a System Material Adverse Effect has occurred, the Members shall cause the Company to use its best efforts to remedy any damage or destruction relating to the System Material Adverse Effect. If a System Material Adverse Effect continues to exist on December 13, 2000, the option described in this Section 9.1 shall not be exercisable for a period of 270 days commencing on December 13, 2000. If a System Material Adverse Effect continues to exist at the termination of such 270-day period, the BellSouth Members may not elect any of the of the options set forth in clauses (a), (b) or (c) above until such time as a System Material Adverse Effect no longer continues to exist.

CALL SIGN INFORMATION

- A. WB2XHJ
- B. 0044-EX-PL-2000
- C. Various locations throughout the states of Alabama, Florida, Georgia, Indiana, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee and Texas
- D. 03/01/2002
- E. Multiple
- F. XR

FORM 602

Applicant hereby incorporates by reference the FCC Form 602 for Alloy LLC that is being filed concurrently as part of this transaction.

CERTIFICATE OF FORMATION

CERTIFICATE OF FORMATION

OF

ALLOY LLC

This Certificate of Formation of Alloy LLC (the "LLC"), dated as of April 19, 2000, is being duly executed and filed by SBC Communications Inc., as an authorized person, to form a limited liability company under the Delaware Limited Liability Company Act (6 Del. C. § 18-101, *et seq.*).

FIRST: The name of the limited liability company formed hereby is "Alloy LLC".

SECOND: The address of the registered office of the LLC in the State of Delaware is c/o The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, New Castle County, Delaware 19801.

THIRD: The name and address of the registered agent for service of process on the LLC in the State of Delaware is The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, New Castle County, Delaware 19801.

IN WITNESS WHEREOF, the undersigned has executed this Certificate of Formation as of the date first above written.

SBC COMMUNICATIONS INC.,
as an authorized person



Name: James S. Kahen

Title: Senior Executive Vice President
Corporate Development

Office of the Secretary of State

I, EDWARD J. FREEL, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF FORMATION OF "ALLOY LLC", FILED IN THIS OFFICE ON THE TWENTY-FOURTH DAY OF APRIL, A.D. 2000, AT 4 O'CLOCK P.M.



A handwritten signature in cursive script, appearing to read "Edward J. Freel".

Edward J. Freel, Secretary of State

3202626 8100

001207454

AUTHENTICATION: 0397657

DATE: 04-24-00