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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

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In the Matter of	)	
WIRELESS ALLIANCE, L.LC.	)	File No. _____
Petition for Determination of the Public Interest Under Section 310(b)(4) of the Communications Act of 1934, as Amended, to Permit Certain Indirect Foreign Ownership in Personal Communications Services Licenses	)	

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Telecom Division
International Bureau

Non-Streamlined ISP-PDR-20001017-00039
WIRELESS ALLIANCE, LLC
IB Docket 00-187

To: Chief, International Bureau
Chief, Wireless Telecommunications Bureau

PETITION FOR DECLARATORY RULING
UNDER SECTION 310(b)(4) OF THE
COMMUNICATIONS ACT OF 1934, AS AMENDED

Pursuant to Section 1.2 of the Commission's rules, Wireless Alliance, L.L.C. ("Wireless Alliance" or "Petitioner") requests a declaratory ruling that the proposed acquisition by Deutsche Telekom AG and its shareholders ("DT") of control over VoiceStream Wireless Corporation ("VoiceStream"), when combined with other indirect foreign ownership in Wireless Alliance not to exceed 25%, will be consistent with the public interest standard established by Section 310(b)(4) of the Communications Act of 1934, as amended, 47 U.S.C. § 310(b)(4), provided that Wireless Alliance assigns all licenses it holds to a wholly owned subsidiary of Wireless Alliance that will be organized under the laws of a state in the United States.

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Pursuant to Section 1.2 of the Commission's rules, Wireless Alliance, L.L.C. ("Wireless Alliance" or "Petitioner") requests a declaratory ruling that the proposed acquisition by Deutsche Telekom AG and its shareholders ("DT") of control over VoiceStream Wireless Corporation ("VoiceStream"), when combined with other indirect foreign ownership in Wireless Alliance not to exceed 25%, will be consistent with the public interest standard established by Section 310(b)(4) of the Communications Act of 1934, as amended, 47 U.S.C. § 310(b)(4), provided that Wireless Alliance assigns all licenses it holds to a wholly owned subsidiary of Wireless Alliance that will be organized under the laws of a state in the United States.

Organization and Ownership of Petitioner

1. Petitioner is organized as a limited liability company under the laws of Delaware. Its sole business is the provision of telecommunications services under the authority of two broadband Personal Communications Services ("PCS") licenses issued by the Commission. Petitioner's principal office is located in Alexandria, Minnesota.

2. Petitioner is 70% owned and controlled by Rural Cellular Corporation ("RCC"), a Minnesota corporation whose stock is publicly traded, and 30% owned by a subsidiary of VoiceStream named APT Minneapolis, Inc. As the Commission is aware, DT proposes to acquire control of VoiceStream. In that event, DT would be an indirect owner of 30% of Petitioner.

3. This petition is necessitated by the proposed DT acquisition of VoiceStream. In recognition of the need to file this petition, and in an attempt to make full disclosure, RCC obtained from its transfer agent the most current available shareholders lists in an attempt to ascertain the level of ownership of stock of RCC by persons and entities who are not United States citizens or

owned by United States citizens:[1]

4. RCC, as the 70% owner of Petitioner, has six classes or series of capital stock. Its Common Stock consists of Class A shares, which are entitled to one vote per share, and Class B shares, which are entitled to ten votes per share. RCC has four types of preferred stock, 11-3/8% Senior Exchangeable Preferred Stock, 12-1/4% Junior Exchangeable Preferred Stock, Class M Preferred Stock, and Class T Preferred Stock.

5. According to a shareholder list which RCC obtained from Wells Fargo Shareowner Services, the company's transfer agent, the following shares of stock were outstanding on September 22, 2000:

Common	
Class A	11,031,731
Class B	781,705
Preferred	
11-3/8% Senior Exchangeable	148,736
12-1/4% Junior Exchangeable	187,240

The register of shares RCC's counsel maintains for the Class T and Class M Preferred Stock shows the following shares outstanding:

Class M	110,000
Class T	
Series A	2,176.875

[1] The only indicator of stockholder citizenship or stockholder country of organization available to RCC is the stockholder address shown in the records of RCC's transfer agent. For the purposes of this petition, RCC will classify all stockholders with a non-U.S. address as a non-US person or entity, even though some of those stockholders could be U.S. persons who have simply instructed their brokers to mail information to a non-U.S. address.

Series B	5,363.214

9,640,156 of the 11,031,731 shares of Class A Common Stock outstanding are held "in street name" by CEDE & Company, c/o the Depository Trust Co. The Wells Fargo register lists only one owner of 100 Class A shares with a foreign address (Canada). No Class B common stockholders have non-U.S. addresses.

6. To obtain further information about the holders of Class A Common Stock, RCC obtained a list of the nonobjecting beneficial owners of the shares held in street name from ADP, the entity which processes mailings of shareholder information to RCC stockholders. That list contained names and addresses for holders of 3,030,478 of the 9,640,156 shares held in street name. Alien ownership, based on a review of the addresses shown, was as follows:

Germany	99,046
Bermuda	23,342
UK	2,986
Switzerland	800
Singapore	211
Oman	200
Monaco	175
France	125
Pakistan	112
Canada	110
Turks and Caicos	83
Hong Kong	42
TOTAL	127,021

Based upon a review of the records at RCC's disposal (functionally limited to an identification of ownership of only 4,422,054 shares of Class A common stock[2]), 127,121 shares may be held by non-

[2] 1,391,575 shares not in street name from the Wells Fargo list, plus 3,030,479 shares held by "NOBOs" on the ADP list.

U.S. persons.

7. With regard to RCC's exchangeable preferred stock, all of the 11/3/8% Senior Exchangeable Preferred Stock and the 12 ¼% Junior Exchangeable Preferred Stock is held in "street name" and ADP's mailing list showed names of only U.S. institutional investors. RCC's inability to obtain any ownership information on these shares may be insignificant, however, because neither type of exchangeable preferred stock, or the Class T Preferred Stock, carries voting rights.

8. RCC's Class M Preferred Stock owners are entitled to vote their shares based upon a conversion to Class A Common Stock at a price of $53.00 per share. Thus the 110,000 shares of outstanding Class M Preferred Stock are equivalent to 2,075,472 shares of Class A Common Stock. Toronto Dominion Investments, Inc. ("TD"), which RCC believes to be a wholly owned subsidiary of a Canadian entity, holds 18,333.33 shares of Class M preferred stock, and therefore may vote as if it held 345,912 shares of Class A Common Stock.

9. In summary, voting stock of RCC consists of the equivalent of 20,924,253 shares.[3] Of this total voting equity, RCC has identified 151,712 shares of Class A common stock (including TD's Class M shares on an as-converted basis), as being held by non-U.S. persons as of the end of September, 2000. As a percentage, this equates to 0.73% of the voting power of RCC capital stock.

Effect of The Proposed Acquisition of VoiceStream by DT

10. The 30% interest in Wireless Alliance that is held by a subsidiary of VoiceStream was acquired by VoiceStream from Aerial Communications, Inc. As set forth in separate applications filed with the Commission on September 18, 2000, VoiceStream recently entered into an Agreement and Plan of Merger that, on consummation, will give DT ultimate control of VoiceStream. *See* Application [of VoiceStream and DT] for Transfer of Control and Petition for Declaratory Ruling ("VoiceStream-DT Merger Application") (File No. 0000211827). DT is a corporation organized and existing under the laws of the Federal Republic of Germany. As set forth in the applications, DT was until 1995 wholly owned by the German government. *See* VoiceStream-DT Merger Application at 9. According to the DT-VoiceStream merger application, since 1995 the German government has divested its stake as rapidly as possible taking into account the prevailing market conditions and the ability of markets to absorb large blocks of shares. *Id.* The German government's interest in DT will decline to 45.7% as a result of DT's proposed merger with VoiceStream, and to approximately 44% following the closing of DT's proposed merger with VoiceStream. *Id.* at 10.

11. Prior to the effectuation of DT's proposed merger with VoiceStream, Wireless Alliance

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[3] 11,031,731 Class A Common Stock at one vote per share, plus 7,817,050 votes controlled by Class B common stockholders, plus 2,075,472 shares of Class A Common Stock upon conversion of the 110,000 shares of Class M Preferred Stock.

plans to assign its PCS licenses to a new, to-be-formed subsidiary that will be organized under the laws of a state in the United States. The effect of such action would be to render the ownership interest in Petitioner attributable to DT an indirect interest in the licensee of common carrier facilities and allow for a determination by the Commission under Section 310(b)(4) that ownership interests by foreign persons and non-domestic entities at a level exceeding 25% is consistent with the public interest standard by the same section of the Communications Act. This petition seeks approval for a level of indirect foreign ownership in Wireless Alliance that would be present after a merger of VoiceStream with DT. Petitioner understands that subsequent to DT's acquisition of VoiceStream, if more than an additional 25% indirect interest in the licensee is to be held by non-U.S. entities, it is necessary for Commission approval to be requested and granted.

Argument

12. In analyzing proposed indirect foreign investments in common carrier licensees such as PCS licensees, the Wireless and International Bureaus have been "guided . . . by the U.S. Government's commitment under the World Trade Organization ("WTO") Basic Telecommunications Agreement, which seeks to promote global markets for telecommunications so that consumers may enjoy the benefits of competition." *Aerial Communications, Inc.*, DA 00-730 (IB/WTB rel. Mar. 31, 2000), at ¶ 9. The Commission accordingly adheres to the principles that "additional foreign investment can promote competition in the U.S. market," and that "the public interest will be served by permitting more open investment by entities from WTO Member countries in U.S. common carrier wireless licensees." *Rules and Policies on Foreign Participation in the U.S. Telecommunications Market,* 12 FCC Rcd 23891, 23939, ¶ 111 (1997). Based on these principles,

the Commission has adopted a "strong presumption that no competitive concerns are raised by . . . indirect foreign investment[s] from WTO Member countries." *VoiceStream Wireless Corp.*, FCC 99-53 (rel. Feb. 15, 2000), at ¶ 16.

13. That strong presumption applies here, because DT's home country, Germany is a WTO member. The VoiceStream-DT merger application contains a detailed analysis of why that presumption requires approval of DT's proposed acquisition of 100% of the stock of the parents of the VoiceStream subsidiaries, particularly in light of the overwhelmingly procompetitive nature of those transactions in providing those licensees with the resources they need to compete more effectively with their much larger and better capitalized competitors. *See* VoiceStream-DT Merger Application at 24-29, 34-43. These considerations certainly have no less force with respect to DT's proposed noncontrolling investment in Wireless Alliance. Thus, in the event the Commission finds that DT's acquisition of VoiceStream is in the public interest, DT's proposed noncontrolling investment in Wireless Alliance should be approved as well. Upon that approval, it is Petitioner's understanding that additional non-U.S. indirect ownership in the licensee, not to exceed 25%, would be permissible. If the additional indirect non-U.S. ownership would exceed 25%, Commission approval must be requested and granted.

Conclusion

For the reasons stated above, if the Commission approves the merger of VoiceStream and DT, the Commission should declare that it is in the public interest that a to-be-formed subsidiary of Petitioner may hold the licenses now held by Petitioner with a level of indirect foreign ownership and indirect voting rights which reflects DT's ownership of a 30% interest in Petitioner and which permits up to an additional 25% indirect non-U.S. ownership in the licensee.

Respectfully submitted,

WIRELESS ALLIANCE, L.L.C.

By: _____
David L. Nace
B. Lynn F. Ratnavale
Its Attorneys

Lukas, Nace, Gutierrez & Sachs, Chtd.
1111 19th Street, N.W., Suite 1200
Washington, D.C. 20036
202-857-3500

Date: October 16, 2000

DECLARATION

I, Wesley E. Schultz, hereby declare:

1. I am Executive Vice President and Chief Financial Officer of Rural Cellular Corporation (ARCC@).

2. RCC owns a 70% interest in Wireless Alliance, L.L.C. (AWALL@).

3. I am familiar with the facts contained in the foregoing APETITION FOR DECLARATORY RULING UNDER SECTION 310(b)(4) OF THE COMMUNICATIONS ACT OF 1934, AS AMENDED@ and I verify that those facts are true and correct to the best of my knowledge and belief, except that I do not and need not attest to those facts which are subject to official notice by the Commission.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on this 13th day of October, 2000.

Wesley E. Schultz

Wesley E. Schultz

CERTIFICATE OF SERVICE

I, Loren B. Costantino, a legal assistant in the law offices of Lukas, Nace Gutierrez & Sachs, Chartered, do hereby certify that I have on this 16th day of October, 2000, sent by Hand-Delivery copies of the foregoing Petition to the following:

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