

May 19, 2004

VIA ELECTRONIC FILING

Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, S.W.
Room TW-B204
Washington, DC 20554

Re: REPLY COMMENTS in WT Docket No. 04-70
Applications for Transfer of Control of Licenses (“Transfer Applications”) from
AT&T Wireless Services, Inc. (“AWS”) to Cingular Wireless Corporation
 (“Cingular”)

Dear Madam Secretary:

Rural Cellular Corporation (“RCC”) respectfully offers comments in support of the Transfer Applications and in reply to several arguments presented in petitions to deny and informal objections to those applications.

RCC through its operating subsidiaries is a commercial wireless service provider with just over 745,000 subscribers in 14 states. RCC provides service in the more rural portions of these states.

RCC believes the merger of AWS and Cingular will serve the public interest and should be approved. There is a symbiotic relationship between carriers with a rural focus and those with a major market presence that allows customers of each entity to benefit from roaming agreements that will be continued upon completion of the proposed merger. RCC, as a rural service provider, needs a strong roaming partner with service in metropolitan areas nationwide in order to offer RCC customers the full benefits of regional and national service availability. And Cingular will continue to benefit from its roaming relationship with RCC in order to offer Cingular customers wireless services in the small and rural markets where RCC has been a successful operator for many years. In particular, the presence of Cingular and its GSM network in markets adjacent to RCC’s will give RCC’s customers greater opportunities for roaming when they travel outside RCC’s service territory. In addition, the ability of both RCC and Cingular to deploy 3G services and expand coverage in their markets will benefit rural consumers by increasing the availability of high-speed data services. We believe there will be ways to expand upon existing business relationships with Cingular to bring 3G services to our own customers in a cost-effective way.

Like the Commission, we thought initially that the wireless market would be a collection of hundreds of local markets. Customers have fundamentally altered that. This is now clearly a national market. RCC needs to be competitive with the national rate plans and services of the large companies with whom we compete. At the same time, our customers expect to buy access to a national network, and a large part of our revenue comes from other carriers’ customers who use our networks. Therefore, to succeed we must have a strong national partner. The combined company that Cingular proposes is more likely to develop and deploy new services that we can also then deploy.

As noted, RCC currently has automatic roaming agreements with both AWS and Cingular. Those agreements expand RCC’s service footprint in a piecemeal fashion. A combination of the two means a more efficient roaming relationship with one instead of two carriers, making combined Cingular a better roaming partner and a more attractive service offering for our customers.

We recognize that there are transition issues that the Commission must address. With regard to the amount of spectrum that a combined Cingular should be permitted to hold, RCC understands the limitations AWS and

Marlene H. Dortch, Secretary
May 19, 2004
Page 2

Cingular are facing with having to support legacy technologies. RCC continues to provide analog and TDMA services while it is upgrading networks to GSM in many areas. Although there is not the same volume of traffic in rural portions of the country as there is in urban areas, transition of customers from older handsets and technologies to GSM is a challenge in terms of spectrum availability and network costs. It is quite reasonable to expect that Cingular/AWS or any other similar carrier will need up to 80 MHz in many areas, including rural markets. We look forward to the day when 3G service availability from both RCC and Cingular will allow our respective customers to benefit from a truly national offering of advanced wireless services.

The cellular cross interest rule, Section 22.942 of the Commission's rules, should not be an obstacle to allowing Cingular to obtain the spectrum it needs to provide a full range of wireless services. RCC supports Cingular's request for waiver of the cellular cross-interest rule in eleven RSAs. Given present marketplace realities, the cross-interest rule is no longer necessary to protect competition. RCC believes that the public interest would not be harmed by waiver of the rule as requested in the applications, given the strong evidence of competition Cingular and AWS have shown in their overlap RSAs and the fact that certain areas are hard to serve economically. RCC previously filed comments with the Commission that requested elimination of the cellular cross-ownership rule in rural markets. *See*, "Reply to Sprint PCS Opposition" by Dobson Communications Corporation, Western Wireless Corporation and Rural Cellular Corporation, WT Docket No. 01-14, 2000 Biennial Review; Spectrum Aggregation Limits for Commercial Mobile Radio Services, filed April 18, 2002.

One of the most important issues is speed of decision. As we are sure the Commission recognizes, wireless service is a highly competitive marketplace. Those who do not want a strong competitor may want this to drag out – and yet the effects of delay will not only harm Cingular but RCC as well and, most importantly, the consumers we serve. RCC believes that all concerned will benefit from a rapid decision on the Transfer Applications. A decision later than September 30th would work to the advantage of others whose competitive interests are furthered by delay.

In sum, RCC believes that the proposed merger of Cingular and AWS will provide substantial public interest benefits. We respectfully suggest that consent to the Transfer Applications should be granted expeditiously.

Sincerely,



Richard P. Ekstrand
President and CEO

cc: Qualex International (by email to qualexint@aol.com)
Erin McGrath (by email to erin.mcgrath@fcc.gov)
Susan Singer (by email to susan.singer@fcc.gov)
Kathy Harris (by email to kathy.harris@fcc.gov)
Linda Ray (by email to linda.ray@fcc.gov)
Jeff Tobias (by email to jeff.tobias@fcc.gov)
David Krech (by email to david.krech@fcc.gov)
Neil Dellar (by email to neil.dellar@fcc.gov)
Donald Stockdale (by email to donald.stockdale@fcc.gov)