

Erin McGrath
Assistant Division Chief
Spectrum and Competition Policy Division
Wireless Telecommunications Bureau
Federal Communications Commission
445 12th Street, S.W.
Washington, DC 20554

Re: **EX PARTE PRESENTATION**
WT DOCKET NO. 04-70

Dear Ms. McGrath:

On behalf of AT&T Wireless Services, Inc. ("AWS"), and Cingular Wireless Corporation ("Cingular"), we are responding to your request that: (1) we reconcile certain information concerning our individual and the potential combined company's population coverage estimates that were set forth in publicly filed documents at the Securities and Exchange Commission ("SEC"); (2) we provide you with various population coverage estimates; and (3) we provide a table reflecting available data for the two companies (*See Attachment A*).

(1) SEC filings

You have specifically requested that we reconcile the apparent discrepancies between the combined company's licensed population and network coverage numbers included in our respective SEC filings. Cingular Wireless LLC ("CWLLC") reported in its Form 10-K filed with the SEC on February 25, 2004, that, "On a pro forma basis, the combined company would have had, at December 31, 2003, . . . licenses [that] would encompass a population of 264 million people, and its network and operations would encompass a population of 225 million people."¹ AWS stated in its 10-K filed on March 5, 2004, that AWS' licensed population coverage was 279 million based on an estimated U.S. population of 291 million as of December 31, 2003,² and that its network coverage was 226 million.³

License coverage figures of a carrier vary, depending on (i) the data sources of and methods used to calculate U.S. population, (ii) the estimated propagation characteristics of its network

¹ CWLLC Form 10-K filed with the SEC on February 25, 2004, at Part I, Item 1. Business, Overview.

² AWS Form 10-K filed with the SEC on March 5, 2004, at Part I, Item 1. Business, Spectrum.

³ AWS Form 10-K filed with the SEC on March 5, 2004, at Part I, Item 1. Business, Overview.

transmitters and the related measurement methodologies and (iii) the counting of proportionate license interests. Due to mandatory limitations on permissible communications between the two companies after signing the merger agreement, CWLLC, in preparing its Form 10-K, was unable to verify AWS' data sources and methodologies and had to rely on AWS' public statements and third party sources for then current information about AWS' license and network coverage.

In light of the variability created by these factors and the difficulty in precisely calculating a combined number without knowledge of the data sources and methodologies underlying AWS' reported numbers, CWLLC chose to report conservative pro forma coverage numbers in its Form 10-K. As a result, CWLLC reported the numbers of the company with the larger licensed area, *i.e.*, AWS, correctly assuming that licensed population and network coverage would be at least those of AWS. Accordingly, the reported licensed population coverage estimate for the combined company, *i.e.*, 264 million, came from a financial analyst who follows AWS⁴ and the network coverage population number, *i.e.*, 225 million, was based on statements by the AWS CEO in its fourth quarter 2003 earnings call on January 22, 2004, that network coverage had increased to "more than 225 Million Pops."⁵ Cingular could not rely on AWS' end-of-year 2003 licensed population numbers because AWS' Form 10-K was not filed until nine days following CWLLC's filing.

The 279 million figure reported by AWS in its Form 10-K for licensed population coverage includes all licenses owned by entities in which AWS has a greater than 50% voting equity interest. For internal purposes, AWS also calculates a figure for license coverage, excluding areas where it is precluded contractually from providing service directly, *i.e.*, by non-compete provisions in agreements with certain other wireless carriers. This figure was approximately 264 million as of December 31, 2003 and apparently is the number Cingular received from the analyst.

(2) Population Coverage Estimates

As reflected in Attachment A, Cingular has now developed an internal estimate of approximately 286 million licensed population coverage for the combined company, on a pro forma basis. This figure may not accurately reflect the actual total licensed population coverage after consummation of the merger, as this figure is not adjusted for transactions that may occur closely after⁶ or may be required as conditions to such consummation, and may not reconcile back

⁴ See Attachment B, at 13.

⁵ See Attachment C, at 4. Cingular has subsequently reported estimated combined company licensed population as over 264 million in its Form 10-Q for 1Q2004 filed with the SEC on May 6, 2004, at Part I--Financial Information, Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (Unaudited), Overview, Our Business, and over 260 million in its Form 10-Q filed with the SEC on August 5, 2004, at Part I--Financial Information, Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (Unaudited), Overview, Our Business.

⁶ See, *e.g.*, Triton PCS Holdings, Inc. ("Triton"), Form 8-K filed with the SEC on July 8, 2004 (announcing agreements for the exchange of certain PCS licenses in Georgia and North Carolina, contingent on the closing of the AWS-Cingular merger); "AT&T Wireless PCS, LLC, Triton PCS License Company L.L.C., and Lafayette Communications Company Seek FCC Consent to Assignment of Licenses," WT Docket 04-323, Public Notice DA 04-2599, *rel.* Aug. 20, 2004; and Triton Form 8-K filed with the SEC on September 27, 2004 (announcing agreement for the exchange of certain licenses and network assets in Triton's Virginia licensed areas and certain of AWS' licensed areas in North Carolina, Puerto Rico and the U.S. Virgin Islands, contingent on the closing of the AWS-Cingular merger) (collectively, the "Triton Exchanges").

to pre-combination numbers due to differences in methods of calculating licensed population coverage between AWS and CWLLC, as discussed above.

As stated above, network coverage estimates can vary depending on the population statistics relied on at a point in time and on an estimate of the network propagation characteristics and measurement tools. CWLLC uses a -98 dBm field strength in its propagation estimates; AWS uses a -95 dBm field strength for its propagation estimates. CWLLC has not publicly reported network coverage figures for its network, nor have the parties jointly reported estimated network coverage for the combined entity. Network coverage also varies by the extent to which a carrier has deployed a particular access technology, e.g., the network coverage figures for AWS' TDMA and GSM access technologies are not identical. Each company's population calculations vary depending upon the source of the information and when the calculations are made.⁷

CWLLC, taking into consideration the foregoing, has estimated, for internal purposes, that the combined company's network coverage will be approximately 250 million pops for GSM technology based on 2000 U.S. Census figures and assuming, among other things, that the Triton Exchanges are consummated. As the CWLLC calculation uses propagation estimates that differ from those used by AWS, and the population assumptions may also vary, these figures may not be reconcilable back to pre-merger numbers provided by either company.

Service coverage, *i.e.*, a company's network coverage plus that of its roaming partners, is even more difficult to estimate than network coverage, as it is subject to the additional variable that neither AWS nor CWLLC has access to population or coverage data for numerous roaming partners. As such, service area estimates are often based on information compiled and provided by third parties, who do not necessarily use consistent methods. CWLLC does not report an estimated service area. Given AWS and CWLLC's broad TDMA service area today (approximately 99% of the U.S. population for each of them) it is unlikely to change materially as a result of the merger. The GSM service area for the combined companies is also unlikely to increase materially solely as a result of the merger, as AWS and CWLLC have roaming agreements with each other and with many of the same other carriers.

We trust this is responsive to your inquiry. If you have any questions, please direct them to the undersigned.

Very truly yours,

/s/

Douglas I. Brandon
Vice President, Federal Affairs
AT&T WIRELESS SERVICES, INC.

/s/

Brian F. Fontes
Vice President -- Federal Relations
CINGULAR WIRELESS CORPORATION

Attachments

⁷ See, e.g., Attachment A, Combined Company, Current Estimate, Notes *** and ****.