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ORIGINAL

December 12, 2007

Ex Parte

Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Re: WT Docket No. 07-208: Applications of Rural Cellular Corporation and
Cellco Partnership d/b/a Verizon Wireless for Transfer of Control of Licenses

Dear Ms. Dortch:

This letter is submitted on behalf of Vermont Public Interest Research Group ("VPIRG"), in response to the *ex parte* letter signed by John T. Scott, III of Verizon Wireless, submitted on December 5, 2007.

Verizon Wireless claims that the Verizon Wireless-AT&T transaction announced last week "removes the Wireless Bureau's basis for its November 13 Order" extending the public comment period on the RCC-Verizon Wireless transaction until February 11, 2008.

Verizon Wireless has failed to show that the swap addresses all of the concerns raised by VPIRG and others, or even that Verizon Wireless' interests (or those of its current and potential subscribers) will be adversely affected by the extended comment period. The swap raises as many questions as it answers, and there is no evidence an extended comment period will adversely affect the parties' timetable for closing. Verizon Wireless' proposal for exchange of customers and licenses with AT&T -- the full details of which have not yet been submitted -- surely reinforces, rather than "removes the ... basis for" the Wireless Bureau's decision, in response to VPIRG's request, to grant the public additional time by extending the deadline for petitions to deny until February 11, 2008.

The attached article, entitled "AT&T to acquire much of Unice's service in Vt." appeared in the *Rutland Herald* on December 5, the same day that the most recent Verizon Wireless *ex parte* letter was submitted. In the article, a spokesman for AT&T, the other party to the license swap announced last week, is quoted as stating that it is "too early to say" whether AT&T will offer free replacement handsets to Unice (RCC) customers or whether AT&T will offer the iPhone to Vermont subscribers. The AT&T spokesman further indicated that, if required regulatory approvals are obtained, AT&T expects the swap to take place in mid-2008.

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Verizon Wireless' request for reconsideration of the extension of the comment period should be denied.

In accordance with Section 1.1206 of the Commission's Rules, a copy of this letter is being submitted electronically to the Commission's Secretary.

Sincerely,
Vermont Public Interest Research Group

/s/
By: Larry A. Blosser
Its Attorney

cc: Chairman Kevin J. Martin
Commissioner Michael J. Copps
Commissioner Jonathan S. Adelstein
Commissioner Deborah Taylor Tate
Commissioner Robert M. McDowell
Daniel Gonzalez
Fred Campbell

Rutland Herald

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Article published Dec 5, 2007

AT&T to acquire much of Unicel's service in Vt.

By Bruce Edwards Herald Staff

AT&T Inc. will acquire a significant portion of Unicel's cell phone service in Vermont under a swap of wireless assets with Verizon Wireless, AT&T announced Tuesday.

AT&T will acquire Unicel licenses and customers in the greater Burlington, Rutland and Montpelier areas as well as Unicel subscribers in upstate New York, Washington and a cellular license in Kentucky, AT&T spokesman Glen Schwartz said. In total, he said AT&T will acquire 133,000 customers in the four states.

Verizon Wireless is in the process of acquiring Unicel for \$2.67 billion but has agreed to spin off Unicel's overlapping territory in Vermont to satisfy regulators and critics of the deal.

In return, Verizon acquires from AT&T some former Dobson Communications Corp. licenses, network assets and subscribers in Kentucky. Verizon also acquires wireless spectrum in a number of markets and receives cash from AT&T.

Should the transaction receive the required regulatory approvals, AT&T said it expects to complete the swap by mid-2008.

Government regulators and consumer advocates have expressed concern that a Verizon Wireless acquisition of Unicel would leave the state with one major cell phone provider.

Tuesday's announcement did little to alleviate those concerns.

"Certainly AT&T is another corporation with vast assets and that could be a good thing in terms of future competition in the state," said Paul Burns, executive director of the Vermont Public Interest Research Group.

But Burns said even with AT&T's announcement there remain unresolved issues, including a commitment on the part of Verizon Wireless and AT&T to expand cell phone service in the state.

"I think now we have a situation where we're going to have two very large corporations providing cell phone service throughout much of the state," Burns said, "and therefore a condition of the sale should mean somewhere between the two companies at least we should expect a build out to cover all of the state."

According to Burns, the swap would leave Verizon Wireless with Unicel subscribers in Bennington, Windham and southern Windsor counties,

Verizon Wireless spokeswoman Robin Nicol could not say how many Unicel customers in Vermont are included in the swap. She did say the swap only involves divesting the Unicel

network that overlaps Verizon's network.

"This exchange is in line with a commitment Verizon Wireless made to the Department of Justice to divest overlapping cellular operations in Vermont, New York and Washington in connection with its purchase of Rural Cellular (Unicel)," Nicol said.

She added the deal also requires Federal Communications Commission approval. To address the state's concerns, the FCC recently extended the comment period on Verizon Wireless' proposed purchase of Unicel.

Critics of the Verizon-Unicel deal also raised concerns that it could mean the phase out of Unicel's GSM network in the state since Verizon relies on CDMA technology. They say eliminating the GSM network would put the state at a significant economic disadvantage because GSM is considered the global standard. GSM is used by 600 cell phone providers in 200 countries.

But with AT&T and Unicel employing the same GSM technology, that concern has apparently been addressed in areas of the state being acquired by AT&T. That's not the case, however, in other parts of Vermont.

"This proposed asset transfer between AT&T and Verizon Wireless, we see it as a move in the right direction," said Stephen Wark of the Department of Public Service, "but it doesn't resolve the issues in the southern part of the state."

If Verizon retains Unicel's southern territory, Wark said Verizon will eventually phase out the GSM platform. That's a concern, he said, because it could impact cell phone service of business and recreational travelers to the state.

VPIRG and Sen. Bernard Sanders, I-Vt., said if the deal goes through Verizon Wireless should provide free replacement phones for Unicel customers as well as reasonable roaming charges.

In a statement, Sanders said the announced swap with AT&T doesn't go far enough to address the needs of Vermonters.

"I have said from the beginning, in the 21st century Vermonters have a right to expect that everywhere in our state there will be reliable cell phone service at competitive prices. Until Verizon Wireless makes that commitment, they should not be allowed to buy Unicel."

Schwartz, the AT&T spokesman, said it was too early to say whether the company would provide Unicel customers with replacement phones.

"We'll go back and consider options and provide the best transition for customers," he said.

Should the swap with Verizon go through, AT&T could offer its hot new iPhone in Vermont. Schwartz, cautioned, however that Unicel's existing GSM network would need to be upgraded for that to happen.

To satisfy government divestiture requirements related to its recent purchase of Dobson Communications, AT&T entered into a separate agreement to sell former Dobson licenses, network assets and subscribers in Texas and AT&T's share of the former Dobson cell phone territory in portions of Oklahoma.

Based in San Antonio, Texas, AT&T has 65 million wireless subscribers with a network that covers more than 290 million people in 13,000 U.S. cities and towns.

Contact Bruce Edwards at bruce.edwards@rutlandherald.com.