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VIA ELECTRONIC FILING

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 Twelfth Street, S.W.
Washington, DC 20554

Re: Applications of Rural Cellular Corporation and Cellco Partnership d/b/a
Verizon Wireless for Transfer of Control
WT Docket No. 07-208; DA 07-4192
File Nos. ISP-PDR-20070928-00011; OSP-PDR-20070928-00012

Dear Ms. Dortch:

Cellco Partnership d/b/a Verizon Wireless ("Verizon Wireless"), by its attorney, hereby provides additional information regarding its indirect foreign ownership.

As the Commission is aware, Verizon Wireless is a general partnership, of which 45 percent is indirectly owned by Vodafone Group Plc ("Vodafone") and the remaining 55 percent is indirectly owned by Verizon Communications Inc. ("Verizon"). As the Commission has previously recognized, Vodafone is organized under the laws of the United Kingdom, which is a Member of the World Trade Organization ("WTO").¹ In 2000, the Commission allowed Verizon Wireless to "be indirectly owned by Vodafone in an amount up to 65.1 percent" and authorized the transfer and assignment to Verizon Wireless of numerous common carrier licenses.² Since

¹ *Applications of AirTouch Commc'ns, Inc., Transferor, and Vodafone Group, Plc, Transferee, for Consent to Transfer Control of Licenses and Authorizations*, Memorandum Opinion and Order, 14 FCC Rcd 9430, 9434 (¶ 9) (WTB 1999) ("[b]ecause the United Kingdom is a Member of the World Trade Organization (WTO), under the Commission's *Foreign Participation Order*, we presume that the public interest would be served by authorizing, under section 310(b)(4), common carrier radio licenses held by entities indirectly owned by Vodafone and citizens of the United Kingdom."). See also *Applications of Vodafone AirTouch Plc and Bell Atlantic Corporation for Consent to Transfer Control or Assignment of Licenses and Authorizations*, Memorandum Opinion and Order, 15 FCC Rcd 16,507, 16,514 (¶ 18) (WTB/IB 2000) ("*Vodafone-Bell Atlantic Order*") (finding Vodafone's principal place of business continues to be the U.K.).

² *Vodafone-Bell Atlantic Order*, 15 FCC Rcd at 16,514 (¶ 19).

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the issuance of this ruling in 2000, the Commission has extended this authority on several occasions.³

Vodafone is a public limited company. As of February 29, 2008, Vodafone had 53,125,879,401 shares issued and outstanding. For purposes of determining the geographic distribution of the beneficial owners of these shares, Vodafone worked with UBS AG, an investment banking and securities firm and one of the largest global asset managers. On behalf of Vodafone and in connection with producing a share register of fund manager positions in the company, UBS obtained information regarding the beneficial owners of Vodafone shares using information obtained from Vodafone's Registrars and inquiries made pursuant to section 793 of the U.K. Companies Act 2006.⁴ Through this process, Vodafone was able to identify the beneficial owners of 96.68 percent of Vodafone's shares. For the beneficial owners of these shares, Vodafone determined each entity's citizenship to be the country identified in the owner's address of record.⁵ Further, for the unidentified shares,

³ See, e.g., *Int'l Authorizations Granted*, Public Notice, DA 08-790 (Apr. 3, 2008) (grant of authority in File No. ISP-PDR-20080212-0003 for Verizon Wireless' request to extend the existing foreign ownership ruling to Vista (Mirror 1) PCS License Holding, LLC and the common carrier wireless licenses it acquires); *Int'l Authorizations Granted*, Public Notice, 21 FCC Rcd 13,575 (2006) (grant of authority in File No. ISP-PDR-20060619-00015 for Verizon Wireless' request to extend the existing foreign ownership ruling to AWS and other Wireless Communications Services licenses Verizon Wireless may acquire in the future); *Applications of Northcoast Commc'ns, LLC and Cellco P'ship d/b/a Verizon Wireless*, Memorandum Opinion and Order, 18 FCC Rcd 6490, 6492 (¶ 6 & n.15) (Commercial Wireless Div. 2003) (finding that Vodafone's interest "ha[d] been previously approved by the Commission under section 310(b)(4)" and because "no changes have occurred in Verizon Wireless' foreign ownership since . . . these rulings[,] the applications raise no new foreign ownership issues").

⁴ The Companies Act 2006 (*available at* http://www.opsi.gov.uk/ACTS/acts2006/pdf/ukpga_20060046_en.pdf, and its predecessor, the Companies Act 1985) gives public companies the right (not an obligation) to investigate who has interests in its shares. Under separate regulations (the Disclosure and Transparency Rules), an investor who acquires voting rights over 3% or more of a public company's shares must disclose that fact to the company, which itself then must notify such interests to the stock market via a regulatory news announcement.

⁵ This approach of determining citizenship of a publicly traded company's shareholders based upon the address of record of each beneficial owner is similar to that taken by Mobile Satellite Ventures Subsidiary LLC in its recent petition for declaratory ruling approved by the Commission. See *Petition for Declaratory Ruling of Mobile Satellite Ventures Subsidiary LLC*, File No. ISP-PDR-20070314-00004, at 13, n.41 & 14, n.44 (filed Mar. 14, 2007); see also *In the Matter of Mobile Satellite Ventures Subsidiary LLC and SkyTerra Commc'ns, Inc.*, Order and Declaratory Ruling,



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Vodafone determined citizenship by extrapolating the citizenship allocation of the identified shares.⁶ Based upon the information obtained from UBS and the methodology just discussed, Vodafone determined that, as of February 29, 2008, approximately 54.21 percent of its shares were beneficially owned by citizens of the United Kingdom and 31.24 percent by citizens of the United States. Collectively, these numbers indicate that approximately 14.55 percent of Vodafone's shares are beneficially owned by citizens of neither the U.K. nor the U.S.⁷ Further, the information obtained by Vodafone indicates that this 14.55 percent of the company's shares is overwhelmingly held in WTO countries.⁸

Verizon is a publicly traded company organized under the laws of the United States. As of March 3, 2008, Verizon had 2,850,629,251 shares issued and outstanding, of

(Continued . . .)

FCC 08-77 (Mar. 7, 2008). This method provides a reasonable basis for determining citizenship. Especially given the very large number of Vodafone shares outstanding and the company's numerous shareholders, the instances where an owner's address of record might differ from its citizenship is likely to be insignificant. This method is thus more likely to yield accurate citizenship information than a citizenship survey of only a small portion of a company's shares – one option the International Bureau has noted might be used to determine a publicly traded company's foreign ownership for purposes of Section 310(b). See *Foreign Ownership Guidelines for FCC Common Carrier and Aeronautical Licenses*, 19 FCC Rcd 22,612, 22,642 (2004).

⁶ Pro-rating the relatively small number of unidentified shares based upon the citizenship allocation of the over 51 billion identified shares is a reasonable method for approximating the citizenship of the holders of the unidentified shares. This is especially true as these shares are unidentified precisely because their owners hold the stock in relatively small amounts (under the level for which UBS collects information). The unidentified shares are thus likely owned by a very large group of entities, whose citizenship likely mirrors the beneficial owners of the larger number of identified shares.

⁷ This information is consistent with the geographic distribution of shares reported in Vodafone's most recent annual report filed with the U.S. Securities and Exchange Commission. That report indicated that, as of March 2007, approximately 56.02 percent of Vodafone's shares were held in the U.K., 30.60 percent in North America, 12.38 percent in Europe (excluding the U.K.), and 1 percent in the rest of the world. Vodafone Group Public Limited Company, SEC Form 20-5, Annual Report for the Fiscal Year ended Mar. 31, 2007, at 152 (under Geographical analysis of shareholders section heading) (available at http://www.vodafone.com/etc/medialib/attachments/agm_2007.Par.44006.File.tmp/b52625_20F_1.pdf).

⁸ Based upon the information obtained from UBS, less than 0.02 percent of Vodafone's shares have beneficial owners with addresses of record in non-WTO countries.

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which 332,542,759 shares were held by registered shareholders and the remaining shares were held through brokerage accounts (otherwise known as "street name"). With respect to the registered shareholders, Verizon determined each entity's citizenship based upon each shareholder's address of record.⁹ This information indicates that, as of the above date, 99.58 percent of these shares (331,139,104 shares) were held by U.S. citizens and 0.42 percent (1,403,655 shares) were held by non-U.S. citizens. With respect to Verizon shares that are held in street name, Verizon obtained from Broadridge Financial Solutions, Inc. ("Broadridge"), a firm specializing in securities processing, clearing and outsourcing, and in investor communications, aggregate information regarding the addresses of record of the beneficial owners. In the ordinary course, Broadridge collects and maintains this information for the purpose of sending proxy and other correspondence to beneficial owners of Verizon shares who hold their shares in street name or through a nominee.¹⁰ Again, Verizon's determination of the citizenship of each of these beneficial owners was based upon the owner's address listed in Broadridge's records. The information obtained from Broadridge indicates that 90.26 percent of these shares (2,272,860,045 shares) were held by U.S. citizens and 9.74 percent (245,226,447 shares) were held by non-U.S. citizens. Collectively, these numbers (which account for all Verizon shares) and the methodology discussed above indicate that approximately 8.65 percent of Verizon's shares are directly or beneficially owned by non-U.S. citizens.

Based on the above analysis, Verizon Wireless' current foreign ownership remains consistent with the foreign ownership ruling issued by the Commission in the *Vodafone-Bell Atlantic Order*. Accordingly, the above-captioned transaction raises no new foreign ownership issues and the Commission can and should extend the previous Section 310(b)(4) ruling to the licenses/authorizations and licensees/authorization holders included in the pending Applications.

⁹ See note 5, *supra*, for justification of this methodology.

¹⁰ To the extent that any shares are held by a nominee, Broadridge obtains the beneficial owner information from the nominee.



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Please direct any questions about this matter to the undersigned.

Respectfully submitted,

/s/ Nancy J. Victory

Nancy J. Victory

cc: Helen Domenici
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