

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

In re Applications of)	
)	
ATLANTIS HOLDINGS LLC, Transferor,)	
)	
and)	
)	
CELLCO PARTNERSHIP D/B/A)	WT Docket No. 08-95
VERIZON WIRELESS, Transferee)	DA 08-1481
)	
For Consent to Transfer Control of Licensees,)	
Authorizations, and Spectrum Manager and)	
<i>De Facto</i> Transfer Leasing Arrangements)	
)	
File Nos. 0003464996 <i>et al.</i>)	

**REPLY OF CELLULAR SOUTH, INC. TO JOINT
OPPOSITION TO PETITIONS TO DENY AND COMMENTS**

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SUMMARY

Cellular South, Inc. (“Cellular South”) opposes the proposed merger of Cellco Partnership d/b/a Verizon Wireless (“Verizon Wireless”) and ALLTEL Corporation (“ALLTEL”) for the same reason that the Department of Justice (“DOJ”) is challenging it — the effect of the merger “may be substantially to lessen competition” in violation of § 7 of the Clayton Act. Attempting to remedy the antitrust violation in time to complete the merger by the end of 2008, Verizon Wireless allegedly made a commitment to the DOJ that it would divest licensed operations in 85 Cellular Market Areas (“CMAs”). Not only did that commitment fail to remedy a Clayton Act violation, but it transformed twelve of the subject transfer of control applications into contingent applications and rendered it legally impossible for the Commission to grant its consent to Verizon Wireless/ALLTEL merger as it is presently proposed.

The specific spectrum, operations and other assets that Verizon Wireless will divest in each CMA will be determined in the course of its ongoing discussions with the DOJ. Until Verizon Wireless is able to report that it is legally bound to divest specific licenses, the applications for consent to the transfer of the ALLTEL licenses for the 85 CMAs are contingent and the Commission cannot find that the grant of the applications would be consistent with the public interest.

Once Verizon Wireless is bound to divest licenses for the 85 CMAs, six of the transfer applications should be withdrawn since the transferors only hold licenses for cellular facilities in divestiture CMAs which Verizon Wireless cannot control. Applications for consent to the transfer of control of licensees to an entity that cannot, and will not, exercise control over the licensees are nullities and patently defective.

If not withdrawn, the applications must be dismissed because the Commission is

prohibited from granting them by §§ 308 and 310(d) of the Communications Act of 1934 (“Act”) since it: (1) must dispose of the applications as if Verizon Wireless were applying for the licenses under § 308; (2) is prohibited from considering whether the public interest might be served by the transfer of a controlling interest in the licenses to a management trustee or any entity other than Verizon Wireless; (3) cannot find that Verizon Wireless has the qualifications to operate the cellular facilities when it is legally prohibited from operating those facilities; and (4) is not empowered to grant its consent to a transfer of control, or to issue any license under Title III of the Act, to an entity on the condition that the entity cannot exercise the rights conveyed by its authorization.

If it determines that it has the authority under §§ 308 and 310(d) to grant the applications, the Commission cannot make the necessary finding that the public interest would be served if the management and control of the licensed operations is placed in the hands of a management trustee for the duration of the divestiture process. Putting a trustee in control of the day-to-day operations of the licensed facilities affords no apparent benefit to the public in the divestiture CMAs. To the contrary, the Commission would be placing a trustee in control in order to allow the nation’s largest wireless carrier to enlarge its footprint and spectrum holdings in markets other than the divestiture CMAs. For the reason that the proposed transfers will not benefit the public in those CMAs, which constitute the relevant geographic markets for the purposes of the public interest determination, the Commission will not be able to make the finding required by § 309(d)(2) of the Act and will be forced to designate the applications for a hearing under § 309(e).

The Applicants do not dispute that the propagation characteristics of 700 MHz and 800 MHz (“Low-Band”) spectrum make it better suited for the provision of wireless telecommunications services. Nor do they dispute that competitive advantages attach to Low-

Band operations. Because it has recognized that competitive harm results from consolidation in a local cellular market from duopoly to monopoly status, the Commission must subject the Verizon Wireless/ALLTEL to a heightened level of review to determine whether placing all 50 MHz of cellular spectrum under Verizon Wireless' control in 79 CMAs will substantially lessen competition in those markets, especially since Verizon Wireless will also have access to between 55 and 65 percent of all the 700 MHz spectrum.

The Applicants failed to establish that the cellular spectrum aggregation/concentration that they propose is immune from scrutiny for anticompetitive harm both under § 7 of the Clayton Act and §§ 309 and 310 of the Act. If it subjects the proposed merger of two of the nation's five largest wireless carriers to such scrutiny, the Commission will conclude that a full hearing is necessary to determine whether or not the effect of the merger will be to substantially lessen competition in too many local markets to permit a finding that the public interest would be served if the merger goes forward.

Regarding automatic roaming availability, the promises by Verizon Wireless are inadequate and the remedy put forward for all issues and obstacles that arise is impractical. The subscribers served by regional and small wireless carriers need efficient access to the Verizon Wireless network for voice, data and broadband traffic when roaming outside home market areas. Other carriers should not need to file a formal complaint with the Commission, and the Commission should not need to devote its resources to handling of formal complaints, to deal with each complication that arises. The loss of ALLTEL as a roaming partner presents a unique circumstance if it is to be absorbed by Verizon Wireless which, already, is the country's largest CDMA carrier. Carrier-to-carrier interoperability will allow traffic to be handed off from one network to the other seamlessly. The Commission may be as explicit as need be in its decision to

explain that Verizon Wireless must cooperate with other carriers, when it receives a reasonable request, to make arrangements for automatic roaming access on its network and carrier-to-carrier interoperability on reasonable terms and conditions when there is a reasonable request received and there is technological compatibility.

Finally, the Commission should act to stop the practice of carriers, including Verizon Wireless, of entering into exclusive agreements for the sale of wireless handsets. An important first step would be to prohibit Verizon Wireless from entering into new handset exclusivity agreements while the Commission examines the issue on a comprehensive basis. Cellular South asks the Commission to investigate the widespread use and anticompetitive effects of exclusivity arrangements between commercial wireless carriers and handset manufacturers and Rural Cellular Association's petition should be listed on public notice and comments invited on proposed rules that encompass all wireless carriers.

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**REPLY OF CELLULAR SOUTH, INC. TO JOINT
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Cellular South, Inc. (“Cellular South”), by its attorney and pursuant to § 1.939(f) of the Commission’s Rules (“Rules”), hereby replies to the Joint Opposition to Petitions to Deny and Comments (“Opposition”) filed with respect to the above-captioned applications by Cellco Partnership d/b/a Verizon Wireless (“Verizon Wireless”), Atlantis Holdings LLC (“Atlantis”), and ALLTEL Corporation (“ALLTEL”).

INTRODUCTION

Starting off on the wrong foot, Verizon Wireless, Atlantis, and ALLTEL (jointly “Applicants”) make the unwarranted claim that the basis of Cellular South’s opposition to the proposed merger is its “desire to thwart aggressive competition for rural customers.” Opposition, at 2-3. To support that claim, the Applicants cite an argument that Cellular South presented to establish its standing under § 309(d)(1) of the Communications Act of 1934, as

amended (“Act”). See Opposition, at 3 n.5. Obviously, the basis for Cellular South’s standing does not equate to its basis for opposing the Verizon Wireless/ALLTEL merger. See *Broadcast Enterprises, Inc. v. FCC*, 390 F.2d 483, 485 (D.C. Cir. 1968) (a competitor has standing “not to protect the competitor from competition ... but because its position qualifies it ... to advance matters bearing upon the public interest”). Moreover, the Applicants quote Cellular South out of context to the point that they effectively quote themselves.

According to the Applicants, Cellular South noted that the merger would cause it “to face a ‘stronger competitor,’” which could cause it “economic injury.” *Id.* In truth, Cellular South recited the Applicants’ claims that the merger will create a “stronger and more efficient competitor” especially “in ALLTEL areas not currently served by Verizon Wireless.”¹ It then argued:

If so, the grant of the subject application will cause Cellular South to face a “stronger competitor,” especially in the three Mississippi RSAs in which Verizon Wireless does not compete currently. The increased competition can be expected to cause Cellular South to sustain economic injury²

It was the Applicants who claimed that Verizon Wireless would be a stronger competitor and Cellular South was referring to that claim. At the most, Cellular South alleged that “Verizon Wireless promises to be a stronger competitor.”³ But it never alleged that the merger applications should be denied because Verizon Wireless will present “aggressive competition for rural customers.” Cellular South opposes the proposed merger for the same reason that the Department of Justice (“DOJ”) is challenging it — the effect of the merger “may be substantially to lessen competition” in violation of § 7 of the Clayton Act. 15 U.S.C. § 18.

¹ Petition to Deny of Cellular South, Inc., WT Docket No. 08-95, at 3 (Aug. 11, 2008) (“Petition to Deny”) (quoting FCC File No. 0003463892, Ex. 1, at 27 (“Lead Application”).

² *Id.* (emphasis added).

³ *Id.*, at 5.

Attempting to remedy the antitrust violation in time to complete the merger by the end of 2008,⁴ Verizon Wireless allegedly committed to “business unit divestitures in 85 markets.” Opposition, at 16. Not only did that commitment fail to remedy a Clayton Act violation, but it transformed twelve of the subject transfer of control applications into contingent applications and rendered it legally impossible for the Commission to grant its consent to Verizon Wireless/ALLTEL merger as it is presently proposed.

ARGUMENT

I. THE APPLICANTS MISCHARACTERIZE THE NATURE OF VERIZON WIRELESS’ COMMITMENT TO DIVEST

The Applicants maintain that Verizon Wireless’ commitment to divest 85 cellular markets resolves any possible competitive issues regarding those particular markets. See Opposition, at 36. They contend that: (1) Verizon Wireless “voluntarily committed” to these divestitures “as a condition of approval of this merger by the Commission,” *id.*, at 16; (2) the commitment to divest “is in no way linked to the likelihood of antitrust violations,” *id.*, at 37 n.108; and (3) there is “nothing ambiguous or uncertain” about the commitment. *Id.*, at 16. None of those three contentions appear plausible, much less true.

Verizon Wireless obviously did not volunteer to divest properties that are licensed to serve “approximately 8.8 million POPs” and currently serve “approximately 1.8 million residential and commercial customers.”⁵ Verizon Wireless itself reported that it “offered to accept divestiture *requirements*” in discussions with the DOJ.⁶ Morgan Stanley, which is currently brokering the so-called “divestiture properties,” has warned prospective buyers that the

⁴ See Morgan Stanley, *Verizon Wireless Asset Divestitures*, at 2 (Aug. 11, 2008) (attached as Exhibit 1).

⁵ *Id.*, at 3.

⁶ Letter from John T. Scott, III to Marlene H. Dortch, WT Docket No. 08-95, at 1 (July 22, 2008) (“Divestiture Offer”).

“DOJ may require that certain geographically clustered properties be sold to a single buyer in order to preserve or enhance the competitive position of the divested properties.”⁷ Divestitures that were agreed to following discussions with the DOJ, and that are subject to DOJ requirements, are not voluntary.

The claim that the divestiture commitment is not linked in any way to the likelihood of an antitrust violation defies the DOJ’s jurisdiction to review horizontal mergers that are subject to § 7 of the Clayton Act. The DOJ only challenges mergers that are likely substantially to lessen competition and, therefore, violate § 7. *See* 15 U.S.C. § 18. Consequently, the DOJ would not agree to a divestiture requirement, or take any other enforcement action, unless the requirement would remedy an antitrust violation. If the Verizon Wireless/ALLTEL merger does not violate § 7, the DOJ would not have wasted its time discussing divestitures with Verizon Wireless, eliciting any offer to accept divestiture requirements, or engaging in ongoing discussions on the specific assets to be divested.⁸

Contrary to the Applicants’ contention, ambiguity and uncertainty surrounds Verizon Wireless’ alleged commitment to business unit divestitures in 85 markets. *See* Opposition, at 16. Verizon Wireless admitted at the outset that the “specific spectrum, operations and other assets” to be divested in each market will be determined in the course of its discussions with the DOJ and that the “full extent of the divestitures” will not be known until those discussions are concluded.⁹ In the opening section of its prospectus of the asset divestitures, Morgan Stanley represented that the composition of the divestiture properties is “subject to change.”¹⁰ Indeed, in the Applicants’ view, it is uncertain whether Verizon Wireless will divest the overlapping

⁷ Exhibit 1, *infra*, at 3.

⁸ *See* Divestiture Offer, at 1-2.

⁹ Divestiture Offer, at 2.

¹⁰ Exhibit 1, *infra*, at 2.

systems since they see “the only outstanding issue is whether and how the divestiture process will unfold.” Opposition, at 36 n.107. There is no certainty to a divestiture commitment that is subject to change or cancelation.

Immediately after disclaiming that Verizon Wireless’ divestiture commitment was ambiguous, the Applicants found it necessary “[t]o be clear,” but they disclosed only that Verizon Wireless is committed to divesting “one of the overlapping properties in each of the 85 markets, together with the spectrum, customers, and other assets used by that property.” Opposition, at 37 (footnote omitted). Ambiguity obviously remains as to which “one” of the properties in each of the 85 markets will be divested. Verizon Wireless has not disclosed whether it plans to divest its existing operations, the Rural Cellular Corporation (“RCC”) properties that it just acquired,¹¹ or the ALLTEL systems that it hopes to acquire. As will be discussed, Verizon Wireless’ failure to finalize its plans is fatal to up to twelve of its applications.

Verizon Wireless has remained vague with respect to defining the 85 “markets” that will be divested. Verizon Wireless initially notified the Commission that it would divest 85 “cellular markets” which it identified by cellular market area (“CMA”) names and numbers.¹² Morgan Stanley confused the matter by describing the divestiture properties as 85 CMAs “comprising the entire states of North Dakota and South Dakota, as well as overlapping properties comprising partial areas within 16 additional states.”¹³ However, CMAs are comprised of counties and Verizon Wireless and ALLTEL provide cellular services within cellular geographic service areas

¹¹ See *Cellco Partnership d/b/a Verizon Wireless and Rural Cellular Corp.*, FCC 08-181, 2008 WL 2966439 (Aug. 1, 2008) (“*Verizon Wireless-RCC*”).

¹² See *Divestiture Offer*, at 1, 3-5.

¹³ Exhibit 1, *infra*, at 2.

(“CGSAs”) that are not contiguous with county lines.¹⁴ Verizon Wireless and ALLTEL not only have different CGSAs in each of the 85 CMAs, but they do not even serve the same counties in nine of the 85 CMAs.¹⁵

To make matter even less clear, Verizon Wireless has not clarified whether it intends to divest all wireless systems operating within a CMA regardless of whether they transmit on 800 MHz cellular, Lower 700 MHz (698-746 MHz frequency band), Upper 700 MHz (746-806 MHz band), Broadband PCS, or AWS spectrum. Morgan Stanley seems to suggest that Verizon Wireless may divest all spectrum assets that operate in a given “divestiture market area”:

The specific spectrum, operations and other assets that will be divested in each CMA will be determined as part of ongoing discussions between Verizon Wireless, the DOJ and the FCC, but will likely include all assets located within a given divestiture market area that are used primarily for the provision of service in that area, including (i) customer contracts, (ii) spectrum licenses, (iii) retail locations (including store inventory), (iv) cell sites, (v) tower leases, and (vi) network equipment.¹⁶

In many of the divestiture CMAs, Verizon Wireless and ALLTEL both operate PCS and AWS facilities in addition to their cellular systems. In several others, ALLTEL provides only cellular service, but Verizon Wireless also serves the CMA pursuant to Basic Trading Area (“BTA”), Regional Economic Area Grouping (“REAG”), and Economic Area (“EA”) licenses in addition to its cellular authorization.¹⁷ Obviously, the divestiture of a market area will be substantially different depending on whether or not Verizon Wireless will divest only cellular

¹⁴ See 47 C.F.R. § 22.911. Cellular licensees are allowed to have *de minimis* service area boundary extensions into adjoining CMAs. See *id.* § 22.912(a). Such extensions are permitted when the county line that forms the CMA border is irregular in shape. See, e.g., *Metroplex Telephone Co.*, 2 FCC Rcd 7301, 7301 (Mob. Serv. Div. 1987).

¹⁵ Verizon Wireless and ALLTEL do not serve the same counties in CMA354 Colorado 7 – Saguache; CMA355 Colorado 8 – Kiowa; CMA356 Colorado 9 – Costilla; CMA389 Idaho 2 – Idaho; CMA402 Illinois 9 – Clay; CMA524 Montana 2 – Toole; CMA547 Nevada 5 – White Pine; and CMA677 Utah 5 – Daggett. See Lead Application, Ex. 4, at 9, 12, 13, 21, 24, 34.

¹⁶ Exhibit 1, *infra*, at 3.

¹⁷ See *infra* Exhibit 2.

licenses, CMA-based licenses, or all licenses that permit it to serve the particular CMA. Verizon Wireless' commitment to divest markets will remain ambiguous until a final determination is made as to the "specific spectrum" that will be divested in each CMA.

Finally, Verizon Wireless' commitment will stay ambiguous until it determines and discloses "whether and how the divestiture process will unfold." Although it appears to be preparing to take bids on the "asset divestitures," Morgan Stanley has indicated that Verizon Wireless will consider either "a sale or an exchange of assets."¹⁸ Whether a divestiture will be an effective remedy for a Clayton Act violation will depend on the identity of a buyer or the nature of the assets that are exchanged. The effect of the merger may still be to substantially lessen competition if Verizon Wireless divests licenses for the 85 CMAs to another one of the remaining "Big 4" wireless carriers or, for example, if it exchanges cellular licenses for Lower 700 MHz EA licenses and/or Upper 700 MHz REAG licenses that will allow it to serve the very same "divestiture markets."

Cellular South submits that Verizon Wireless is not legally committed to divesting 85 cellular markets and the fact that it is discussing potential divestitures with the DOJ does nothing to resolve the Clayton Act issues raised by the transfer of control of ALLTEL's licenses to serve those CMAs. Until Verizon Wireless is able to report that it is legally bound to divest specific licenses, the applications for consent to the transfer of the ALLTEL licenses for the 85 CMAs are contingent and the Commission cannot find that the grant of the applications would be consistent with the public interest.

¹⁸ Before it will provide relevant financial and operating data to an interested party, Verizon Wireless requires the party to sign a non-disclosure agreement. Attached hereto as Exhibit 3 is a copy of the Nondisclosure Agreement that Morgan Stanley distributed with the prospectus of the divestiture assets. The agreement explicitly provides that it is intended to protect the confidentiality of a "possible business transaction between the parties involving a sale or exchange of assets." Exhibit 3, *infra*, at 1.

II. TWELVE CONTINGENT APPLICATIONS SHOULD BE DISMISSED OR DESIGNATED FOR HEARING

The Applicants did not succeed in obscuring the fact that their transfer of control applications cannot be granted as they are presently constituted. At the very least, they are prosecuting the Lead Application (File No. 0003463892) and eleven other applications (File Nos. 0003464404, 0003464784, 000346786, 0003464814, 0003464833, 0003464834, 0003464836, 0003464839, 000346848, 0003465053, and 0003465064)¹⁹ that propose transfers of control of wireless (predominantly cellular) systems in 85 CMAs which the DOJ determined were likely to substantially lessen competition in violation of § 7 of the Clayton Act.

A. The Applications Are Contingent And Subject To Amendments Or Dismissal Depending On The Outcome Of Discussions With The DOJ

If an agreement on the specific spectrum, operations, and other assets to be divested is reached with DOJ before the Commission acts on the merger applications, the Applicants will have to amend most, and probably all, of the twelve applications. The Applicants admit that amendments may be required, but they claim that that it was “absurd” for Cellular South “to suggest that the possibility of an amendment creates a contingency warranting dismissal.” Opposition, at 36 n.107. *Au contraire*, a reasoned analysis of the potential divestiture leads to the conclusion that up to twelve of the merger applications should either be dismissed or designated for hearing.

According to Morgan Stanley, eleven of the CMAs to be divested are former RCC properties in Kansas and Southern Minnesota.²⁰ Because the RCC systems have not been integrated into Verizon Wireless and are managed separately, and since RCC operated GSM

¹⁹ See *infra* Exhibit 4.

²⁰ See *infra* Exhibit 1, at 2-3.

networks in Kansas,²¹ it is reasonable to assume that Verizon Wireless will divest the former RCC operations in Kansas and Southern Minnesota. Therefore, it is unlikely that the Applicants will have to amend the Lead Application to reflect the fact that it will divest the ALLTEL operations in seven Kansas CMAs.²² Nor will they have to amend their application in File No. 0003465053 to make a similar disclosure regarding four Minnesota CMAs.²³ In contrast, the divestiture of business units in the remaining 74 CMAs will necessitate the amendment or withdrawal of eleven (including the Lead Application) of the twelve transfer of control applications.

Considering that Verizon Wireless feels ahead of ALLTEL in the deployment of next-generation wireless broadband technologies,²⁴ and because of its larger spectrum holdings in the CMAs subject to divestiture,²⁵ it is logical to expect that Verizon Wireless will divest ALLTEL's licenses and related operational assets in the divestiture markets (other than in the former RCC markets in Kansas and Minnesota). Thus, if it becomes bound to divest the ALLTEL licenses, Verizon Wireless must amend item 108 of the FCC Forms 603 as follows:

(1) In File No. 0003463892, to delete at least 19 call signs of cellular facilities, as well as all of the call signs for the associated fixed point to point microwave facilities;

²¹ See *infra* Exhibit 1, at 3.

²² Verizon Wireless obtained RCC's operations in CMA428 Kansas 1 – Cheyenne; CMA429 Kansas 2 – Norton; CMA434 Kansas 7 – Trego; CMA438 Kansas 11 – Hamilton; CMA439 Kansas 12 – Hodgeman; and CMA440 Kansas 13 – Edwards. See *Verizon Wireless-RCC*, at 45 nn.313, 314. The proposed transfer of control of ALLTEL's cellular operations in those seven Kansas CMAs is included in the Lead Application. See *infra* Exhibit 4, at 2.

²³ Verizon Wireless obtained RCC's operations in CMA488 Minnesota 7 – Chippewa; CMA489 Minnesota 8 – Lac qui Parle; CMA490 Minnesota 9 – Pipestone; and CMA491 Minnesota 10 – Le Seueur. See *Verizon Wireless-RCC*, at 45 nn.313, 314. The proposed transfer of control of ALLTEL's cellular operations in those four Minnesota CMAs is included in File No. 0003465053. See *infra* Exhibit 4, at 3.

²⁴ See Lead Application, Ex. 1, at 11-14.

²⁵ See *id.*, at Ex. 4.

(2) In File No. 0003464848, to delete three of the nine call signs of cellular facilities, as well as all of the call signs for the associated fixed point to point microwave facilities;

(3) In File No. 0003464786, to delete at least 36 of the 42 call signs of cellular facilities, as well as all of the call signs for the associated fixed point to point microwave facilities;

(4) In File No. 0003464784, to delete at least 14 of the 29 call signs of cellular facilities, as well as all of the call signs for the associated fixed point to point microwave facilities; and,

(5) In File No. 003464406, to delete two of the four call signs of cellular facilities, as well as all of the call signs for the associated fixed point to point microwave facilities.²⁶

The Applicants should withdraw their applications in File Nos. 0003465064, 0003464833, 0003464834, 0003464836, 0003464839, and 0003464814. The transferor in each application only holds licenses for cellular facilities in divestiture CMAs which Verizon Wireless cannot control.²⁷ The Applicants cannot prosecute applications for Commission consent to transfer control of cellular licenses to Verizon Wireless when Verizon Wireless has been prohibited from controlling those licenses under an agreement with the DOJ. Furthermore, the six applications cannot be granted. The Commission could not issue a reasoned decision explaining how the grant of its consent to the transfer of control of the cellular licenses to Verizon Wireless would serve the public interest when Verizon Wireless has been prohibited from acquiring such control in order to remedy a violation of § 7 of the Clayton Act.

²⁶ See *infra* Exhibit 4.

²⁷ See *id.*, at 3-4.

B. The Commission Is Without Authority To Grant Its Consent To A Transfer Of Control On The Condition That The Transferee Not Exercise Control

As of day 61 of its Transition Team’s timeline, the Commission has not “stopped the clock” running on its 180-day benchmark for issuing an order disposing of the proposed Verizon Wireless/ALLTEL merger. If the applications are reached for disposition before Verizon Wireless manages to satisfy the DOJ, the Commission must conclude that it is unable to make the finding required by § 309(d)(2) of the Act that the grant of the twelve transfer of control applications would serve the public interest. As the Commission has repeatedly recognized in wireless merger cases, § 309(e) of the Act requires it to designate the transfer applications for hearing if it cannot make the requisite public interest finding for any reason.²⁸

In its petition to deny the Verizon Wireless/ALLTEL merger applications, Cellular South argued that the Commission cannot grant a transfer of control application subject to the condition that Verizon Wireless divest the transferred license, because the imposition of the divestiture condition/remedy constitutes a Commission finding that it is unable to make the § 309(d)(2) public interest determination.²⁹ The Applicants shrug off the statutory hearing requirement simply with the claim that Cellular South’s argument “ignores a lengthy line of precedent concluding precisely the opposite.” Opposition, at 37 n.108. The Applicants cite *AT&T-Dobson* and *Verizon Wireless-RCC* as among that “lengthy line of precedent.”

²⁸ See *AT&T Inc. and Dobson Communications Corp.*, 22 FCC Red 20295, 20302 (2007) (“*AT&T-Dobson*”); *AT&T Inc. and BellSouth Corp.*, 22 FCC Red 5662, 5672-73 (2007); *Alaska DigiTel, L.C.C. and General Communication, Inc.*, 21 FCC Red 14863, 14872 (2006); *Guam Cellular and Paging, Inc. and DoCoMo Guam Holdings, Inc.*, 21 FCC Red 13580, 13589 (2006); *Midwest Wireless Holdings, L.L.C. and ALLTEL Communications, Inc.*, 21 FCC Red 11526, 11535 (2006) (“*Midwest Wireless-ALLTEL*”); *Verizon Communications Inc. and MCI, Inc.*, 20 FCC Red 18433, 18433 (2005); *SBC Communications Inc. and AT&T Corp.*, 20 FCC Red 18290, 18300-01 (2005); *Nextel Communications, Inc. and Sprint Corp.*, 20 FCC Red 13967, 13977 (2005); *Western Wireless Corp. and ALLTEL Corp.*, 20 FCC Red 13053, 13063 (2005) (“*Western Wireless-ALLTEL*”); *AT&T Wireless Services, Inc. and Cingular Wireless Corp.*, 19 FCC Red 21522, 21543-44 (2004) (“*AT&T Wireless-Cingular*”).

²⁹ See Petition to Deny of Cellular South, Inc., WT Docket No. 08-95, at 18 (Aug. 11, 2008) (“Petition”).

One can scour *AT&T-Dobson* and *Verizon Wireless-RCC*, as well the *AT&T Wireless-Cingular* divestiture order, for hours and not find any discussion of whether a transfer of control application can be granted consistent with § 309(e), as well as §§ 308 and 310(d), on the condition that *control not be transferred* to the transferee. It appears that no party raised the issue in those cases and the Commission did not see it on its own. Thus, *AT&T-Dobson*, *Verizon Wireless-RCC*, and *AT&T Wireless-Cingular* may be considered a lengthy line of precedent, but not on the issue raised by Cellular South.

Cellular South need not stop to inquire whether *AT&T-Dobson*, *Verizon Wireless-RCC*, and *AT&T Wireless-Cingular* can be differentiated from this case “since in none of them was the point here at issue suggested or decided. The most that can be said is that the point was in the cases if any one had seen fit to raise it.” *Webster v. Fall*, 266 U.S. 507, 511 (1925). As the Supreme Court has repeatedly stated, “Questions which merely lurk in the record, neither brought to the attention of the court nor ruled upon, are not to be considered as having been decided as to be considered precedents.” *Cooper Industries, Inc. v. Avall Services, Inc.*, 543 U.S. 157, 170 (2004) (quoting *Webster*, 266 U.S. at 511). This case presents the first opportunity for the Commission to decide the § 309(e) issue that may have lurked in the records of *AT&T-Dobson*, *Verizon Wireless-RCC*, and *AT&T Wireless-Cingular*.

Take for an example, the transfer of control of Georgia RSA 8 Cellular Partnership (“Georgia Partnership”) proposed in File No. 0003465064.³⁰ Georgia Partnership holds the cellular Block B license (call sign KNKN899) for CMA378 Georgia 8 – Warren.³¹ It also holds eleven licenses for fixed point to point microwave facilities that are presumably used in the cellular system for backhaul purposes.³² The Applicants ask for the Commission’s consent to transfer to Verizon Wireless the 33.3333% general partnership interest in Georgia Partnership that is currently held by ALLTEL Communications LLC.³³ In

³⁰ See *infra* Exhibit 4, at 2.

³¹ See *infra* Exhibit 4, at 2; Exhibit 5, at 8, 9.

³² See *infra* Exhibit 5, at 6-7.

³³ See *id.*, at 4-5.

addition to holding the cellular Block A license for CMA378, Verizon Wireless holds both the Upper 700 MHz Block C and the AWS Block F authorizations for REAG 2 (Southeast) and the PCS Block E license for BTA271 Macon-Warren Robbins, Georgia which includes a portion of CMA378.³⁴

As it stands now, the Georgia Partnership transfer application is clearly contingent on the outcome of Verizon Wireless' discussions with the DOJ. If no agreement is reached as to the divestiture of ALLTEL's one-third general partnership interest in Georgia Partnership, the Commission will be faced with the issue of consenting to a transaction that the DOJ has determined will violate the Clayton Act. On the other hand, if the Georgia Partnership application is amended to reflect the fact that Verizon Wireless became bound to divest ALLTEL's partnership interest, the Commission faces weighty procedural and substantive issues. The first is whether an application for consent to a transfer of control of a licensee to an entity that cannot, and will not, exercise control is a nullity and defective on its face.

If the Georgia Partnership application survives the resolution of the procedural issue, the Commission must grapple with the issue of whether §§ 308 and 310(d) prohibit it from granting its consent to the transfer of a controlling interest in an operating cellular licensee to an entity that is ineligible to exercise licensee control. Cellular South submits that the statute clearly prohibits the grant of the application, because the Commission: (1) must dispose of the application as if Verizon Wireless were applying for the Block B cellular license for CMA378 under § 308, *see* 47 U.S.C. § 310(d); (2) must not consider whether the public interest might be served by the transfer of a controlling interest in the cellular license to a "management trustee"³⁵ or any entity other than Verizon Wireless, *see id.*; (3) cannot find that Verizon Wireless has the

³⁴ *See infra* Exhibit 2. *See also* Lead Application, Ex. 5, at 42.

³⁵ The Applicants suggest that the divestitures would follow the course set by the Commission in cases such as *AT&T-Dobson*. *See* Opposition, at 37 n.110. In that case, a "management trustee" was put in day-to-day control of the licensed operations for the duration of the divestiture process. *See AT&T-Dobson*, 22 FCC Rcd at 20338.

qualifications to operate the cellular facilities in CMA378, when it is legally prohibited from operating those facilities, *see* 47 U.S.C. § 308(b); and (4) is not empowered to consent to a transfer of control, or to issue any license under Title III of the Act, to an entity on the condition that the entity cannot exercise the rights conveyed by the Commission. *See id.* §§ 308, 309(h), 310(d).

If it determines that it has the authority under §§ 308 and 310(d) to grant the Georgia Partnership transfer application, the Commission will come finally to the question of whether it can find “on the basis of the application, the pleadings filed, or other matters which it can officially notice” that the public interest would be served if it exercised its authority to consent to the proposed transfer of control. 47 U.S.C. § 309(d)(2). Considering that the statute prohibits the Commission from considering matters presented off-the-record,³⁶ Cellular South submits that the Commission cannot make the necessary finding that the public interest would be served if the management of Georgia Partnership, and the control of its cellular operations, is placed in the hands of a management trustee for the time it takes Verizon Wireless to sell ALLTEL’s partnership interest.

Placing the control of the day-to-day operations of the cellular facilities in the hands of a

³⁶ By expressly limiting the Commission to making findings on the basis of the application, the pleadings filed, or matters of which it may take official notice, Congress prohibited the consideration of ex parte presentations directed to the merits or outcome of a § 309(d) licensing case. The same is true under the Commission’s rules since proceedings involving applications for authority under Title III are “restricted proceedings” in which ex parte presentations are prohibited. *See* 47 C.F.R. § 1.1208. Nevertheless, it appears that the Commission *always* specifies that its “permit-but-disclose” ex parte procedures that apply to non-restricted proceedings will govern otherwise restricted proceedings involving applications for authority under § 310(d) of the Act that affect the mobile telephony market. *See, e.g., Western Wireless Corp. and ALLTEL Corp.*, 20 FCC Rcd 2337, 2338 (2005). The Commission did so again in this case. *See Verizon Wireless and Atlantis Holdings LLC*, DA 08-1481, 2008 WL 2549846 (2008). Assuming that the modification of the ex parte procedures in this case was initially lawful, permit-but-disclose procedures cannot govern this proceeding once petitions to deny were filed on August 11, 2008. Those filings triggered the statutory ban on the consideration of ex parte presentations that is implicit in § 309(d)(2), but made explicit by § 1.1208 of the Commission’s ex parte rules. Cellular South assumes that this proceeding reverted to its restricted status on August 11, 2008.

trustee affords no apparent benefit to the public in CMA378. To the contrary, the Commission would be placing a trustee in control in order to allow the nation's largest wireless carrier to enlarge its footprint and spectrum holdings in markets other than the Georgia 8 rural service area. For the reason that the proposed transaction will not benefit the public in CMA378, which is the relevant geographic market for the purposes of the public interest determination,³⁷ the Commission will not be able to make the finding required by § 309(d)(2) and will be forced to designate the Georgia Partnership transfer application for a hearing under § 309(e).³⁸

III. VERIZON WIRELESS' ATTEMPT TO ACCUMULATE LOW-BAND SPECTRUM SHOULD RECEIVE A HEIGHTENED LEVEL OF SCRUTINY

A. The Applicants Do Not Dispute That Access To Low-Band Spectrum Will Provide A Material Competitive Advantage To Verizon Wireless

In support of its request that the Commission not consent to Verizon Wireless' acquisition of local cellular monopolies, Cellular South expressed the view it shares with the DOJ that a licensee operating on 800 MHz band cellular spectrum has material competitive advantages over competitors operating in the higher frequency bands.³⁹ The Applicants do not dispute that competitive advantages attach to 800 MHz cellular spectrum.

Cellular South also argued that the propagation characteristics of 700 MHz and 800 MHz ("Low-Band") spectrum make it better suited for the provision of wireless telecommunications services.⁴⁰ Again, the Applicants do not dispute the technical superiority of Low-Band

³⁷ See, e.g., *AT&T-Dobson*, 22 FCC Rcd at 20309-10.

³⁸ The same would be true with respect to the applications for Commission consent to the transfers of control of Ohio RSA 6 Limited Partnership (File No. 0003464833), Ohio RSA 5 Limited Partnership (File No. 0003464834), Ohio RSA 2 Limited Partnership (File No. 0003464836), Ohio RSA #3 Limited Partnership (File No. 0003464839), and Southern Illinois Limited Partnership (File No. 0003464814). See *infra* Exhibit 4, at 3-4.

³⁹ See Petition, at 9-10.

⁴⁰ See *id.*, at 9.

spectrum.⁴¹ Indeed, Verizon Wireless' engineering expert, Dr. Jackson, agrees with Cellular South's assessment of 700 MHz spectrum:

Aside from the guardband spectrum, the 700 MHz spectrum is well suited for CMRS. The frequencies are near the well-developed cellular frequencies. This 80 MHz of CMRS spectrum together with the adjacent public safety spectrum is large enough to permit economies of scale in equipment production. Standards organizations are working to support the 700 MHz band. Manufacturers have announced the availability of 4G hardware for this band. In addition, QUALCOMM has deployed its MediaFLO product in these bands.⁴²

Cellular South also provided data showing that Commission approval of the proposed merger will give Verizon Wireless a post-divestiture, attributable interest in: (1) all the cellular spectrum in 79 CMAs⁴³; (2) 84 MHz of Low-Band spectrum, or 65 percent of all allocated cellular and 700 MHz spectrum, in 27 CMAs; and (3) 72 MHz or 55 percent of all allocated Low-Band spectrum in 52 CMAs.⁴⁴ Beyond alluding to Cellular South's "alarmist statistics of aggregation" and its alleged intent of "expanding the range of divestitures," the Applicants make no attempt to make Cellular South's alarming statistics seem less so.

Based on the pleadings, the Commission should agree with the DOJ that the consolidation of control over cellular spectrum can substantially lessen competition, especially in rural areas.⁴⁵ It should also find that the anticompetitive effect of placing all 50 MHz of cellular

⁴¹ In arguing against the 95 MHz spectrum screen, economics Professor Katz contends that the difficulty in basing predictions as to competition on spectrum holdings is illustrated by the "ongoing arguments" over whether spectrum in one band should be given more or less weight in a competitive analysis than spectrum in another band. See Opposition, Attachment 1, at 6. He does not speak to the question of whether a concentration of Low-Band spectrum is likely to result in competitive harm.

⁴² *Id.*, Attachment 4, at 4-5 (footnotes omitted).

⁴³ The Applicants have disclosed that there were errors in the spectrum aggregation data provided in the Lead Application. See Opposition, Attachment 2, at 1 n.2. At this point, the Applicants have only revealed that Verizon Wireless will gain access to all 50 MHz of cellular spectrum in CMA89 Wichita, Kansas. See *infra* note 46. Thus, Verizon Wireless now stands to gain at least 79 local cellular monopolies. See *infra* Exhibit 6.

⁴⁴ See *infra* Exhibit 6.

⁴⁵ See Petition, at 10.

spectrum under Verizon Wireless' control in 79 CMAs will be exacerbated by its access to between 55 and 65 percent of the 700 MHz spectrum in those same CMAs.

B. The Commission Must Find That The Creation Of Local Cellular Monopolies May Substantially Lessen Competition

The Applicants advance two arguments to bolster their claim that the Commission has rejected Cellular South's argument that a "cellular monopoly" can occur. Opposition, at 39. The first is the contention that the elimination of the Commission's cellular cross-ownership ban precludes the argument that cellular cross-ownership is "banned or unlawful." *See id.*, at 38-39. The second is that the Commission "implicitly" rejected the notion that a cellular monopoly is possible by defining the product market as the combined market for mobile telephony. *See id.*, at 39.

The short answer to the Applicants' first contention is that Cellular South did not argue that cellular cross-ownership is currently banned or unlawful. Rather, it asked the Commission to honor its promise that its case-by-case review of wireless mergers would maintain the protection against anticompetitive harm that had been provided by its former cellular cross-ownership ban.⁴⁶ Cellular South reminded the Commission of its failure to detect that ALLTEL was acquiring local cellular monopolies during the course of its "case-by-case review of any cellular consolidation"⁴⁷ in *Midwest Wireless-ALLTEL* and *Western Wireless-ALLTEL*.⁴⁸ Now that ALLTEL is attempting to hand control over those cellular monopolies to Verizon Wireless, the Commission should perform a more searching review of Verizon Wireless' acquisition of a

⁴⁶ *See* Petition, at 14 (citing *Facilitating the Provision of Spectrum-Based Services to Rural Areas and Promoting Opportunities for Rural Telephone Companies to Provide Spectrum-Based Services*, 19 FCC Rcd 19078, 19116-17 (2004) ("Spectrum Cap Sunset Order")).

⁴⁷ *Id.*, at 19117 n.215.

⁴⁸ *See id.*, at 13 (citing *Midwest Wireless-ALLTEL*, 21 FCC Rcd at 1559-60 and *Western Wireless-ALLTEL*, 20 FCC Rcd at 13098).

“monopoly status” in these cellular markets than the lax level of scrutiny applied in *Midwest Wireless-ALLTEL* and *Western Wireless-ALLTEL*.⁴⁹

Needless to say, the elimination of the cellular cross-ownership ban did not eliminate the recognized likelihood that a “consolidation in a local cellular market from duopoly to monopoly status” will result in anticompetitive harm. *Spectrum Cap Sunset Order*, 19 FCC Rcd at 19115 n.204. Indeed, the Commission recognized that a monopoly in a “local cellular market” gives consumers “less choice and potentially less benefits from competition” *after* it eliminated the cellular cross-ownership ban, *see id.*, and most recently more than two years after the ban was replaced by the current case-by-case review of any cellular consolidation. *See E.N.M.R. Telephone Cooperative*, 22 FCC Rcd 4512, 4513-14 n.13 (WTB 2007).

By defining the product market as the combined market for mobile telephony, the Commission may have “implicitly” rejected the argument that a “cellular monopoly” could occur that would violate § 7 of the Clayton Act. But the Commission also found that the relevant geographic market is local and that CMAs — cellular market areas — may be used to define the relevant local market. *See, e.g., AT&T-Dobson*, 22 FCC Rcd at 20309. By so doing, the Commission implicitly recognized that cellular monopolies can substantially lessen competition within CMAs. *See Spectrum Cap Sunset Order*, 19 FCC Rcd at 19115 n.204; *E.N.M.R. Telephone*, 22 FCC Rcd at 4513-14 n.13.

⁴⁹ The Applicants should take no comfort from the “numerous instances” where the Commission approved the consolidation of two cellular providers in the same market. Opposition, at 39 n.117. Cellular South is aware of only one instance when the Commission issued a reported decision in which it waived the cellular cross-ownership ban to allow a wireless carrier to acquire the cellular Block A licenses in eleven CMAs when it held the cellular Block B licenses in parts of the same CMAs. *See AT&T Wireless-Cingular*, 19 FCC Rcd at 21625-26. The Commission’s lax review in *Midwest Wireless-ALLTEL* and *Western Wireless-ALLTEL* explains two of the six instances in which cellular consolidation was “approved.” In the remaining instances, no decisions can be found to shed light on how ALLTEL ended up with 50 MHz of cellular spectrum in four CMAs. Perhaps no one saw fit to raise the cellular concentration issue.

It is significant that the Applicants do not dispute that the DOJ employs an enforcement standard under which it requires divestiture if a proposed merger would otherwise give one carrier access to all 50 MHz of cellular spectrum in a single CMA. Instead, they find it significant that the “DOJ has not yet requested divestiture or further proceedings” with respect to the 26 CMAs where Verizon Wireless will have access to all 50 MHz of that spectrum. Opposition, at 39 n.118. The Applicants suggest that “[i]f the DOJ permits Verizon Wireless to hold cellular overlaps, the correct conclusion is that cellular overlaps are not a *per se* problem.” *Id.* Cellular South submits that the Applicants’ refusal to disclose whether or not the “cellular/cellular overlaps” in the 26 CMAs presents a problem to the DOJ supports the inference that the DOJ has not permitted Verizon Wireless to hold the “cellular overlaps” and the matter is still the subject of their ongoing discussions. And it appears that the DOJ may not be aware that Verizon Wireless stands to acquire access to 50 MHz of cellular spectrum in at least one more CMA, bringing its total to 79 “problem” CMAs.⁵⁰

The Applicants failed to establish that the cellular spectrum aggregation/concentration that they propose is immune from scrutiny for anticompetitive harm both under § 7 of Clayton Act and §§ 308, 309 and 310 of the Act. If it subjects the proposed merger of two of the nation’s five largest wireless carriers to such scrutiny, the Commission will conclude that a full hearing is necessary to determine whether or not the effect of the merger will be to substantially lessen

⁵⁰ From the very little that the Applicants disclosed in their pleading, it is possible that the DOJ is not aware of the remaining cellular overlaps. There is also the possibility that the spectrum aggregation data that was supplied to the DOJ was inaccurate. That possibility exists in light of the disclosure that Exhibit 4 to the Lead Application contained errors relating to ALLTEL’s cellular coverage. *See* Opposition, Attachment 2, at 1 n.2. It now appears that Verizon Wireless will gain access to all 50 MHz of cellular spectrum in CMA89 Wichita, Kansas. *See id.* Verizon Wireless will also gain access to yet-unspecified spectrum in CMA318 Arizona 1 – Mohave and CMA370 Florida 11 – Monroe. *See id.* The Applicants apparently intended to provide the Commission with a “Supplement A” containing new information concerning CMA318 and CMA370. *See id.* However, no such supplemental information was provided.

competition in too many local markets to permit a finding that the public interest would be served if the merger goes forward.

IV. EXCLUSIVE HANDSET ARRANGEMENTS WARRANT A TRANSACTION CONDITION IF CONSENT IS GRANTED

As the Commission reviews a transaction proposal that would reshape the competitive landscape of wireless services especially in rural America there is an urgent need to recognize the impact that exclusive handset agreements between Verizon Wireless and its handset suppliers will have on the public and on the remaining wireless competitors, and to condition any approval of the proposed transaction on a termination of those exclusive agreements or, at a minimum, a *prohibition on any new exclusivity agreements* until the issue is reviewed and rules are adopted affecting all wireless carriers. Oddly, the Applicants suggest that exclusive handset arrangements are “pro-consumer”⁵¹ and yield “competitive benefits” as they try to persuade the Commission to allow these arrangements to continue after Verizon Wireless would absorb Alltel’s share of the handset market. Little attention is paid to the fact that exclusive agreements limit consumers to a single source for newly developed “high end” phones with broadband capabilities, or that millions of consumers who reside in areas that still would not be served by Verizon Wireless will be denied the opportunity to acquire the exclusive handsets and use them primarily on the networks of the independent wireless carriers that serve their areas. There is nothing “pro-consumer” about exclusive arrangements that allow Verizon Wireless alone to set retail prices for handsets that can be purchased only through Verizon Wireless, or that effectively preclude consumers in many markets the opportunity to acquire and use a new “high end” product that offers enhancements in broadband capabilities.

⁵¹ Opposition, at 73.

The ability of Verizon Wireless to determine what handsets the public may or may not be able to purchase in a given area, and at what price, is the direct result of the market power derived from its status as a Commission licensee. Verizon Wireless should not be permitted to control the availability of handsets that it does not design and manufacture itself; otherwise it can and will use economic leverage derived from its position as the nation's largest wireless carrier to dictate exclusivity terms to the manufacturers of the most sought after high-end devices.

Verizon Wireless suggests that a condition concerning handset exclusivity agreements that is imposed on the Commission's transaction approval would not achieve petitioners' desired result because other wireless carriers would not be subject to the same condition.⁵² It is true that AT&T Mobility and other large carriers also have exclusive handset offerings and that the issue should be reviewed on a comprehensive basis to determine what rules are necessary to guard against public harm from the exclusive agreements. A petition for inquiry into the matter filed earlier this year by the Rural Cellular Association ("RCA") should be placed on a public notice and comments on the issue should be invited in the very near term.⁵³ Meanwhile, as the Commission reviews the issue on an industry-wide basis the Commission should not permit Verizon to compound the problem by entering into new exclusive agreements that enable it to control availability of the next generations of handsets.

In response to Cellular South's and other petitioners' concerns about exclusive handset agreements (as well as automatic roaming agreement concerns) the Applicants urge the Commission to avoid adding conditions on the transaction consent that are "not merger-specific"

⁵² Opposition at 73.

⁵³ *Petition for Rulemaking Regarding Exclusivity Arrangements Between Commercial Wireless Carriers and Handset Manufacturers*, filed by RCA, May 20, 2008.

and that can otherwise be examined in the course of rulemaking proceedings.⁵⁴ If this was another run-of-the-mill, small transaction, that argument might prevail in a balancing test of the interests involved. But this is not another small transaction. It is among the largest ever presented to the Commission in the context of wireless communications and, if approved, will bring about a sea change in the competitive balance among carriers serving rural America where Alltel has a high profile as the nation's fifth largest carrier. If the Applicants are not agreeable to "merger-specific" conditions to safeguard public interest concerns they are welcome to wait for the Commission to complete its rulemaking proceedings and re-file their applications for transaction consent after the Commission thoroughly reviews exclusive handset (and automatic roaming) issues and has rules in place that are binding upon the entire industry. It is the Applicants that chose to bring their transaction to the Commission before the rulemaking proceedings are complete and, having done so, they should be prepared to accept reasonable conditions on transaction approval that guard against further harm while the Commission deliberates and resolves important issues that affect the public's access to wireless handsets (and use of the Verizon Wireless network by customers of other carriers).

The fact that the Commission has not dictated many of the technical standards under which wireless service providers operate does not support the Applicants' claim that exclusive handset agreements are justifiable under Commission policies that permit technical diversity among wireless networks. While licensees are given free rein to innovate, they are not permitted to engage in anti-competitive practices or to use their market power to impede future competition. Exclusive handset agreements demanded by large carriers from handset makers preclude access to new products by other carriers and the customers they serve. The Commission

⁵⁴ Opposition at 42-45.

has consistently observed that it has broad authority under the Communications Act to protect U.S. citizens from harms resulting from anti-competitive behavior.⁵⁵ The powers provided to the Commission under Sections 4(i) and 303(r) of the Communications Act,⁵⁶ as well as its broad ancillary jurisdiction⁵⁷ to serve the public interest pursuant to Title I of the Communications Act provide the Commission with authority to review and prohibit anticompetitive practices.⁵⁸ In addition, Sections 201(b) and 202(a) of the Communications Act⁵⁹ also empower the Commission to take all reasonable and necessary measures to end the anticompetitive practices that are inherent in exclusivity arrangements that discriminate against millions of Americans and harm smaller competitors.

The Applicants question the utility and demand for high-end “generic” mobile handsets, suggesting that it is impractical for handsets to be made that are not “optimized to work on a specific network.”⁶⁰ That is a misinterpretation of the circumstances that support petitioners’ requests for an end to exclusive handset arrangements. Cellular South and other petitioners recognize that a carrier such as Verizon Wireless may want to work with a manufacturer to develop a customized software load for a batch of a given handset, just as Cellular South and other regional and small carriers may want to order a handset with a customized software load.

⁵⁵ See *In the Matter of Saskatchewan Telecommunications*, Order, Authorization and Certificate, 22 FCC Rcd. 91 (2007), n.42; see also *In the Matter of News Corp. and the DirecTV Group, Inc., Transferors, and Liberty Media Corp., Transferee*, Memorandum Opinion and Order, FCC 08-66 (rel. Feb. 26, 2008), ¶ 26.

⁵⁶ See 47 U.S.C. §§ 154(i) and 303(r).

⁵⁷ “Ancillary jurisdiction may be employed, in the Commission’s discretion, when Title I of the Act gives the Commission subject matter jurisdiction over the service to be regulated and the assertion of jurisdiction is ‘reasonably ancillary to the effective performance of [its] various responsibilities.’” *IP-Enabled Services*, WC Docket No. 04-36, *E911 Requirements for IP-Enabled Service Providers*, WC Docket No. 05-196, First Report and Order and Notice of Proposed Rulemaking, 20 FCC Rcd. 10245, 10261 (2005).

⁵⁸ 47 U.S.C. § 151 *et seq.*

⁵⁹ See 47 U.S.C. §§ 201(b) and 202(a).

⁶⁰ Opposition, at 74.

The problem arises when Verizon Wireless uses its purchasing power to dictate that a manufacturer may not accept a purchase order from other wireless carriers (or a distributor that functions as a “middle man” in the supply chain), so that the handset model will be sold exclusively through Verizon Wireless and its self-selected distribution channels. But for the exclusive agreements the same model of handset could be loaded with software for sale by other carriers and retailers. If carriers are willing to install network equipment that will support the use of a particular handset, why should they be denied the opportunity to offer that handset to their customers and also serve customers who purchase the handset from other sources? The marketplace will function to determine the price of the handset. It defies logic to assume as the Applicants suggest that a single source for a “smartphone” will yield the lowest price for the consumer and that an exclusive handset agreement is “pro-competitive.”

Finally, the Applicants attempt to justify their practice of obtaining exclusive agreements to sell handsets by saying that regional and small carriers, such as RCA members, may band together “...to get the same kinds of attention and exclusivity arrangements as larger carriers.”⁶¹ That statement is simply not true. The commercial bargaining power of a group of regional and small rural wireless carriers to negotiate the purchase of new generation handsets, let alone any exclusive agreement, does not remotely compare with the negotiating power of Verizon Wireless or ALLTEL let alone a combined company. Verizon Wireless can demand that a supplier such as LG or Samsung limit sale of a new product to Verizon Wireless on an exclusive basis in the U.S., leaving small carriers without any ability to purchase the product regardless of the size of the purchase order that can be amalgamated by a group. If Verizon Wireless is not prohibited

⁶¹ Opposition at 75.

from obtaining handset exclusivity agreements while the Commission examines the issue on a comprehensive basis it will be empowered by the ALLTEL acquisition to demand for its own benefit better and longer exclusive terms for equipment that otherwise could be distributed through normal retail channels. The object is not to “force manufacturers to develop generic phones” as the Applicants misstate petitioners’ claims⁶² but to allow manufacturers to sell their handsets to all carriers and other distributors that wish to purchase them rather than being obligated to deal with Verizon Wireless under exclusive terms that the nation’s largest carrier demands.

V. AUTOMATIC ROAMING AND INTEROPERABILITY
CONDITIONS ARE NECESSARY TO ALLOW EFFICIENT
PUBLIC ACCESS TO THE VERIZON WIRELESS NETWORK,
FACILITATE COMPETITION AND PROMOTE PUBLIC SAFETY

The Applicants decry a need for roaming conditions that are not “merger specific” and suggest, in any event, that no conditions are warranted.⁶³ In their latest offering the Applicants resist any obligations beyond the very limited and inadequate concessions they have offered which in their latest form would allow customers of other compatible wireless carriers to have automatic roaming access to the nation’s largest wireless network once current agreements expire, or for two years from the closing date, whichever occurs later.⁶⁴ Carriers that cannot come to agreement with Verizon Wireless would be left to pursue a costly and inefficient Section 208⁶⁵ complaint process to obtain just and reasonable terms for mutual handling of roamer traffic.

⁶² *Id.*

⁶³ See, for example, Opposition at 60.

⁶⁴ Opposition at 46 and 56.

⁶⁵ 47 U.S.C. § 208.

Cellular South and other regional and small carriers depend upon automatic roaming agreements for survival in a wireless world dominated by a few nationwide carriers. Without reasonable terms and the availability of these agreements customers would depart to the largest carriers out of necessity if they have any need for service outside of a rural carrier's service footprint. If the Commission believes that regional and small carriers serve no purpose for wireless consumers, then this is a non-issue. However, Cellular South believes that regional and small carriers serve a vital role for consumers by offering (i) local service quality, (ii) innovative rate plans, (iii) access to public safety services in areas not served by large carriers, (iv) local management and technical support that provide customer service and network repair efficiencies and many other benefits that the mega-carriers simply cannot or do not provide.

The Commission should employ a heightened level of scrutiny to transactions that threaten the survivability of regional and small carriers. The absorption of most ALLTEL property into the Verizon Wireless network calls for immediate assurance, if the consent is granted, that Verizon Wireless will make automatic roaming available for voice, data and broadband services on reasonable terms and conditions to all wireless carriers with technological compatibility, *without any expiration date and without regard to the specific generation of network deployment*. The combined ALLTEL and Verizon Wireless network will be the near-term CDMA backbone of the nation's wireless infrastructure. The request for transaction consent presents an urgent need for the Commission to safeguard reasonable access to that backbone by the customers of all compatible carriers.

Once this transaction is approved, a carrier such as Cellular South must have the assurance of an automatic roaming agreement with Verizon Wireless covering current and future voice, data and broadband services in order to have a sound business plan. And the importance of

a sound business plan cannot be overstated. It is a fundamental financial planning tool that is necessary for business operations and to provide lenders with confidence to make financial commitments that Cellular South needs to continually upgrade network equipment and maintain services at a competitive and preferably a superior level. Without a capital structure with an appropriate debt/equity balance a carrier faces obstacles that prevent it from remaining a viable competitor in the marketplace.

Regional and small carriers would be critically impacted by the unavailability of a reasonable automatic roaming agreement with Verizon Wireless after ALLTEL disappears. The time required to pursue relief through a Section 208 complaint that the Applicants offer as a solution to all ills⁶⁶ would be months if not a year or more, and involve time that Verizon Wireless could use to gain a competitive advantage that could not be reversed in a highly competitive marketplace.⁶⁷ A smaller carrier literally could be out of business before a complaint is resolved.

In their Opposition the Applicants feign a lack of understanding of carrier-to-carrier interoperability and claim that Verizon Wireless should not be obligated by a condition to consent to cooperate with other carriers in this manner. Their response clearly highlights the need for a condition on any grant of consent. As Cellular South explained in its petition:

Interoperability is the concept of making two networks function seamlessly for the customer. When networks are interoperable, connectivity is not interrupted during inter-carrier handoffs and the customer who is roaming on another network does not lose functionality on his or her device. This allows consumers to make full use of their wireless devices not just at home, but also when roaming on another carrier's network.

⁶⁶ Opposition at 57-58.

⁶⁷ If the Commission's Enforcement Bureau does not process the complaint under the accelerated procedure according to 47 C.F.R. §1.730, it could be a year or more before an initial decision is announced on a formal complaint, after which a Commission and ultimately a judicial review process could follow.

Interoperability also allows data to be passed back and forth between carriers to enhance the nature of services available to customers of both carriers. An increasingly important benefit of interoperability involves location-based services that can be provided by wireless carriers. [footnote: Location-based services offer the customer valuable information for navigation and in locating points of interest. Many such services are applications of “global positioning satellite” services. For example, a customer with an emergency need for medicine or bandages can locate the nearest drug store through a location-based service.] As wireless networks have become more advanced, many customers have come to rely on location-based services. As more and more customers adopt location-based services, it is important that they are able to depend on these services when roaming. It is precisely at the time when a customer travels outside his or her home carrier’s service area that the need for location-based services will be most acute, if not critical. [Petition to Deny at 22-23]

Cellular South respectfully urges the Commission to require Verizon Wireless, as a condition to any consent that may be granted, **to negotiate in good faith for automatic roaming and interoperability agreements for voice and data services, on reasonable terms and conditions, when a reasonable request is made and where implementation of such agreements is technically feasible.**

Contrary to the Applicants’ reasoning, the requested condition is essential despite the fact that the Commission has an open further rulemaking proceeding to examine issues related to automatic roaming for data and broadband services.⁶⁸ As Cellular South and other petitioners have explained, there is a critical dependence by other carriers on the Verizon Wireless network as it will be expanded to encompass ALLTEL’s competing network. The Commission could not have anticipated the Applicants’ merger proposal in the course of conducting its rulemaking proceeding and, consequently, the issues in that proceeding were not resolved before the merger proposal was presented for review. At this point, it is necessary to preserve and assure improved

⁶⁸ See, *Report and Order and Further Notice of Proposed Rulemaking* in WT Docket No. 05-265, 22 FCC Rcd at 15845-47 (paras. 77-81) (2007).

access to a surviving backbone wireless network if the Commission chooses to grant consent to the merger applications by adding a condition that assures automatic roaming and carrier-to-carrier interoperability where a carrier makes a reasonable request and systems are technologically compatible.

Respectfully submitted,

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[filed electronically]

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August 26, 2008



Verizon Wireless Asset Divestitures

Preliminary Overview of Divestiture Markets

August 11, 2008

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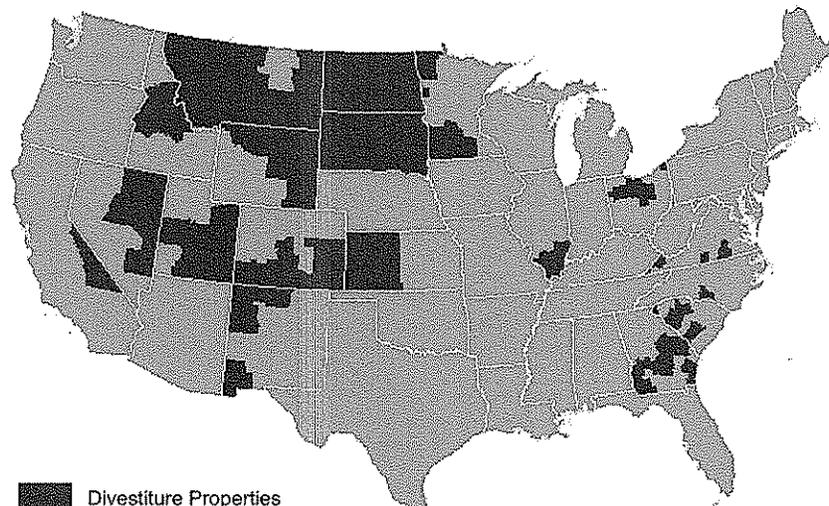
1.1 Transaction Background and Overview

On June 5, 2008, Verizon Wireless (the “Company”) entered into an agreement with Alltel Corporation (“Alltel”) and Atlantis Holdings LLC, an affiliate of private investment firms TPG Capital and GS Capital Partners, to acquire Alltel in a cash merger (the “Transaction”). Under the terms of the agreement, Verizon Wireless will acquire Alltel for approximately \$28.1 billion, including net debt at closing. The parties are working towards completion of the merger by the end of 2008, subject to obtaining regulatory approvals.

Following initial discussions with the Department of Justice (the “DOJ”), Verizon Wireless has agreed to accept divestiture requirements for certain overlapping properties (the “Divestiture Properties”). The composition of the Divestiture Properties is subject to change and any divestiture transactions will be conditioned on completion of the Transaction and approval by the DOJ and the Federal Communications Commission (“FCC”).

1.2 Overview of the Divestiture Properties

The Divestiture Properties consist of 85 cellular markets (“CMAs”) comprising the entire states of North Dakota and South Dakota, as well as overlapping properties comprising partial areas within 16 additional states, including: California, Colorado, Georgia, Idaho, Illinois, Kansas, Minnesota, Montana, Nevada, New Mexico, North Carolina, Ohio, South Carolina, Utah, Virginia and Wyoming. Eleven of the 85 CMAs to be divested are former



Rural Cellular (“RCC”) properties that overlap with Alltel (Kansas and Southern Minnesota). These RCC properties are not integrated into Verizon Wireless and are managed separately.

The Divestiture Properties are licensed to provide service to approximately 8.8 million POPs and currently provide wireless communications services to approximately 1.8 million residential and commercial customers. With the exception of the Kansas properties, which are GSM, all of the Divestiture Properties operate CDMA networks.

The specific spectrum, operations and other assets that will be divested in each CMA will be determined as part of ongoing discussions between Verizon Wireless, the DOJ and the FCC, but will likely include all assets located within a given divestiture market area that are used primarily for the provision of service in that area, including (i) customer contracts, (ii) spectrum licenses, (iii) retail locations (including store inventory), (iv) cell sites, (v) tower leases, and (vi) network equipment. The Company does not anticipate selling any assets or assigning agreements with respect to its back-office, G&A and operating support systems that support these and other non-divested markets. The Company will offer transition support services at its fully loaded cost and is prepared to offer a commercial roaming arrangement to the purchaser(s) for the customers of the Divestiture Properties.

See Appendix A for a preliminary list of the CMAs comprising the Divestiture Properties.

1.3 Process Overview

Verizon Wireless will consider proposals for individual CMAs, clusters of CMAs and the Divestiture Properties in their entirety. In order for the Company to consider the merits of further exploring a transaction with you, the Company requests that you designate to Morgan Stanley the specific properties you wish to acquire (*See Appendix B for the Designation Form*). The Company will evaluate your submission. After you have signed a Non-Disclosure Agreement, Verizon Wireless will provide a Confidential Information Memorandum with financial and operating data for the relevant properties. Prospective buyers should note that the DOJ may require that certain geographically clustered properties be sold to a single buyer in order to preserve or enhance the competitive position of the divested operations.

Permission to coordinate with or speak with third-parties, including financial sponsors, in connection with your review of the Divestiture Properties must be approved, in advance, by the Company.

Verizon Wireless and its advisor, Morgan Stanley, reserve the right, at any time, in their sole discretion and without assigning or specifying any reasons therefore, and without any financial obligation or liability of any kind, to alter or terminate this process, to refuse to provide information to or enter into discussions with any or all prospective purchasers, to terminate discussions with any or all prospective purchasers, to reject any or all indications of interest or offers, or to negotiate with one or more prospective purchasers and enter into one or more definitive agreements involving the Divestiture Properties without notice to any other prospective purchasers. It is understood that each prospective purchaser will bear all the costs of its own investigation and evaluation of this opportunity.

1.4 Next Steps

We request that you submit the completed Designation Form to Morgan Stanley (Attention: Chris Bartlett) no later than 5:00 pm (EDT) on August 22, 2008. At that same time, the Company asks that you submit the identities of any bidding partners or bidding consortium members, as well as any comments, marked, on the enclosed form of Non-Disclosure Agreement.

The Company anticipates delivery of the Confidential Information Memorandum during September 2008.

Morgan Stanley will be available to assist you and address any questions you may have about the Divestiture Properties or this process. Please do not contact personnel of Verizon, Verizon Wireless or Alltel directly or indirectly.



APPENDIX A

The Divestiture Properties

The Divestiture Properties

CMA Number	CMA Name	State	Licensed POPs
CALIFORNIA			
341	Mono, CA-6	CA	30,945
State Total			30,945
COLORADO			
351	Park, CO-4	CO	94,427
352	Elbert, CO-5	CO	38,618
353	San Miguel, CO-6	CO	87,552
354	Saguache, CO-7	CO	56,775
355	Kiowa, CO-8	CO	45,552
356	Costilla, CO-9	CO	30,769
State Total			353,693
GEORGIA			
377	Hancock, GA-7	GA	87,540
378	Warren, GA-8	GA	175,227
379	Marion, GA-9	GA	123,339
380	Bleckley, GA-10	GA	170,392
382	Liberty, GA-12	GA	231,562
383	Early, GA-13	GA	159,498
State Total			947,558
IDAHO			
389	Idaho, ID-2	ID	75,744
390	Lemhi, ID-3	ID	19,594
State Total			95,338
ILLINOIS			
401	Washington, IL-8	IL	334,913
402	Clay, IL-9	IL	146,410
State Total			481,323
KANSAS			
428	Cheyenne, KS-1	KS	24,912
429	Norton, KS-2	KS	27,033
433	Wallace, KS-6	KS	16,928
434	Trego, KS-7	KS	77,621
438	Hamilton, KS-11	KS	92,047
439	Hodgeman, KS-12	KS	48,782
440	Edwards, KS-13	KS	26,747
State Total			314,070
MINNESOTA			
482	Kittson, MN-1	MN	49,051
488	Chippewa, MN-7	MN	177,430

The Divestiture Properties (cont'd)

CMA Number	CMA Name	State	Licensed POPs
489	Lac qui Parle, MN-8	MN	64,355
490	Pipestone, MN-9	MN	130,082
491	Le Sueur, MN-10	MN	250,351
State Total			671,269
MONTANA			
268	Billings	MT	139,334
297	Great Falls	MT	79,186
523	Lincoln, MT-1	MT	170,873
524	Toole, MT-2	MT	35,228
526	Daniels, MT-4	MT	35,796
527	Mineral, MT-5	MT	214,454
528	Deer Lodge, MT-6	MT	63,156
529	Fergus, MT-7	MT	29,860
530	Beaverhead, MT-8	MT	117,097
531	Carbon, MT-9	MT	32,900
532	Prairie, MT-10	MT	18,245
State Total			936,129
NEVADA			
544	Lander, NV-2	NV	50,637
547	White Pine, NV-5	NV	12,818
State Total			63,455
NEW MEXICO			
553	San Juan, NM-1	NM	303,155
557	Grant, NM-5	NM	60,336
State Total			363,491
NORTH CAROLINA			
569	Anson, NC-5	NC	137,901
State Total			137,901
NORTH DAKOTA			
221	Fargo	ND	187,309
276	Grand Forks	ND	96,628
298	Bismarck	ND	100,351
580	Divide, ND-1	ND	95,763
581	Bottineau, ND-2	ND	54,940
582	Barnes, ND-3	ND	82,733
583	McKenzie, ND-4	ND	58,528
584	Kidder, ND-5	ND	43,502
State Total			719,754

The Divestiture Properties (cont'd)

CMA Number	CMA Name	State	Licensed POPs
OHIO			
158	Lima	OH	216,346
231	Mansfield	OH	127,672
586	Sandusky, OH-2	OH	258,012
587	Ashtabula, OH-3	OH	103,451
589	Hancock, OH-5	OH	240,862
590	Morrow, OH-6	OH	500,760
State Total			1,447,103
SOUTH CAROLINA			
625	Oconee, SC-1	SC	70,877
626	Laurens, SC-2	SC	257,578
627	Cherokee, SC-3	SC	140,011
631	Calhoun, SC-7	SC	157,666
State Total			626,132
SOUTH DAKOTA			
267	Sioux Falls	SD	164,967
289	Rapid City	SD	120,666
634	Harding, SD-1	SD	36,129
635	Corson, SD-2	SD	22,676
636	McPherson, SD-3	SD	50,340
637	Marshall, SD-4	SD	67,366
638	Custer, SD-5	SD	29,117
639	Haakon, SD-6	SD	38,508
640	Sully, SD-7	SD	66,705
641	Kingsbury, SD-8	SD	71,765
642	Hanson, SD-9	SD	115,771
State Total			784,010
UTAH			
675	Juab, UT-3	UT	65,736
677	Carbon, UT-5	UT	82,393
678	Plute, UT-6	UT	28,316
State Total			176,445
VIRGINIA			
262	Danville	VA	108,063
681	Lee, VA-1	VA	139,268
688	Amelia, VA-8	VA	91,494
State Total			338,825
WYOMING			
299	Casper	WY	71,573

The Divestiture Properties (cont'd)

CMA Number	CMA Name	State	Licensed POPs
718	Park, WY-1	WY	50,548
719	Sheridan, WY-2	WY	86,371
721	Niobrara, WY-4	WY	141,756
722	Converse, WY-5	WY	12,781
State Total			363,029
Total Divestitures			8,850,470



APPENDIX B

Designation Form

Designation Form

Buyer Information

Company: _____
 Partner(s): _____
 Primary Contact(s): _____
 Telephone: _____
 Email: _____

Instructions: Mark the box next to the CMAs or state-level clusters you are interested in acquiring.

Please fax or email your completed form to Chris Bartlett at 212-507-5767, Christopher.Bartlett@MorganStanley.com by 5:00 PM on August 22, 2008.

Mark this box if you are interested in *all* of the Divestiture Properties.

The Divestiture Properties

Property Designation

CMA	Market	CMA	Market	CMA	Market	CMA	Market
<input type="checkbox"/> California		<input type="checkbox"/> Kansas (cont'd)		<input type="checkbox"/> New Mexico		<input type="checkbox"/> South Dakota	
<input type="checkbox"/> 341	CA-6	<input type="checkbox"/> 438	KS-11	<input type="checkbox"/> 553	NM-1	<input type="checkbox"/> 267	Sioux Falls
		<input type="checkbox"/> 439	KS-12	<input type="checkbox"/> 557	NM-5	<input type="checkbox"/> 289	Rapid City
<input type="checkbox"/> Colorado		<input type="checkbox"/> 440	KS-13			<input type="checkbox"/> 634	SD-1
<input type="checkbox"/> 351	CO-4			<input type="checkbox"/> North Carolina		<input type="checkbox"/> 635	SD-2
<input type="checkbox"/> 352	CO-5	<input type="checkbox"/> Minnesota		<input type="checkbox"/> 569	NC-5	<input type="checkbox"/> 636	SD-3
<input type="checkbox"/> 353	CO-6	<input type="checkbox"/> 482	MN-1	<input type="checkbox"/> North Dakota		<input type="checkbox"/> 637	SD-4
<input type="checkbox"/> 354	CO-7	<input type="checkbox"/> 488	MN-7	<input type="checkbox"/> 221	Fargo	<input type="checkbox"/> 638	SD-5
<input type="checkbox"/> 355	CO-8	<input type="checkbox"/> 489	MN-8	<input type="checkbox"/> 276	Grand Forks	<input type="checkbox"/> 639	SD-6
<input type="checkbox"/> 356	CO-9	<input type="checkbox"/> 490	MN-9	<input type="checkbox"/> 298	Bismarck	<input type="checkbox"/> 640	SD-7
		<input type="checkbox"/> 491	MN-10	<input type="checkbox"/> 580	ND-1	<input type="checkbox"/> 641	SD-8
<input type="checkbox"/> Georgia		<input type="checkbox"/> Montana		<input type="checkbox"/> 581	ND-2	<input type="checkbox"/> 642	SD-9
<input type="checkbox"/> 377	GA-7	<input type="checkbox"/> 268	Billings	<input type="checkbox"/> 582	ND-3	<input type="checkbox"/> Utah	
<input type="checkbox"/> 378	GA-8	<input type="checkbox"/> 297	Great Falls	<input type="checkbox"/> 583	ND-4	<input type="checkbox"/> 675	UT-3
<input type="checkbox"/> 379	GA-9	<input type="checkbox"/> 523	MT-1	<input type="checkbox"/> 584	ND-5	<input type="checkbox"/> 677	UT-5
<input type="checkbox"/> 380	GA-10	<input type="checkbox"/> 524	MT-2			<input type="checkbox"/> 678	UT-6
<input type="checkbox"/> 382	GA-12	<input type="checkbox"/> 526	MT-4	<input type="checkbox"/> Ohio			
<input type="checkbox"/> 383	GA-13	<input type="checkbox"/> 527	MT-5	<input type="checkbox"/> 158	Lima	<input type="checkbox"/> Virginia	
<input type="checkbox"/> Idaho		<input type="checkbox"/> 528	MT-6	<input type="checkbox"/> 231	Mansfield	<input type="checkbox"/> 262	Danville
<input type="checkbox"/> 389	ID-2	<input type="checkbox"/> 529	MT-7	<input type="checkbox"/> 586	OH-2	<input type="checkbox"/> 681	VA-1
<input type="checkbox"/> 390	ID-3	<input type="checkbox"/> 530	MT-8	<input type="checkbox"/> 587	OH-3	<input type="checkbox"/> 688	VA-8
		<input type="checkbox"/> 531	MT-9	<input type="checkbox"/> 589	OH-5		
<input type="checkbox"/> Illinois		<input type="checkbox"/> 532	MT-10	<input type="checkbox"/> 590	OH-6	<input type="checkbox"/> Wyoming	
<input type="checkbox"/> 401	IL-8					<input type="checkbox"/> 299	Casper
<input type="checkbox"/> 402	IL-9	<input type="checkbox"/> Nevada		<input type="checkbox"/> South Carolina		<input type="checkbox"/> 718	WY-1
		<input type="checkbox"/> 544	NV-2	<input type="checkbox"/> 625	SC-1	<input type="checkbox"/> 719	WY-2
<input type="checkbox"/> Kansas		<input type="checkbox"/> 547	NV-5	<input type="checkbox"/> 626	SC-2	<input type="checkbox"/> 721	WY-4
<input type="checkbox"/> 428	KS-1			<input type="checkbox"/> 627	SC-3	<input type="checkbox"/> 722	WY-5
<input type="checkbox"/> 429	KS-2			<input type="checkbox"/> 631	SC-7		
<input type="checkbox"/> 433	KS-6						
<input type="checkbox"/> 434	KS-7						

**CMAS SUBJECT TO DIVESTITURE IN WHICH VERIZON OPERATES 700MHZ,
PCS, AND AWS SYSTEMS IN ADDITION TO CELLULAR SYSTEMS**

(Verizon Wireless' systems are identified by License Block (A, B, C, E or F) and the number of the Economic Area ("EA"), Regional Economic Area Grouping ("REAG"), Major Trading Area ("MTA"), or Basic Trading Area ("BTA").)

CMA and Market	Lower 700-A EA	Upper 700-C REAG	PCS-A MTA	PCS-B BTA	PCS-C BTA	PCS-E BTA	PCS-F BTA	AWS-F REAG
158 Lima, Ohio		3			255			3
231 Mansfield, Ohio	55	3					278	3
262 Danville, Virginia		2						2
341 California 6-Mono		6			262	262		
377 Georgia 7-Hancock		2				271		2
378 Georgia 8-Warren		2						2
380 Georgia 10-Bleckley		2	(BTA 6)			271		
382 Georgia 12-Liberty		2		56				2
383 Georgia 13-Early		2	(BTA 6)	58, 439				2
390 Idaho 3-Lemhi		6				50, 202		
428 Kansas 1-Cheyenne	141	5			110	110		
429 Kansas 2-Norton		5						
586 Ohio 1-Sandusky		3				444	403	3
587 Ohio 3-Ashtabula		3					21	3
681 Virginia 1-Lee		4			229			4

NONDISCLOSURE AGREEMENT

This agreement (“Agreement”), effective when executed by both parties (“Effective Date”), is made by and between _____, a _____ with its principal place of business at _____ (“Recipient”), and Cellco Partnership d/b/a Verizon Wireless, a Delaware general partnership with its principal place of business at One Verizon Way, Basking Ridge, New Jersey 07920 (“Verizon Wireless”), to protect Confidential Information (hereinafter defined) to be disclosed by Verizon Wireless with respect to a possible business transaction between the parties involving a sale or exchange of assets, which assets would include, in the case of assets to be sold or exchanged by Verizon Wireless, certain FCC licenses and/or related assets owned directly or indirectly by Alltel Corporation (“Alltel”), which is a party to a merger agreement with Verizon Wireless, or otherwise being divested in connection with the pending merger with Alltel (a “Possible Transaction”).

1. All information of any type or character that is either disclosed to Recipient by or on behalf of Verizon Wireless or with which Recipient comes into contact in connection with a Possible Transaction, including, without limitation, technical, customer, personnel and/or business information, whether in oral, written or other form, subject only to the exceptions expressly set forth below (collectively, the “Confidential Information”), shall be considered as the confidential information of Verizon Wireless or Alltel, as the case may be. Confidential Information may include proprietary information as well as information subject to and protected by laws regarding secrecy of communications or trade secrets. Confidential Information includes information of Alltel disclosed by Verizon Wireless or Alltel or any of their respective Representatives to Recipient.

2. The parties acknowledge and agree that:

a. All Confidential Information shall be and shall remain the exclusive property of Verizon Wireless or Alltel, as the case may be;

b. Recipient shall receive in confidence any Confidential Information and shall use such Confidential Information only for purposes of its evaluation and/or negotiation of a Possible Transaction and for no other purpose;

c. Recipient shall limit access to Confidential Information and Transaction Information (as defined below) to its Representatives who (i) have a need to know the Confidential Information and/or Transaction Information in order to assist the Recipient in its evaluation and/or negotiation of a Possible Transaction; and (ii) have been advised of, and agree to be bound by, the confidentiality obligations set forth herein. Recipient shall not disclose Confidential Information or Transaction Information to any other Person (as defined below) without the prior written approval of Verizon Wireless. In any event, Recipient shall be responsible for any failure by any of its Representatives to comply with the confidentiality obligations set forth herein. For purposes of this Agreement, the term “Representatives” means a party’s authorized directors, officers, employees, agents or advisors (including, without limitation, attorneys, accountants, brokers, consultants, bankers and financial advisors); and

d. At Verizon Wireless's request, Recipient shall return promptly to Verizon Wireless or Alltel, as the case may be, or destroy (at Verizon Wireless's sole discretion) all documents containing Confidential Information and all other tangible embodiments of Confidential Information that are in Recipient's possession or under its control, including any Confidential Information that may be found in analyses, compilations, studies or other documents prepared by or for Recipient, whether in hard-copy or machine-readable form and including any and all copies thereof. Destruction of such documents shall be certified in writing by an officer of Recipient. Notwithstanding any return or destruction of Confidential Information, all Confidential Information will continue to be subject to the provisions of this Agreement.

3. Recipient's obligations hereunder with respect to Confidential Information do not apply to information that, as shown by reasonably documented proof:

a. was in the Recipient's possession prior to receipt from Verizon Wireless, Alltel or any of their respective Representatives and was not obtained subject to an existing confidentiality obligation to which Recipient is bound;

b. was generally known to the public at the time of receipt from Verizon Wireless, Alltel or any of their respective Representatives;

c. after receipt from Verizon Wireless, Alltel or any of their respective Representatives, is received by Recipient without restriction from a third party that is lawfully in possession of such information and that is not subject to a confidentiality obligation with respect to such information;

d. after receipt from Verizon Wireless, Alltel or any of their respective Representatives, becomes generally known to the public without breach of any confidentiality obligation by Recipient; or

e. is designated in writing by Verizon Wireless (and Alltel in the case of Confidential Information relating to Alltel) as no longer being confidential or proprietary.

4. Without the prior written consent of Verizon Wireless, neither Recipient nor any of its Representatives will disclose to any Person (i) the fact that any discussions, negotiations, evaluations or analyses have taken, are taking or may take place concerning a Possible Transaction, (ii) the existence of this Agreement, (iii) that Confidential Information has been received by or made available to Recipient, or (iv) any of the terms, conditions or other facts with respect to a Possible Transaction, including the status thereof (items (i), (ii), (iii) and (iv), individually and collectively, "Transaction Information"). The term "Person" as used in this Agreement will be interpreted broadly to include the general public, the news media, any corporation, company, group, partnership or other entity or individual.

5. In the event that Recipient is requested or required (by oral questions, interrogatories, requests for information or documents, subpoena, order of a court or regulatory body, civil investigative demand or other process) to disclose any Confidential Information or Transaction Information, before complying with such request or requirement, Recipient shall provide Verizon Wireless and Alltel, in the case of Confidential Information relating to Alltel, with prompt notice of

such request or requirement so that Verizon Wireless and/or Alltel (if applicable) may seek an appropriate protective order or other appropriate remedy or waive compliance by Recipient with the provisions of this Agreement. The Recipient agrees to cooperate with Verizon Wireless and Alltel (if applicable) (at Verizon Wireless's sole cost and expense) in its or their efforts to obtain such protective order or other remedy. In the event that such protective or other remedy has not been obtained, and Recipient has not otherwise obtained a waiver hereunder from Verizon Wireless and Alltel (if applicable), Recipient shall be permitted to disclose only that portion of the Confidential Information and/or Transaction Information which, in the written opinion of its counsel, it is legally compelled to disclose.

6. Recipient acknowledges that certain portions of the Confidential Information may be subject to restriction on export imposed by applicable U.S. export control laws and regulations, such as the U.S. International Traffic in Arms Regulation or the Export Administration Act. The Recipient agrees to comply with any and all applicable laws and regulations, as they currently exist and as they may be amended from time to time, including prior to disclosing such information to any third Person, as may be permitted hereunder.

7. It is agreed that a violation of any of the provisions of this Agreement will cause irreparable harm and injury to Verizon Wireless and, in the case of Confidential Information relating to Alltel, to Alltel, and Verizon Wireless and, in such case, Alltel, shall each be entitled, in addition to any other rights and remedies it may have at law or in equity, to an injunction enjoining and restraining Recipient from violating this Agreement.

8. The parties acknowledge and agree that the execution of this Agreement and the receipt of Confidential Information hereunder by a party shall not be grounds for limiting or restricting such party or its affiliates from engaging in, or doing business with or acquiring entities that engage in, businesses or activities that compete with the other party hereto.

9. Recipient understands and acknowledges that none of Verizon Wireless, Alltel or any of their respective Representatives has made or is making any representation or warranty, express or implied, as to the accuracy or completeness of the Confidential Information, and none of Verizon Wireless, Alltel or any of their respective Representatives will have any liability to Recipient or any other Person resulting from Recipient's use of the Confidential Information. Only those representations or warranties that are made to the Recipient in a definitive written agreement regarding a transaction (a "Definitive Agreement") when, as, and if it is executed, and subject to such limitations and restrictions as may be specified in such Definitive Agreement, will have any legal effect, and Recipient agrees that if it determines to engage in a Possible Transaction, such determination will be based solely on the terms of such Definitive Agreement and on its own investigation, analysis and assessment relating to a Possible Transaction. The term "Definitive Agreement" does not include an executed letter of intent or any other preliminary written agreement, nor does it include any written or oral acceptance of any offer or bid on Recipient's part.

10. Recipient understands and agrees that no contract or agreement providing for a Possible Transaction shall be deemed to exist unless and until a Definitive Agreement has been executed and delivered (and only to the extent set forth therein) and Recipient hereby waives, in advance, any claims (including breach of contract) with respect to any obligation to enter into a Possible

Transaction unless and until a Definitive Agreement has been executed. Recipient also agrees that, unless and until a Definitive Agreement with respect to a Possible Transaction has been executed and delivered, none of Verizon Wireless, Alltel or any of their respective partners, affiliates or Representatives has any legal obligation of any kind whatsoever with respect to a Possible Transaction by virtue of this Agreement or any other written or oral expression with respect to a Possible Transaction, except, in the case of this Agreement, for the matters specifically agreed to herein. Recipient understands that (i) Verizon Wireless and its Representatives shall be free to conduct any sale process that they in their sole discretion shall determine (including negotiating with any of the prospective parties and entering into one or more definitive agreements without prior notice to Recipient or any other Person) and (ii) any procedures relating to such transaction may be changed at any time without notice or explanation to Recipient or any other Person. Recipient hereby confirms that it is not acting as a broker for or representative of any Person and is considering a Possible Transaction only for its own account. Neither this paragraph nor any other provision in this Agreement can be waived, amended or assigned except by written consent of Verizon Wireless, which consent shall specifically refer to this paragraph (or such other provision) and explicitly make such waiver or amendment.

11. Recipient agrees that (i) all communications by it or its Representatives to Verizon Wireless, Alltel or any of their respective Representatives regarding a Possible Transaction, (ii) requests by Recipient or its Representatives for additional information relating to a Possible Transaction and (iii) discussions or questions regarding procedures with respect to a Possible Transaction will, in each case, be submitted or directed only to those personnel of Verizon Wireless' financial advisor, Morgan Stanley & Co. Incorporated, as Verizon Wireless may designate from time to time, or to such other person or persons, if any, as Verizon Wireless may designate in writing from time to time.

12. For a period of two years following the Effective Date, Recipient agrees not to, and agrees to cause its Representatives not to, directly or indirectly solicit for employment or hire any employee of Verizon Wireless or any of its affiliates to whom Recipient or any of its Representatives may be directly or indirectly introduced or otherwise have contact with as a result of Recipient's evaluation of a Possible Transaction or the Confidential Information; *provided* that Recipient's general solicitation for employees or public advertising of employment opportunities (including through the use of employment agencies) not specifically directed at employees or independent contractors of Verizon Wireless or any of affiliates will not constitute a breach of the terms of this paragraph.

13. Recipient represents that, except as set forth on Schedule A hereto, it has not engaged in discussions with any third party or group prior to the date hereof, and hereby agrees to refrain from engaging in any discussions with any third party or group without the prior written consent of Verizon Wireless, regarding a joint bid or other type of cooperative effort or endeavor with respect to the sale of Alltel assets by Verizon Wireless, or regarding the possibility of any such joint bid or cooperative effort or endeavor.

14. Neither this Agreement nor the provision of Confidential Information pursuant to it shall be construed as an agreement, commitment, promise or representation by Verizon Wireless or Alltel

to do business with Recipient or to do, or refrain from doing, anything except as set out specifically in this Agreement.

15. The construction, interpretation and performance of this Agreement shall be governed by and construed in accordance with the laws of the State of New York without regard to any conflicts of law principles that would require the application of the laws of any other jurisdiction and shall be subject to the exclusive jurisdiction of the federal or state courts in New York. Any suit brought by either party against the other party for claims arising out of this Agreement shall be brought in the Supreme Court of the State of New York, New York County, or, if applicable, the United States District Court for the Southern District of New York.

16. This Agreement may be executed in two counterparts and either party hereto may execute any such counterpart, each of which when executed and delivered shall be deemed to be an original and both of which counterparts taken together shall constitute but one and the same instrument. This Agreement shall become binding when the counterparts shall have been executed and delivered by both parties. Each party intends to sign and deliver this Agreement by facsimile transmission or by emailing an electronic image of its executed signature page. Each party agrees that the delivery of this Agreement by facsimile or by email shall have the same force and effect as delivery of original signatures and that each party may use such facsimile signatures or electronic images of such signatures received by email as evidence of the execution and delivery of this Agreement by both parties to the same extent that an original signature could be used.

17. The rights, obligations, and other interests of Recipient shall not be assigned by Recipient, in whole or in part, without the prior written consent of Verizon Wireless, and any purported assignment of same shall be void. This Agreement shall be binding on the successors and permitted assigns of the parties.

18. This Agreement is the entire agreement between the parties with respect to nondisclosure of Confidential Information and Transaction Information and supersedes all prior agreements and understandings with respect to this subject. This Agreement may be amended only by a written agreement executed by both parties.

19. Verizon Wireless and the Recipient agree that Alltel shall be a third party beneficiary of this Agreement and shall be entitled to enforce the obligations of Recipient relating to Confidential Information of Alltel directly against the Recipient.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized representatives.

CELLCO PARTNERSHIP
D/B/A VERIZON WIRELESS

RECIPIENT: _____

BY: _____

BY: _____

NAME: _____

NAME:

TITLE: _____

TITLE: _____

DATE: _____

DATE: _____

**TRANSFER OF CONTROL APPLICATIONS INVOLVING CELLULAR
LICENSES IN THE 85 MARKETS SUBJECT TO DIVESTITURE**

(The cellular licenses in the 85 Cellular Market Areas (“CMAs”) subject to divestiture are identified by call signs, CMA numbers, and market names. Cellular licenses not currently subject to divestiture are identified by call signs only.)

FILE NO.	TRANSFEROR	CALL SIGN	CMA	MARKET
0003463892	ALLTEL Communications, LLC	KNKA257		
		KNKA275		
		KNKA276		
		KNKA278		
		KNKA281		
		KNKA283		
		KNKA293		
		KNKA330		
		KNKA387		
		KNKA393		
		KNKA398		
		KNKA407		
		KNKA415		
		KNKA429		
		KNKA432		
		KNKA433		
		KNKA436		
		KNKA489		
		KNKA505	158	Lima, OH
		KNKA514		
		KNKA524		
		KNKA537		
		KNKA543		
		KNKA548	231	Mansfield, OH
		KNKA565		
		KNKA581		
		KNKA599		
		KNKA613		
		KNKA614		
		KNKA634		
		KNKA643		
		KNKA682		
		KNKA690		
		KNKA711		
		KNKA729		
		KNKA752		
		KNKA794		
		KNKN245	353	CO 6 – San Miguel
		KNKN251		
		KNKN390		
		KNKN405	625	SC 1 - Oconee

FILE NO.	TRANSFEROR	CALL SIGN	CMA	MARKET
0003463892	ALLTEL Communications, LLC	KNKN415		
		KNKN434		
		KNKN493	428	KS 1 - Cheyenne
		KNKN495		
		KNKN501		
		KNKN535		
		KNKN542	429	KS 2 - Norton
		KNKN543		
		KNKN584		
		KNKN585	433	KS 6 - Wallace
		KNKN587	383	GA 13 - Early
		KNKN590		
		KNKN591		
		KNKN602		
		KNKN609		
		KNKN617		
		KNKN641		
		KNKN643		
		KNKN645		
		KNKN650		
		KNKN681		
		KNKN686		
		KNKN687		
		KNKN690		
		KNKN702	434	KS 7 - Trego
		KNKN725		
		KNKN736		
		KNKN752		
		KNKN758		
		KNKN767		
		KNKN770		
		KNKN772	438	KS 11 - Hamilton
		KNKN789		
		KNKN797		
		KNKN799		
		KNKN801	439	KS 12 - Hodgeman
		KNKN811		
		KNKN813		
		KNKN815	440	KS 13 - Edwards
		KNKN868		
		KNKN872		
		KNKN877	382	GA 12 - Liberty
		KNKN883		
		KNKN884		
		KNKN913		
		KNKN927		
		KNKN929		
		KNKN931		
		KNKN932		
		KNKN933		

FILE NO.	TRANSFEROR	CALL SIGN	CMA	MARKET
0003463892	ALLTEL Communications, LLC	KNKN934		
		KNKN944		
		KNKN951		
		KNKN952		
		KNKN954		
		KNKN962		
		KNKN967		
		KNKN969	627	SAC 3 - Cherokee
		KNKN976	379	GA 9 - Marion
		KNKN977	379	GA 9 - Marion
		KNKN979		
		KNKN982		
		KNKN987	586	OH 2 - Sandusky
		KNKN988	631	SC 7 - Calhoun
		KNKN989	626	SC 2 - Laurens
		KNKN991		
		KNKN992		
		KNKQ264	380	GA 10 - Bleckley
		KNKQ265	377	GA 7 - Hancock
		KNKQ270	380	GA 10 - Hancock
		KNKQ291		
		KNKQ292		
		KNKQ294	379	GA 9 - Marion
		KNKQ296		
		KNKQ297	569	NC 5 - Anson
		KNKQ310	569	NC 5 - Anson
		KNKQ329		
		KNKQ330		
		KNKQ355		
		KNKQ366		
		KNKQ416		
		KNKR220		
0003465064	Georgia RSA #8 Partnership	KNKN899	378	GA 8 - Warren
0003465053	Midwest Wireless Communications, L.C.C.	KNKA740		
		KNKN290	490	MN 9 - Pipestone
		KNKN403	491	MN 10 - Le Sueur
		KNKN416		
		KNKN422	489	MN 8 - Lac qui Parle
		KNKN482	488	MN 7 - Chippewa
0003464848	ALLTEL Communications of Virginia No. 1, LLC	KNKA511		
		KNKA655	262	Danville, VA
		KNKN622	688	VA 8 - Amelia
		KNKN704		
		KNKN785		
		KNKN791	681	VA 1 - Lee
		KNKN922		
		KNKN986		
		KNKQ285		
0003464833	Ohio RSA 6 Limited Partnership	KNKN955	590	OH 6 - Morrow
0003464834	Ohio RSA 5 Limited Partnership	KNKN942	589	OH 5 - Hancock

FILE NO.	TRANSFEROR	CALL SIGN	CMA	MARKET
0003464836	Ohio RSA 2 Limited Partnership	KNKN993	586	OH 2 - Sandusky
0003464839	Ohio RSA #3 Limited Partnership	KNKQ312	587	OH 3 - Ashtabula
0003464814	Southern Illinois RSA Partnership	KNKN506	401	IL 8 - Washington
		KNKN820	402	IL 9 - Clay
0003464786	WWC Holding Co., Inc.	KNKA571	276	Grand Forks, ND
		KNKA592	298	Bismarck, ND
		KNKA670	268	Billings, MT
		KNKA732	297	Great Falls, MT
		KNKA764		
		KNKA790	299	Casper, WY
		KNKA822	221	Fargo, ND
		KNKN218	677	UT 5 - Carbon
		KNKN255	532	MT 10 - Prairie
		KNKN276	719	WY 2 - Sheridan
		KNKN278	355	CO 8 - Kiowa
		KNKN283	530	MT 8 - Beaverhead
		KNKN285	580	ND 1 - Divide
		KNKN286	678	UT 6 - Piute
		KNKN308	527	MT 5 - Mineral
		KNKN312	718	WY 1 - Park
		KNKN343	583	ND 4 - McKenzie
		KNKN372	351	CO 4 - Park
		KNKN380	523	MT 1 - Lincoln
		KNKN381	524	MT 2 - Toole
		KNKN382	531	MT 9 - Carbon
		KNKN409	356	CO 9 - Costilla
		KNKN430	529	MT 7 - Fergus
		KNKN431	528	MT 6 - Deer Lodge
		KNKN432	526	MT 4 - Daniels
		KNKN441	389	ID 2 - Idaho
		KNKN448	352	CO 5 - Elbert
		KNKN451		
		KNKN522	482	MN 1 - Kittson
		KNKN554	354	CO 7 - Saquache
		KNKN782	584	ND 5 - Mineral
		KNKQ281	581	ND 2 - Bottineau
		KNKQ347		
		KNKQ383	675	UT 3 - Juab
		KNKQ449	721	WY 4 - Niobrara
		KNKR256		
		KNKR258	722	WY 5 - Converse
		KNKR296	390	ID 3 - Lemhi
		KNKR311		
		KNKR312	530	MT 8 - Beaverhead
		KNKR320		
		WPVV301	582	ND 3 - Barnes
0003464784	WWC License L.L.C.	KNKA573		
		KNKA574		
		KNKA597	267	Sioux falls, SD
		KNKA731	289	Rapid City, SD

FILE NO.	TRANSFEROR	CALL SIGN	CMA	MARKET
0003464784	WWC License L.L.C.	KNKA784		
		KNKN209	341	CA 6 - Mono
		KNKN212		
		KNKN214	544	NV 2 - Lander
		KNKN215	547	NV 5 - White Pine
		KNKN217		
		KNKB224		
		KNKN230		
		KNKN269		
		KNKN272	641	SD 8 - Kingsbury
		KNKN273	642	SD 9 - Hanson
		KNKN298	640	SD 7 - Sully
		KNKN333	636	SD 3 - McPherson
		KNKN384	637	SD 4 - Marshall
		KNKN429	639	SD 6 - Haakon
		KNKN436		
		KNKN443		
		KNKN446	638	SD 5 - Custer
		KNKN471		
		KNKN549	635	SD 2 - Corson
		KNKN745		
		KNKQ381	634	SD 1 - Harding
		KNKQ447		
		KNKR310		
		KNKR314		
0003464406	ALLTEL Communications of New Mexico, Inc.	KNKN216	557	NM 5 - Grant
		KNKN247		
		KNKN270	553	NM 1 - San Juan
		KNKN297		



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ULS Application

0003465064 - Cellco Partnership

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Application

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- TRANS LOG
- TRANSFERS
- LICENSES
- REVENUE

File Number	0003465064	Application Status	2 - Pending
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General Information

Application Purpose	TC - Transfer of Control	Action Date	06/21/2008
Receipt Date	06/13/2008	Number of Rules	
Entered Date	06/13/2008	Waiver/Deferral Fee	No
Waiver	No		
Attachments	Yes		

Licensee Information

FRN	0001838069 (View Ownership Filing)	Type	General Partnership
Name	Georgia RSA #8 Partnership dba ALLTEL ATTN Wireless Regulatory Supervisor One Allied Drive, B1F02-D Little Rock, AR 72202		P:(501)905-8555 F:(501)905-6193 E:ACI.Wireless.Regulatory@alltel.com
Race		Gender	
Ethnicity			

Licensee Contact Information

Name	Alltel Communications, LLC ATTN Wireless Regulatory Supervisor One Allied Drive, B1F02-D Little Rock, AR 72202	P:(501)905-8555 F:(501)905-6193 E:ACI.Wireless.Regulatory@alltel.com
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Transferor Information

FRN	0016511974 (View Ownership Filing)	Type	Limited Liability Company
Name	Atlantis Holdings LLC ATTN Clive D. Bode, Esq. 301 Commerce Street, Suite 3300 Fort Worth, TX 76102		P:(817)871-4000 E:cbode@tpg.com
Race		Gender	
Ethnicity			

Transferor Contact Information

Name	Akin Gump Strauss Hauer & Feld LLP Kathleen Q Abernathy 1333 New Hampshire Ave., NW Washington, DC 20036		P:(202)887-4125 F:(202)887-4288 E:kabernathy@akingump.com
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Transferee Information

FRN	0003290673 (View Ownership)	Type	General Partnership
Name	Cellco Partnership ATTN Michael Samsock 1300 Eye St., N.W. - Suite 400 West Washington, D.C., DC 20005		P:(202)589-3768 F:(202)589-3750 E:michael.samsock@verizonwireless.com
Real Party In Interest	Cellco Partnership	FRN of Real Party in Interest	0003290673
Race		Gender	
Ethnicity			

Transferee Contact Information

Name	Wiley Rein LLP Nancy J Victory 1776 K. St., N.W. Washington, D.C., DC 20006		P:(202)719-7344 F:(202)719-7049 E:nvictory@wileyrein.com
------	--	--	--

Transferee Qualifications and Ownership Information

Alien Ownership

Is the Transferee a foreign government or the representative of any foreign government?	No
Is the Transferee an alien or the representative of an alien?	No
Is the Transferee a corporation organized under the laws of any foreign government?	No
Is the Transferee a corporation of which more than one-fifth of the capital stock is owned of record or voted by aliens or their representatives or by a foreign government or representative thereof or by any corporation organized under the laws of a foreign country?	No

Is the Transferee directly or indirectly controlled by any other corporation of which more than one-fourth of the capital stock is owned of record or voted by aliens, their representatives, or by a foreign government or representative thereof, or by any corporation organized under the laws of a foreign country? **Yes**

Has the Transferee received a ruling(s) under Section 310(b) (4) of the Communications Act with respect to the same radio service(s) as the services (s) involved in this application? **Yes**

Basic Qualifications

The Applicant answered "No" to each of the Basic Qualification questions.

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Filing Type Current

File Number 0003307823

Filer Name

GEORGIA RSA 8 CELLULAR PARTNERSHIP

Contact Name & Address

ALLTEL Communications, LLC
One Allied Drive, B1F2-D
Little Rock, AR 72202

P: (501)905-8555

F: (501)905-6193

E:

ACI.Wireless.Regulatory@alltel.com

ATTN Wireless Regulatory Supervisor

Cellular Cross Interest

Disclosable Interest Holders of this Filer: 1

Disclosable Interest Holder: ALLTEL Corporation

There are no FCC Regulated Businesses held by this Disclosable Interest Holder

Attachment: 1

Attachment: Indirect Ownership, Ownership Disclosure, 01/29/2008

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FCC Form 602
Exhibit 1
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Ownership Disclosure

Georgia R.S.A. #8 Partnership (the "Filer") is a partnership that is directly owned (33.3333%) by the following direct wholly owned and controlled subsidiary of ALLTEL Corporation:¹

ALLTEL Communications, LLC (33.3333% GP interest)

Filer's Other Disclosable Interest Holders

Bulloch Cellular, Inc. (16.6667% GP interest)
601 Northside Drive West
Statesboro, GA 30458

Pineland Telephone Company (16.6667% GP interest)
P.O. Box 678
30 South Rountree
Metter, GA 30439

Plant R.S.A. 8 Cellular, Inc. (16.6667% GP interest)
P.O. Box 678
30 South Rountree
Metter, GA 30439

Planters Rural Cellular, Inc. (16.6667% GP interest)
100 Ogeechee Street
Newington, GA 30446

¹ All ownership percentages reported in this Form 602 are based on actual ownership interests. See ALLTEL Corporation's current FCC Form 602 for additional information regarding its ownership and the FCC-regulated businesses in which it holds disclosable interests.

11	Add	<u>WPJA835</u>	CF - Common Carrier Fixed Point to Point Microwave	Yes
12	Add	<u>WPNB538</u>	CF - Common Carrier Fixed Point to Point Microwave	Yes

Action Performed	Call Sign	Radio Service	Constructed
-------------------------	------------------	----------------------	--------------------

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Specified Search

Market Code = **CMA378**

Radio Service = **CL**

Exact Matches

Exclude Leases

Matches 1- 2 (of 2)

PA = Pending Application(s)
TP = Termination Pending
L = Lease

Page 1

	Call Sign/Lease ID	Name	FRN	Radio Service	Status	Expiration Date
1	KNKN684	Verizon Wireless of the East LP	0007609324	CL	Active	10/01/2011
2	PA KNKN899	GEORGIA RSA # 8 PARTNERSHIP d/b/a ALLTEL	0001838069	CL	Active	10/01/2010

	Call Sign/Lease ID	Name	FRN	Radio Service	Status	Expiration Date

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Cellular License - KNKN899 - GEORGIA RSA # 8 PARTNERSHIP d/b/a ALLTEL

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PA This license has pending applications: [0003465064](#)

Call Sign	KNKN899	Radio Service	CL - Cellular
Status	Active	Auth Type	Regular

Market

Market	CMA378 - Georgia 8 - Warren	Channel Block	B (View Frequencies)
Submarket	0	Phase	2

Dates

Grant	08/15/2000	Expiration	10/01/2010
Effective	11/04/2006	Cancellation	

Five Year Buildout Date

11/16/1995

Control Points

1 2625 GREGORY STREET, SAVANNAH, GA

Licensee

FRN	0001838069 (View Ownership Filing)	Type	Partnership
-----	---	------	-------------

Licensee

GEORGIA RSA # 8 PARTNERSHIP d/b/a ALLTEL	P:(501)905-8555
One Allied Drive B2F2-A	F:(501)905-6193
LITTLE ROCK, AR 72202	E:ACI.Wireless.Regulatory@alltel.com
ATTN Wireless Regulatory Supervisor	

Contact

ALLTEL Communications, Inc.	P:(501)905-8555
Wireless Regulatory Supervisor	F:(501)905-6193
One Allied Drive, B2F02-A	E:ACI.Wireless.Regulatory@alltel.com
Little Rock, AR 72202	

Ownership and Qualifications

Radio Service Type Mobile

Regulatory Status Common Carrier Interconnected Yes

Alien Ownership

The Applicant answered "No" to each of the Alien Ownership questions.

Basic Qualifications

The Applicant answered "No" to each of the Basic Qualification questions.

Demographics

Race

Ethnicity

Gender

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**MARKETS NOT SUBJECT TO DIVESTITURE IN WHICH VERIZON
WIRELESS WILL CONTROL 50 MHZ OF CELLULAR SPECTRUM**

(In partitioned Cellular Market Areas (“CMAs”), only counties in which Verizon Wireless proposes to control 50 MHz of cellular spectrum are identified by name.)

CMA	STATE	MARKET	COUNTY	LOW-BAND (MHZ)	TOTAL (MHZ)
15	MN	Minneapolis		84	124
16	OH	Cleveland		84	114
26	AZ	Phoenix		72	72
43	NC/VA	Norfolk-Virginia Beach-Portsmouth		72	112
47	NC	Greensboro-Winston Salem-High Point		84	124
48	OH/MI	Toledo		72-84	104-117
52	OH	Akron		84	114
59	VA	Richmond		72	102-112
61	NC	Charlotte-Gastonia-Rock Hill		84	134
64	MI	Grand Rapids		84	119
65	IA/NE	Omaha		72	82
67	SC	Greenville-Spartanburg		72	112
71	NC	Raleigh-Durham		84	134
77	AZ	Tucson		72	82
78	MI	Lansing-East Lansing		84	114
81	TX	El Paso		72	72
85	TN/VA	Johnson City-Kingsport-Bristol		72	107
86	NM	Albuquerque		72	82
87	OH	Canton		84	114
89	KS	Wichita		72	92
90	SC	Charleston-North Charleston		72	112
94	MI	Saginaw-Bay City-Midland		84	114
95	SC	Columbia		72	112
104	VA	Newport News-Hampton		72	112
108	GA/SC	Augusta		72	92
136	OH	Lorain-Elyria		84	114
139	AL	Montgomery		72	102
149	NC	Fayetteville		72	132
153	GA/AL	Columbus		84	124
155	GA	Savannah		72	92
166	NC	Hickory		72	102
172	NE	Lincoln		72	82
181	MI	Muskegon		84	119
227	SC	Anderson		72	122
235	VA	Petersburg-Colonial Heights-Hopewell		72	112
241	CO	Pueblo		84	104

CMA	STATE	MARKET	COUNTY	LOW-BAND (MHZ)	TOTAL (MHZ)
246	AL	Dothan	Dale	72	127
			Houston	72	127
253	IA/NE	Sioux City		72	117
261	GA	Albany		72	102
264	SC	Florence		72	112
280	NC	Burlington		72	112
283	FL	Panama City		72	112
285	NM	Las Cruces		72	82
310	AL	RSA 4 – Bibb		72	102-107
311	AL	RSA 5 – Cleburne	Chambers	84	104
			Coosa	72	107
			Tallapoosa	72	107
313	AL	RSA 7 – Butler		72	102
314	AL	RSA 8 – Lee		72	92-102
319	AZ	RSA 2 – Coconino		72	82
321	AZ	RSA 4 – Yuma		84	104
322	AZ	RSA 5 – Gila		72	82
323	AZ	RSA 6 – Graham		72	72-82
342	CA	RSA 7-Imperial		84	94
375	GA	RSA 5 – Haralson		84	94-104
376	GA	RSA 6 – Spalding		72-84	102-124
392	ID	RSA 4 – Butte		84	94
393	ID	RSA 6 – Clarke		72	82
419	IA	RSA 8 – Monona		72	92-117
483	MN	RSA 2 – Lake of the Woods	Clearwater	84	144
			Mahnomen	72	142
			Norman	72	147
			Lake of the Woods	72	137
492	MN	RSA 11 – Goodhue		72-84	122-137
512	MO	RSA 9 – Bates	St. Clair	84	124
			Cedar	84	129
546	NV	RSA 4 – Mineral		72	82-92
555	NM	RSA 3 – Catron		72	82
556	NM	RSA 4 – Santa Fe	Los Alamos	72	82
			Santa Fe	72	82
558	NM	RSA 6 – Lincoln	Otero	84	94
			Lincoln	84	94
566	NC	RSA 2 – Yancey	Caldwell	72	82
568	NC	RSA 4 – Henderson	Cleveland	72	122
			Lincoln	72	122
579	NC	RSA 15-Cabarrus		72	112-122
599	OK	RSA 4 – Nowata	Adair	84	114
			Cherokee	84	94
			Delaware	84	124

CMA	STATE	MARKET	COUNTY	LOW-BAND (MHZ)	TOTAL (MHZ)
630	SC	RSA 6 – Clarendon		72	112
632	SC	RSA 8 – Hampton		72	92-112
633	SC	RSA 9 – Lancaster		72	122
646	TN	RSA 4 – Hamblen		72	102-107
650	TN	RSA 8 – Johnson		72	107
658	TX	RSA 7 – Fannin	Franklin	84	124
			Titus	84	124
			Camp	84	124
			Morris	84	124
			Red River	84	129
			Cass	84	134
676	UT	RSA 4 – Beaver		84	109
684	VA	RSA 4 – Bedford	Bedford	72	112
686	VA	RSA 6 – Highland		72	92-112
689	VA	RSA 9 – Greensville		72	112
720	WY	RSA 3 – Lincoln		72	92

CERTIFICATE OF SERVICE

I, David L. Nace, hereby certify that on this 26th day of August, 2008, copies of the foregoing REPLY OF CELLULAR SOUTH, INC. TO JOINT OPPOSITION TO PETITIONS TO DENY AND COMMENTS were e-mailed, in pdf format, to:

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