

WT 08-95

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FEDERAL COMMUNICATIONS COMMISSION
Washington DC 20554

September 11, 2008

Via First Class Mail and Facsimile

Ms. Kathleen Q. Abernathy
Akin Gump Strauss Hauer & Feld LLP
1333 New Hampshire Avenue, NW
Washington, DC 20036

Ms. Nancy J. Victory
Wiley Rein LLP
1776 K Street, NW
Washington, DC 20006

Re: Cellco Partnership d/b/a Verizon Wireless and Atlantis Holdings LLC For Consent to Transfer Control of Licenses, Authorizations, and Spectrum Manager and De Facto Transfer Leasing Arrangements and Petition for Declaratory Ruling that the Transaction is Consistent with Section 310(b)(4) of the Communications Act (WT Docket No. 08-95)

Dear Ms. Abernathy and Ms. Victory:

Cellco Partnership d/b/a/ Verizon Wireless (“Verizon Wireless”) and Atlantis Holdings LLC (“Atlantis” and, together with Verizon Wireless, the “Applicants”) have filed a series of applications pursuant to Sections 214 and 310(d) of the Communications Act of 1934, as amended (“Communications Act”).¹ In these applications, the Applicants seek Commission consent to the transfer of control of licenses, authorizations, and spectrum manager and *de facto* transfer leasing arrangements through the transfer of control of subsidiaries of ALLTEL Corporation (“ALLTEL”) and partnerships in which ALLTEL has either controlling or non-controlling general partnership interests from Atlantis to Verizon Wireless.² In order for the Commission to complete its review of the applications and make the necessary public interest findings under section 310(d) of the Communications Act,³ we require additional information and clarification of certain matters discussed in the applications. If necessary, we will follow up with additional requests for information.

Accordingly, pursuant to section 308(b) of the Act,⁴ we request that you provide written responses and supporting documentation for each request set forth in the attachments and, where

¹ 47 U.S.C. §§ 214, 310(d).

² The applications were submitted pursuant to Sections 214 and 310 of the Communications Act of 1934. 47 U.S.C. §§ 214, 310.

³ *Id.* § 310(d).

⁴ *Id.* § 308(b).

appropriate, amend the lead application to reflect such responses. Each response or document should clearly indicate the specific question or request to which it responds, and each page should be marked with a corporate identification and consecutive document control numbers. We would appreciate receiving your response to each inquiry no later than September 22, 2008.

Your responses should be filed with Marlene H. Dortch, Secretary, Federal Communications Commission, under reference number WT Docket No. 08-95. In addition, the Public Notice and the Protective Order require the submission of multiple copies of all *ex parte* and other filings submitted in this proceeding.⁵ The Wireless Telecommunications Bureau also should receive, at a minimum, two copies of all paper filings. If you submit information pursuant to the Protective Order issued in this case, you should deliver to Erin McGrath or Susan Singer of the Wireless Telecommunications Bureau two copies of the unredacted documents marked "Confidential Information – Subject to Protective Order in WT Docket No. 08-95 before the Federal Communications Commission" and two copies of the redacted documents marked "Redacted – For Public Inspection."⁶ For any electronic filings made using the Commission's Electronic Comment Filing System ("ECFS"), parties also should serve the documents via e-mail to Erin McGrath, erin.mcgrath@fcc.gov, and to Susan Singer, susan.singer@fcc.gov.

If you have any questions regarding this matter, please contact Erin McGrath or Susan Singer, Wireless Telecommunications Bureau, at (202) 418-2042 or (202) 418-1340, respectively.

Sincerely,



James D. Schlichting
Acting Chief
Wireless Telecommunications Bureau

Attachment

⁵ See Cellco Partnership d/b/a Verizon Wireless and Atlantis Holdings LLC For Consent to Transfer Control of Licenses, Authorizations, and Spectrum Manager and De Facto Transfer Leasing Arrangements and Petition for Declaratory Ruling that the Transaction is Consistent with Section 310(b)(4) of the Communications Act, WT Docket No. 08-95, *Public Notice*, DA 08-1718 (rel. July 29, 2008).

⁶ See Protective Order at ¶ 5.

**General Information Request
September 11, 2008**

I. Definitions

1. The term "ALLTEL" means ALLTEL Corporation, its subsidiaries, and partnerships in which ALLTEL has either controlling or non-controlling general partnership interests.
2. The term "Atlantis" means Atlantis Holdings LLC.
3. The term "Verizon Wireless" means Cellco Partnership d/b/a/ Verizon Wireless and its subsidiaries.
4. The term "Applicants" means ALLTEL, Atlantis, and Verizon Wireless collectively.
5. The term "Application" means the lead application, file no. 0003463892, to which Exhibit 1- Public Interest Statement is attached. The other applications contain an exhibit referring to the exhibits attached to file no. 0003463892. For convenience, when referring to these applications, we only cite to the lead Application.
6. The term "Declaration" means the Declaration of Dennis Carlton, Allan Shampine, and Hal Sider attached to the Application.
7. The term "Reply Declaration" means the Declaration of Dennis Carlton, Allan Shampine, and Hal Sider attached to the Joint Opposition to Petitions to Deny and Comments of Verizon Wireless and Atlantis filed on August 19, 2008.
8. The term "1xRTT" means CDMA2000 1xRTT.
9. The term "CDMA" means Code Division Multiple Access technology.
10. The term "CMA" means Cellular Market Area.
11. The term "EDGE" means Enhanced Data rates for GSM Evolution technology.
12. The term "EvDO" means Evolution-Data Optimized technology.
13. The term "EvDO Rev. A" means EvDO Revision A technology.
14. The term "GPRS" means General Packet Radio Service technology.
15. The term "GSM" means Global System for Mobile Communications technology.
16. The term "LTE" means Long Term Evolution technology.
17. The term "ODI" means Open Development Initiative.
18. The term "POPs" means total aggregate population.
19. The term "RSAs" means Rural Service Areas.
20. The term "UMTS/HSDPA" means Universal Mobile Telecommunications System/High Speed.

II. Document and Data Request Regarding Material Contained in the Application

1. At pages 9 through 14 of Exhibit 1 of the Application, the Applicants discuss the benefits of expanding the geographic reach of the combined entity, including into rural areas. Provide the POPs, the percentage of the total U.S. geographic area, and the number of RSAs covered by:
 - a. Verizon Wireless's networks, including a separate breakout for each of the following:
 - i. Its total CDMA network.
 - ii. Its CDMA network deployed with 1xRTT.
 - iii. Its CDMA network deployed with EvDO.
 - iv. Its CDMA network deployed with EvDO Rev. A.
 - v. Its CDMA network deployed with LTE.
 - b. Verizon Wireless's licenses.
 - c. ALLTEL's networks, including a separate breakout for each of the following:
 - i. Its total CDMA network.
 - ii. Its CDMA network deployed with 1xRTT
 - iii. Its CDMA network deployed with EvDO.
 - iv. Its CDMA network deployed with EvDO Rev. A.
 - v. Its CDMA network deployed with LTE.
 - vi. Its total GSM network.
 - vii. Its total GSM network deployed with GPRS.
 - viii. Its total GSM network deployed with EDGE.
 - ix. Its total GSM network deployed with UMTS/HSDPA.
 - d. ALLTEL's licenses.

Provide the POPs, the percentage of the total U.S. geographic area, and the number of RSAs that will be covered, at the time of the consummation of the proposed transaction, by:

- e. The combined entity's networks, including a separate breakout for each of the following:
 - i. Its total CDMA network
 - ii. Its CDMA network deployed with 1xRTT
 - iii. Its CDMA network deployed with EvDO.
 - iv. Its CDMA network deployed with EvDO Rev. A.

- v. Its CDMA network deployed with LTE.
 - vi. Its total GSM network, if different from item II.1.c.vi-ix above.
- f. The combined entity's licenses.
2. At page 12 to 13 of Exhibit 1 of the Application, the Applicants state that Verizon Wireless will upgrade ALLTEL's EvDO network to EvDO Rev. A. Estimate, if possible, by how many months the merger would speed the implementation of EvDO Rev. A in ALLTEL's markets?
 3. At pages 13 and 24 of Exhibit 1 of the Application, the Applicants discuss the deployment of LTE. Provide specific details regarding Verizon Wireless's plans and timeframe for deployment of LTE, including an analysis of the deployment of LTE in current Verizon Wireless markets, ALLTEL markets, and rural markets. Explain, in detail, how Verizon Wireless's acquisition of ALLTEL's facilities will speed the deployment of LTE. How much faster will the deployment increase as a result of the merger?
 4. At page 16 of Exhibit 1 of the Application, the Applicants state that due to the compatibility of ALLTEL's CDMA network with Verizon Wireless's network, the integration of the CDMA networks will be rapid. Describe in detail the timeline for Verizon Wireless to integrate ALLTEL's CDMA network into Verizon Wireless's existing operation.
 5. At page 5 and 15 of Exhibit 1 of the Application, the Applicants discuss ALLTEL's GSM network.
 - a. Describe in detail Verizon Wireless's plans for ALLTEL's GSM network. Does Verizon Wireless plan to shutdown ALLTEL's GSM network and if so what is the timeline for such shutdown? Or does Verizon Wireless plan to operate ALLTEL's GSM network indefinitely? Does Verizon Wireless have plans to maintain, upgrade, and expand this GSM network?
 - b. Provide a list of markets (by CMAs) in which, post-transaction, the combined firm will hold the sole GSM license.
 - c. Does Verizon Wireless plan to renew or extend GSM roaming contracts when their terms expire?
 6. At page 18 to 19 of Exhibit 1 of the Application, the Applicants state that ALLTEL customers will be able to access a broader range of services and content, such as VCast, VzNavigator, and Global Positioning System data.
 - a. Discuss where VCast, VzNavigator, and Global Positioning System data is currently offered on Verizon Wireless's network. Include in this discussion the total POPs, the percentage of the total U.S. geographic area, the percentage of Verizon Wireless's total service area, and the number of RSAs in which these services are offered.
 - b. Explain how many of Verizon Wireless's customers subscribe to/use VCast, as percentages of data and total customers.
 - c. Clarify whether ALLTEL provides similar services and content.
 - d. Post transaction, what is the timeframe for making these services and content available to ALLTEL customers?

7. At page 11 of Exhibit 1 of the Application, the Applicants state that Verizon Wireless will “bring its considerable technical expertise and commitment to deploying cutting-edge, high speed wireless broadband technology to these areas, many of which do not have any alternatives for wireless broadband service today.” Provide the number of rural RSAs and counties within ALLTEL’s licensed footprint that do not have any wireless broadband service today. Describe Verizon Wireless’s plans to provide wireless broadband service to these rural RSAs and counties.
8. At pages 16 to 17 of Exhibit 1 of the Application, the Applicants generally discuss benefits of Verizon Wireless expanding its advanced network to ALLTEL’s service area. Explain and provide specific examples of how service reliability and spectral efficiency will improve as a result of the proposed transaction. Explain and provide specific examples of how the proposed transaction will increase the Applicants’ ability to meet public safety requirements and emergency preparedness.
9. At pages 16 to 17 of Exhibit 1 of the Application, the Applicants discuss the benefits of expanded seamless coverage. Explain and provide specific examples of how consumers will benefit and what changes in service will be apparent to customers due to expanded seamless coverage.
10. At page 20 of Exhibit 1 of the Application, the Applicants discuss the benefits of ALLTEL’s customers being able to use the phones of other CDMA carriers because of ODI. Explain Verizon Wireless’s plans for ODI in relation to its transition to LTE.
11. At page 20 of Exhibit 1 of the Application, the Applicants state that through ODI, Verizon Wireless “expects an innovative array of devices and applications to be deployed on its network” and that the growth potential of what products can be used on Verizon Wireless network “lies in connections.” Describe in detail what specific devices, applications, and “connections” Verizon Wireless expects to be made available as a result of the ODI.
12. At pages 25 through 27 of Exhibit 1 of the Application and at paragraphs 20 through 22 of the Declaration and at pages 2 through 26 of the Reply Declaration, the Applicants discuss the cost efficiencies of the proposed transaction. Please present and support all calculations the Applicants used in determining that, in net present value, after “integration costs,” the costs of the combined entity will decrease by approximately \$9 billion.
 - a. Does the \$9 billion include the \$1 billion in cost savings claimed for the second year after closing the transaction? Is this \$1 billion calculated in present or future value?
 - b. Provide support for the claim that Verizon Wireless’s costs are lower than ALLTEL’s. Explain how Verizon Wireless’s “cash expense per customer” compares to that of ALLTEL. Provide, if possible, a better measure of Verizon Wireless’s economic cost (i.e., not merely accounting costs).
 - c. Explain how the Applicants calculated the savings incurred resulting from the elimination of the ALLTEL call center.
13. At pages 26 and 27 of Exhibit 1 of the Application, the Applicants discuss the cost savings that will result from the proposed transaction. Explain whether the elimination of duplicate advertising will result in lower prices for subscribers.
14. At paragraph 42 of the Declaration, the Applicants claim that Verizon Wireless will be able to “take advantage of larger volume discounts” in procurement. Substantiate, if possible, that Applicants will receive volume discounts beyond those already awarded to Verizon Wireless by

its equipment suppliers. Substantiate, if possible, that these discounts result from increased quantities of purchases.

15. Provide data from the most recent completed fiscal period on the number of each type of handset sold or given to Verizon Wireless subscribers, noting which of these are available only through Verizon Wireless due to exclusive arrangements with the manufacturer.
16. At page 15 to 16 of Exhibit 1 of the Application, the Applicants state that Verizon Wireless had the lowest churn rate of all major wireless carriers. Please explain how Verizon Wireless's churn rate compares to ALLTEL's churn rate (not just in markets where they compete). Please provide side-by-side recent data for the total and postpaid customer categories for each company.
17. Regarding the churn analysis performed by Verizon Wireless's economists, please provide details of the calculation, including information on the statistical significance of the difference in actual churn rates and those predicted from market shares. What are the results if the same analysis is performed for the same markets one year earlier?

III. Document Request for Information Addressing Documents Provided to the Department of Justice

1. Please provide the Telematics data provided to the Department of Justice in response to their Request for Additional Information and Documentary Material issued to the Applicants on August 8, 2008. Also, explain how the Applicants calculated the Telematics data.
2. Please provide the following document that was provided to the Department of Justice, indicating both the AT&T and T-Mobile partners on the GSM network: "Project Abraham Summary of Discussions w/ Abraham GC 5/16/08 w/ Molly Feldman & Michael Burns Updates based on 5/22/08 Conversation between Kenny Brooks & Jim Bowlby." (Bates numbers VZN-F 000273-275.)
3. Please provide the pages corresponding to the following Bates numbers: VZN-F 000477-480.
4. Please provide a list of minority partnerships and the partners' locations. (Bates numbers VZN-F 000481-487.) Also, please provide a list of the partners, and their locations, that operate on the GSM network.