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Federal Communications Commission
Office of the Secretary

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

Re: Written Ex Parte Presentation
Applications of Atlantis Holdings LLC and Cellco Partnership d/b/a Verizon
Wireless for Transfer of Control; WT Docket No. 08-95

REDACTED – FOR PUBLIC INSPECTION

Dear Ms. Dortch:

At the request of the staff of the Wireless Telecommunications Bureau and in accordance with the Protective Order in this proceeding,¹ enclosed please find two copies of the redacted version of additional information regarding the state of wireless competition in three Cellular Market Areas: Johnson City-Kingsport-Bristol, TN/VA (CMA085), Tennessee 4 – Hamblen (CMA646) and Tennessee 8 – Johnson (CMA650). This document is also being filed today on ECFS.

Per the Protective Order, the Applicants are also filing today, under separate transmittal, one copy of the confidential version of this response. In addition, two copies of the confidential version are being hand-delivered to Susan Singer of the Wireless Telecommunications Bureau.

Please contact the undersigned attorneys for the Applicants should you have any questions regarding this submission or should you require additional information.

¹ *Applications of Cellco Partnership d/b/a Verizon Wireless and Atlantis Holdings LLC for Consent to Transfer Control*, Protective Order, WT Docket No. 08-95, DA 08-1718 (rel. July 29, 2008) ("Protective Order").

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Ms. Marlene H. Dortch
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Respectfully submitted,

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JOHNSON CITY-KINGSPORT-BRISTOL, TN/VA
(CMA 085)

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TAB 1

CMA 85 – Johnson City, TN-VA

CMA 85 is located on the border of Tennessee and Virginia. The proposed transaction will reduce the number of competitors in CMA 85 from five to four.

The CMA

CMA 85 consists of eight counties – Carter, Hawkins, Sullivan, Unicoi, Washington in Tennessee; and Scott, Washington, and Bristol City in Virginia. The total population of the CMA is 494,637. More than 50% of the CMA's residents (approximately 267,000 persons) are concentrated in two counties – Sullivan County and Washington County, Tennessee (Tab 9).

CMA 85 is part of a larger Economic Area, suggesting that consumer choice is not limited by the confines of the CMA. The Commerce Department defines a Johnson City-Kingsport-Bristol (Tri Cities) TN-VA EA with a total population of 856,994 – ranked 81st among 179 EAs in the nation. As the FCC has noted, EAs are most likely to “capture the market where the average person would shop for and purchase his or her mobile phone most of the time – near home, near the workplace, and all of the places in between.”¹

Competitor Presence

Based on carrier websites, there are currently five carriers operating in CMA 85. Since the completion of T-Mobile's acquisition of SunCom in February 2008, all four national carriers and Alltel offer service in the CMA.

Spectrum: As illustrated at Tab 4, across CMA 280:

- VZW has 47 MHz of cellular and 700 MHz spectrum. It also holds 20 MHz of AWS spectrum. Alltel will contribute 25 MHz of cellular spectrum to the combined entity.
- AT&T has 64 MHz of PCS and 700 MHz spectrum.
- T-Mobile has 45 MHz of PCS spectrum and 10 MHz of AWS spectrum.
- SprintNextel has 38.5 MHz of PCS and SMR spectrum; 10 MHz of G block spectrum; and 20 MHz of AWS spectrum owned jointly with cable companies and news operators.

Network coverage: Network coverage for the five carriers is shown in Tabs 5-6. American Roamer coverage maps (Tab 5) show that Verizon and Alltel provide coverage throughout most of the CMA. Sprint and T-Mobile (through SunCom) cover about two-thirds of the CMA, with solid coverage in the more populous portions of the CMA,

¹ FCC, 12th Annual CMRS Competition Report (Jan. 2008), para. 221.

including Washington and Sullivan counties in Tennessee. AT&T covers about one third of the CMA, also with more coverage in Washington and Sullivan counties. The carriers offering service in CMA 85 cover the following percentages of the land area and population of the CMA:²

Carrier	Percent of Area Covered	Percent of Population Covered
VZW		
Alltel		
AT&T		
SprintNextel		
T-Mobile		

Carrier websites show that Alltel, SprintNextel, T-Mobile (through SunCom), and Verizon offer service in all or virtually all zip codes in the CMA. AT&T offers service in almost all of the zip codes in the CMA, except in Scott county, where it offers coverage in two six zip codes (including the most populous zip code in the county) (Tab 6).

Retail outlets: All five competitors have a retail presence in the CMA, including both retail stores and third-party agents. All together, VZW has 15 retail locations, Alltel has 14, SprintNextel and T-Mobile (SunCom) each have 12, and AT&T has four.

Business services: Although business sales are limited due to its rural nature, VZW, AT&T, SprintNextel, and Alltel currently compete for business customers in CMA 571. VZW business sales personnel believe that SprintNextel is generally the lowest price provider to businesses.

Entry and Expansion

While entry and expansion have not taken place in CMA 85 to the same degree as in more populated, urban CMAs, investment in the CMA is attractive and the history of the CMA demonstrates continuing improvement in the number, scope, and coverage of competitors (Tab 10):

- T-Mobile completed its acquisition of SunCom in February 2008, resulting in 1.1 million new T-Mobile customers in North Carolina, South Carolina, Tennessee, Georgia, Puerto Rico, and the U.S. Virgin Islands. The acquisition will enable T-Mobile to combine its national brand and SunCom’s existing network to form a stronger competitor in the area.
- In February, 2008, AT&T announced an investment of more than \$62 million in its wireless network in Tennessee. AT&T stated its intention to add 43 new cell sites in the state and to roll out its higher speed wireless network by the end of

² VZW coverage based on internal data (status: 2Q 2008). Other carriers based on American Roamer data (status: June 2008) and population estimates by ESG Technologies Corp. (2007 data).

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2008. AT&T has spent more than \$3 billion on its wireless and wired networks in Tennessee over the past 10 years.

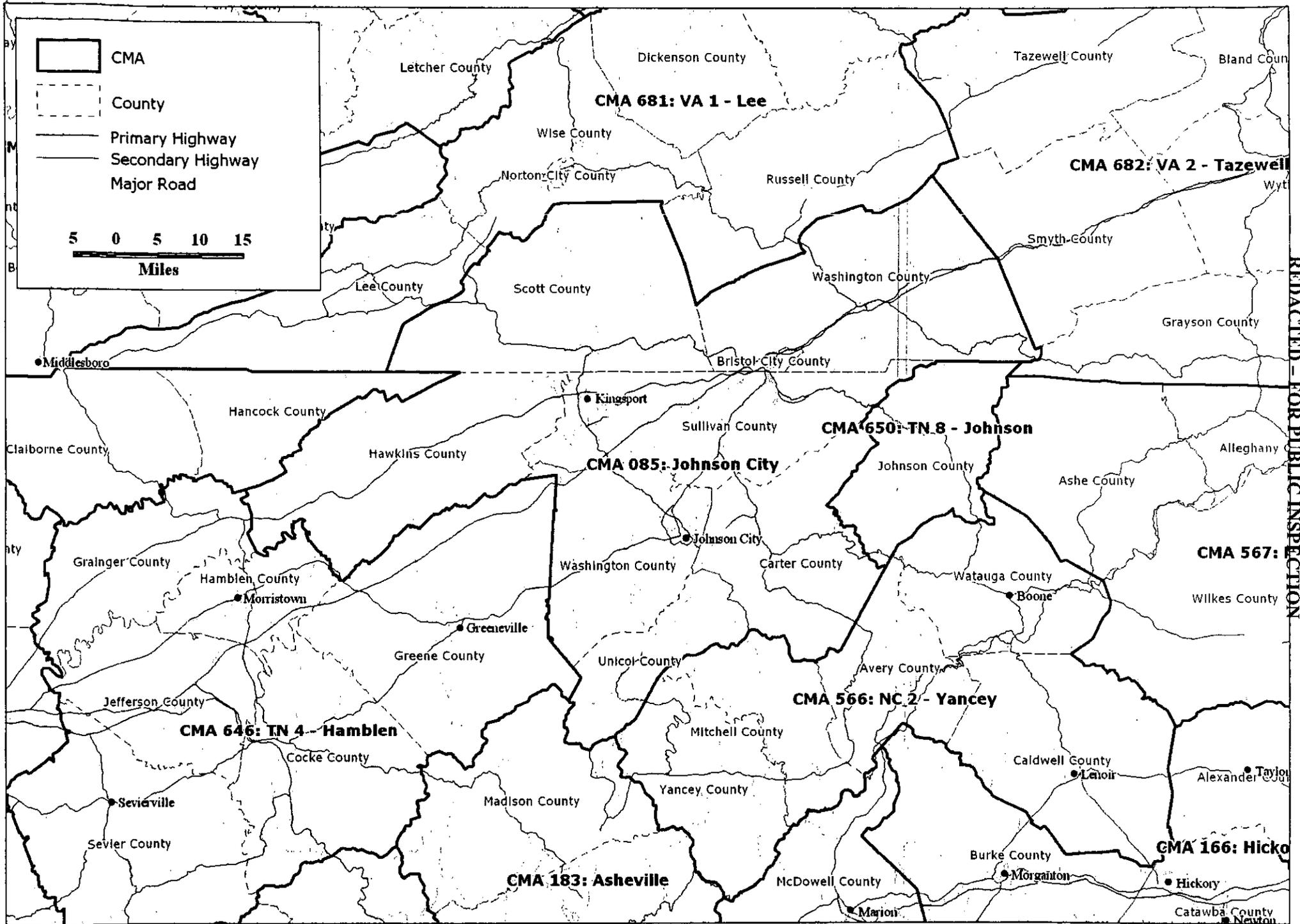
- In January 2008, Sprint announced that it had added 120 new cell sites to its network in Tennessee, noting that it was working “to enhance and expand its networks throughout Tennessee and the country.”
- Between June 2000 and June 2007, Virginia and Tennessee have seen a significant increase in the number of wireless subscribers – from 2.4 million to 6.1 million in Virginia and from 1.9 million to 5 million in Tennessee. 36% of Virginia residents owned a cell phone in 2000 – 80% did in June 2007. And in Tennessee, wireless penetration increased from 36% in 2000 to 82% in June 2007.³ In the EA covering this CMA specifically, wireless penetration has increased from 38% in 2001 to 72% in 2006, according to FCC data.⁴

³ Cf. FCC, Local Telephone Competition: Status as of June 30, 2000, Table 8 and FCC, Local Telephone Competition: Status as of June 30, 2007, Table 14. Both reports are available at <http://www.fcc.gov/wcb/iatd/comp.html>.

⁴ Compare FCC, 7th Annual CMRS Competition Report (July 2002), Table 3 (listing wireless penetration by EA as of 2001) with FCC, 12th Annual CMRS Competition Report (Jan. 2008), Table A-3 (listing same as of 2006). CMA 85 is part of EA (1990) 45 – Johnson City-Kingsport-Bristol.

TAB 2

CMA 085: Johnson City



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TAB 3

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TAB 4

CMA Licensee Information

County	Carter	Hawkins	Sullivan	Unicoi	Washington	Scott	Washington	Bristol City
State	TN	TN	TN	TN	TN	VA	VA	VA
FIPS	47019	47073	47163	47171	47179	51169	51191	51520
MTA #	44	44	44	44	44	44	44	44
MTA	Knoxville							
Cell-A	VZW							
Cell-B	ALLTEL							
PCS-A	T-Mobile (20)/ AT&T (10)							
PCS-B	AT&T							
PCS-C3 (10 MHz)	Vista							
PCS-C4 (10 MHz)	Vista (5)/ T-Mobile (5)							
PCS-C5 (10 MHz)	T-Mobile							
PCS-D	Sprint							
PCS-E	Sprint							
PCS-F	T-Mobile							
2 GHz "G-Block"	Sprint							
800 MHz SMR	Sprint							
Lower 700-C (12 MHz)	AT&T							
Lower 700-D (6 MHz)	QUALCOMM							
700-A (12 MHz) EA	Cellular South							
700-B (12 MHz) CMA	AT&T							

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Licensee information above for reference purposes only

CMA Licensee Information

County	Carter	Hawkins	Sullivan	Unicol	Washington	Scott	Washington	Bristol City
700-C (22 MHz) REAG	VZW							
700-D (10 MHz) National	Unassigned (Nat'l Public Safety Network)							
700-E (6 MHz) EA	Frontier Wireless LLC							
AWS-A (20 MHz) CMA	Carolina West Wireless							
AWS-B (20 MHz) EA	SpectrumCo							
AWS-C (10 MHz) EA	AWS Wireless							
AWS-D (10 MHz) REAG	T-Mobile							
AWS-E (10 MHz) REAG	Barat Wireless							
AWS-F (20 MHz) REAG	VZW							

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TAB 5

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TAB 6

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TAB 7