



October 23, 2008

Chairman Kevin J. Martin
Commissioner Michael J. Copps
Commissioner Jonathan S. Adelstein
Commissioner Deborah Taylor Tate
Commissioner Robert M. McDowell
Federal Communications Commission
445 12th Street, S.W.
Washington, DC 20554

Re: Cellco Partnership d/b/a Verizon Wireless and Atlantis
Holdings LLC ("Verizon/Alltel"); WT Docket No. 08-95

Dear Chairman Martin and Commissioners:

The undersigned have deep concerns about the proposed merger between Alltel and Verizon and its effect on the competitiveness of the United States wireless marketplace. This merger will adversely affect the services which can be offered to many current wireless subscribers, reduce competitive alternatives in rural markets, and result in higher costs for wireless consumers. This is not the time to act with haste on a transaction that will have the severe negative implications for the communications industry, the economy, and consumers – all of which have been outlined in detailed oppositions to the merger – and that presents a serious risk of unintended consequences – especially given the current economic and capital markets environment. A rush to judgment is particularly inappropriate since, despite repeated requests from interested parties, the Commission has not even requested the very information – copies of the relevant roaming agreements – that is necessary in order to have a record which would support a reasoned decision. We strongly urge the Commission to gather this essential and obviously pertinent information and to examine carefully the impact that this merger will have on a critical input to the wireless industry – the provision of roaming services. Ultimately, the Commission must find that conditions need to be placed upon any Commission approval of the merger to ensure that the currently robust wireless market survives into the future.

This merger is dramatically different in many respects from past transactions in the wireless industry. Coming as it does on the heels of significant concentration in the industry, this merger clearly crosses the line in terms of its adverse competitive impact. For example, the merger will result in the top four wireless carriers – Verizon, AT&T, Sprint and T-Mobile – serving over 90% of the wireless customers in the United States. Not only will this interfere with the ability of smaller carriers to purchase the newest state-of-the-art handsets and offer

October 23, 2008

Page 2

innovative services to consumers, but it also will curtail – if not eliminate – access to the roaming services that are essential for non-nationwide carriers to compete effectively.

The Commission's reluctance in the past to attach roaming-related conditions to prior transactions in the wireless industry was based on a crucial premise:

[E]ven the “nationwide” carriers still have holes in their licensed service areas, however, and therefore have a strong incentive to enter into roaming agreements with other carriers in order to fill in coverage gaps... . *AT&T Wireless Services, Inc. and Cingular Wireless Corporation*, 19 FCC Rcd 21522, at ¶ 176 (2004).

The Verizon-Alltel merger demolishes that premise. Once the proposed merger is complete, the combined Verizon-Alltel will provide coverage to 98.4% of the U.S. population. In the past, one of the factors that has led the Commission not to adopt requirements regarding automatic roaming was that carriers needed each other in order to provide roaming services. Verizon will no longer need to roam on any other carrier's network after the completion of the proposed merger. Alltel, on the other hand, with its hitherto limited reach, has been a positive force for competition in the wireless marketplace, especially as it relates to the critical roaming service input. The merger of Alltel (which has had an enlightened, market driven roaming policy) into Verizon (which has opposed automatic roaming at almost every turn, and will have even more incentive to do so after the merger) will diminish or disable the ability of small and rural carriers to purchase this critical input. This result would not serve the public interest.

In order to attract customers, all new, regional and rural wireless carriers must offer national rates plans similar to those being promoted constantly by the nationwide carriers. Non-nationwide carriers simply cannot compete in the local marketplace without matching these plans which are a pre-requisite for being able to attract potential customers. New, regional and rural carriers have been building their networks diligently, but in some instances it is inefficient and infeasible to replicate the huge and pervasive networks of the long-entrenched nationwide carriers such as Verizon.

Nonetheless, these smaller carriers have been a positive force in the local services market by bringing much needed rate and service competition. For example, MetroPCS Communications and Leap Wireless International are bringing new competition to a variety of metropolitan areas in the United States. These carriers, along with others such as NTelos, have pioneered unlimited flat rate wireless plans that recently have been replicated (but at higher prices) by the large national carriers. RCA member carriers are renowned for providing the best local coverage and customer service in the communities they serve.

Without fair roaming agreements, however, these smaller carriers would be inhibited from offering innovative services and pricing plans, which would have a reduced competitive impact on the services and rates offered by the national carriers. Further, roaming is crucial in order for the service plans offered by these new, regional and rural carriers to gain mainstream

attention and to have a positive influence on the wireless market. Indeed, with the larger carriers now offering national unlimited plans, carriers such as MetroPCS, NTelos, and Leap will need roaming at just and reasonable rates to remain a competitive force and counter the growing market power of the national carriers.

Alltel generally has roaming relationships with other carriers that are fairer than those of Verizon and reflect arms length negotiation because Alltel, on account of its limited size, needs roaming services from other carriers as much as those carriers need roaming services from Alltel. This healthy market dynamic generally allows Alltel and other carriers to come to terms that are just and reasonable. This is exactly the situation that the Commission posited when it adopted its market-based regulatory position on automatic roaming. In stark contrast, Verizon, which enjoys a dramatically larger near-nationwide footprint, has steadfastly resisted automatic roaming at almost every turn. In addition to resisting fair bilateral agreements, Verizon has gone so far as to oppose the Commission's finding that automatic roaming is a common carrier service and that automatic roaming rates are subject to Sections 201 and 202 of the Act. Recently, Verizon has started exercising its considerable muscle to re-craft roaming arrangements with small and rural carriers to increase costs while refusing to offer roaming for other technically-feasible (and increasingly critical) services, such as data services. The nationwide reach of this merger will give Verizon a dramatically increased ability and incentive to engage in such practices; indeed Verizon is demanding increased rates from some carriers.

The proposed acquisition of Alltel by Verizon removes Alltel as a positive force in the all important roaming market and cements Verizon's position as a dominant player who can afford to continue to eschew reciprocal roaming arrangements at reasonable prices with smaller carriers. The dramatic imbalance in bargaining leverage makes it impossible for smaller carriers to negotiate successfully with Verizon. As a consequence, Verizon's roaming rates already are double, triple, or more, than the rate that Verizon charges its retail customers and, the undersigned believe, other "favored" wireless carriers. Additionally, Verizon has refused outright to offer EVDO broadband roaming at any price. Given these market conditions, the impending elimination of Alltel from the market can only be found to be in the public interest if the Commission imposes meaningful transaction-specific conditions pertaining to roaming on the proposed merger.

Indeed, Verizon understands that its proposed acquisition would negatively affect the roaming market, and effectively admits that special conditions are appropriate, by offering to make the Alltel roaming rates available for two years. However, this opening proffer simply does not adequately address the problem. First, since roaming partners may not have existing roaming relations with the other national CDMA carrier, it may take more than two years to conclude roaming negotiations – especially in an environment where the Commission has not yet resolved certain fundamental issues regarding whether a carrier is entitled to automatic roaming in a market in which it may hold a licenses but has not yet built or whether automatic roaming should extend to data services. Second, even if a carrier could negotiate a deal within two years, there simply are no other comparable national carriers with which to negotiate. In order to

replicate Alltel's coverage, a carrier would be required to negotiate with many other carriers – a process which would take an excessive amount of time and, if not completed in time, would result in a carrier's customers ceasing to be able to receive roaming services. The situation faced by smaller carriers is worse than it was in the early days of wireless. Under the cellular duopoly, there were two carriers in any given market, and all carriers were mutually dependent on others to make roaming work. After the merger there will effectively only be Verizon-Alltel. Third, not all CDMA or GSM carriers may have agreements with Alltel or the agreement they may have may not include all services that Alltel has offered to others or the rates may not be non-discriminatory. The plain fact is that if Alltel remained separate from Verizon, one could expect the roaming arrangements it was willing to enter into with third parties would over time become even more reasonable, balanced and fair as the national carriers forced Alltel to have to compete with them without the same service footprint. The proposed merger short circuits this natural evolution and stops the clock at the date when Verizon announced its proposed merger.

Each small and rural carrier is aware of the damage to its own roaming relationships from losing Alltel – and each has received a glimpse of the situation faced by others through the filings in this proceeding. The amount of opposition to the Verizon-Alltel merger is different in magnitude from the oppositions to earlier mergers because of the large number of objectors and the intensity of the opposition. This evidences the seriousness of the problem. The outlook for the industry is especially grim – particularly given the current economy and paucity of funds available in the capital markets. Now is not the time to have the competitive landscape shift so dramatically. The only way to keep the playing field level is for the Commission to impose the roaming conditions proposed by MetroPCS and NTelos. The proposed merger in the best of times would be problematic and perhaps have unintended consequences. But in these difficult economic times, those consequences will be even more dramatic and potentially disastrous. Further, the existing Title II complaint process is plainly inadequate to remedy the further harms expected to flow from this transaction. Rather, among the other remedies requested by Petitioners in the proceeding, the Commission should require Verizon to offer roaming at the lower of \$0.05/minute or the lowest rate charged any other party. This will ensure that carriers will get the benefit of roaming – while still giving Verizon a healthy margin on its services. These rates are not confiscatory – they are more than what Verizon collects from its retail customers and would provide similar margins to what Verizon earns on its services generally.

The Commission should resist a rush to judgment on a matter that will materially adversely affect the competitiveness of the United States wireless industry – especially given that the consequences are difficult if not impossible to discern in the current economic and capital markets environment. The Commission also should gather the information that is necessary to develop a complete record which will support a reasoned decision by looking at the differential in roaming rates offered by Verizon and Alltel. Given the complexity of the proposed transaction, the comparatively short amount of time the application has been pending, and the fact that the competitiveness of the wireless industry may hang in the balance, the Commission has a responsibility to the public to conduct a thorough proceeding, to receive the views of affected parties, and to ensure that its decision is based on a complete record, which includes

October 23, 2008

Page 5

gathering necessary information regarding the roaming arrangements Verizon and Alltel have with others.

Wireless service is an integral part of the lives of Americans. The customers of the undersigned carriers – and the rest of the public that the Commission is committed to serve – deserve no less than the FCC’s complete analysis and consideration.

Sincerely,

/s/

Roger D. Linquist
President and Chief Executive
Officer
MetroPCS Communications, Inc.
2252 Lakeside Boulevard
Richardson, Texas 75082

/s/

James S. Quarforth
President and Chief Executive
Officer
NTELOS Inc.
401 Spring Lane, Suite 300
Waynesboro, VA 22980

/s/

Eric Peterson
Executive Director
Rural Cellular Association
1650 Tysons Blvd.
Suite 1500
McLean, VA 22102

cc: Marlene H. Dortch, Secretary
Erika Olsen, Legal Advisor to Chairman Martin
Bruce Liang Gottlieb, Legal Advisor to Commissioner Copps
Renée Roland Crittendon, Legal Advisor to Commissioner Adelstein
Wayne Leighton, Legal Advisor to Commissioner Tate
Angela E. Giancarlo, Legal Advisor to Commissioner McDowell
Parties on the Attached Service List

CERTIFICATE OF SERVICE

I, Latonya Ruth, hereby certify that on this 23rd day of October, 2008, copies of the foregoing letter were sent by electronic mail to:

Best Copy and Printing, Inc.
FCC@BCPIWEB.COM

Erin McGrath
Mobility Division
Wireless Telecommunications Bureau
Federal Communications Commission
Erin.McGrath@fcc.gov

Susan Singer
Spectrum and Competition Policy Division
Wireless Telecommunications Bureau
Federal Communications Commission
Susan.Singer@fcc.gov

Linda Ray
Broadband Division
Wireless Telecommunications Bureau
Federal Communications Commission
Linda.Ray@fcc.gov

David Krech
Policy Division
International Bureau
Federal Communications Commission
David.Krech@fcc.gov

Jodie May
Competition Policy Division
Wireless Telecommunications Bureau
Federal Communications Commission
Jodie.May@fcc.gov

Jim Bird
Office of General Counsel
Federal Communications Commission
Jim.Bird@fcc.gov

ALLTEL Communications, LLC
Wireless Regulatory Supervisor
ACI.Wireless.Regulatory@alltel.com

Atlantis Holdings LLC
Attention: Clive D. Bode, Esq.
cbode@tpg.com

Kathleen Q. Abernathy, Esq.
Wilkinson, Barker, Knauer, LLP
Attorney for Atlantis Holdings LLC
kabernathy@wbklaw.com

Cellco Partnership
Attention: Michael Samsock
Michael.Samsock@Verizon.Wireless.com

Nancy J. Victory, Esq.
Wiley Rein LLP
Attorney for Cellco Partnership
nvictory@wileyrein.com

William L. Roughton, Jr.
Centennial Communications Corp.
broughton@centennialcorp.com

Caressa D. Bennet
Bennet & Bennet, PLLC
Attorney for Rural Telecommunications
Group, Inc.
cbennet@bennetlaw.com

John A. Prendergast
Blooston, Mordkofsky, Dickens, Duffy &
Prendergast, LLP
Attorney for North Dakota Network Co.
jap@bloostonlaw.com

Robert M. Jackson
Blooston, Mordkofsky, Dickens, Duffy &
Prendergast, LLP
Attorney for North Dakota Network Co.
rmj@bloostonlaw.com

Benjamin H. Dickens
Blooston, Mordkofsky, Dickens, Duffy &
Prendergast, LLP
Attorney for South Dakota
Telecommunications Association
bhd@bloostonlaw.com

D. Cary Mitchell
Blooston, Mordkofsky, Dickens, Duffy &
Prendergast, LLP
Attorney for Rural Carriers
cary@bloostonlaw.com

Daniel K. Alvarez
Willkie Farr & Gallagher LLP
Attorney for Roaming Petitioners
dalvarez@willkie.com

David Don
SpectrumCo LLC
david_don@comcast.com

Michael Rosenthal
SouthernLINC Wireless
mdrosent@southernco.com

Stephen G. Kraskin
Attorney for The Rural Independent
Competitive Alliance
skraskin@independent-tel.com

Daniel Mitchell
National Telecommunications Cooperative
Association
dmitchell@ntca.org

Jill Canfield
National Telecommunications Cooperative
Association
jcanfield@ntca.org

Pantelis Michalopoulos
Steptoe & Johnson LLP
Attorney for Leap Wireless International,
Inc.
pmichalopoulos@steptoe.com

Kenneth E. Hardman
Attorney for Ritter Communications, Inc.
and Central Arkansas Rural Cellular
Limited Partnership
kenhardman@att.net

Whitney North Seymour, Jr.
Attorney for The EMR Policy Institute
wseymour@stblaw.com

Larry A. Blosser
Law Office of Larry A. Blosser, P.A.
Ad Hoc Public Interest Spectrum Coalition
larry@blosserlaw.com

Michael Calabrese
New America Foundation
calabrese@newamerica.net

Chris Murray
Consumers Union
murrch@consumer.org

Harold Feld
Media Access Project
hfeld@mediaaccess.org

Jef Pearlman
Public Knowledge
jef@publicknowledge.org

Chris Riley
Free Press
criley@freepress.net

Donald L. Herman, Jr.
Bennet & Bennet, PLLC
Attorney for Palmetto Mobilenet, L.P.
dherman@bennetlaw.com

Michael R. Bennet
Bennet & Bennet, PLLC
Attorney for Palmetto Mobilenet, L.P.
mbennet@bennetlaw.com

Stuart Polikoff
Organization for the Promotion and
Advancement of Small Telecommunications
Companies
sep@opastco.org

Brian Ford
Organization for the Promotion and
Advancement of Small Telecommunications
Companies
bjf@opastco.org

Aaron Shainis
Shainis & Peltzman, Chartered
Attorney for Chatham Avalon Park
Community Council
aaron@s-plaw.com

/s/

Latonya Y. Ruth