

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

**In the Matter of** )  
 )  
**Atlantis Holdings LLC,** ) **WT Docket No. 08-95**  
**Assignor/Transferor** ) **FCC ULS File Nos. 0003463892, et al**  
 )  
**And** )  
 )  
**Cellco Partnership d/b/a Verizon** )  
**Wireless,** )  
**Assignee/Transferee** )  
 )  
**For Consent to Transfer Control of** )  
**Licenses, Authorizations, and Spectrum** )  
**Manager and *De Facto* Transfer** )  
**Leasing Arrangements** )  
 )  
**and** )  
 )  
**Petition for Declaratory Ruling that** ) **File No. ISP-PDR-20080613-00012**  
**the Transaction is Consistent with** )  
**Section 310(b)(4) of the** )  
**Communications Act** )

**To: The Commission**

**SUPPLEMENT TO PETITION FOR RECONSIDERATION**

Public Service Communications, Inc. (PSC), by its attorneys and pursuant to Section 1.106(f) of the Commission's Rules, hereby submits this supplement to its December 10, 2008 Petition for Reconsideration filed by PSC in the above-captioned matter. Further pursuant to Section 1.106(f), PSC has concurrently submitted under separate cover a Petition for Leave to file.<sup>1</sup>

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<sup>1</sup> See, Petition for Leave to File Supplement by Public Service Communications, Inc., WT Docket 08-95, filed February 23, 2009.

In its original Petition for Reconsideration, PSC argued that in order to prevent a lessening of competition in light of the forthcoming divestiture, the Commission would need to take affirmative steps to ensure that Verizon and Alltel gave rural carriers a realistic opportunity to acquire divested operations.<sup>2</sup> PSC tried to highlight for the Commission the reality that, under the terms of the divestiture as currently approved, “[t]he only entities that can realistically bid under such circumstances are the other giant carriers such as AT&T ...”<sup>3</sup>

On February 4, 2009, the Wall Street Journal reported on the emergence of AT&T as a strong contender for the wireless assets to be divested by Verizon Wireless. A copy of this report is attached hereto. According to the article, and as foretold in the Petitions of PSC and other rural carriers, “AT&T is in the strongest financial position of the interested companies and is in a good position to walk away with a large chunk of the assets...” Since the publication of that article, several other news sites and industry blogs have also reported on this looming reality.<sup>4</sup> As the rural community has recognized and emphasized to the Commission, special conditions must be applied to the Verizon/Alltel merger in order to ensure that the divested assets are not simply transferred from one market giant to another; an oligopoly is not a suitable or competitive alternative to a monopoly.

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<sup>2</sup> See Petition for Reconsideration of Public Service Communications, Inc., WT Docket 08-95, filed December 10, 2008, at ¶12.

<sup>3</sup> Id. at ¶13.

<sup>4</sup> See, e.g., “AT&T eyes divested Alltel assets”, CNET Wireless, February 4, 2009, [http://news.cnet.com/8301-1035\\_3-10156765-94.html](http://news.cnet.com/8301-1035_3-10156765-94.html); “AT&T May Snap Up Divested Verizon Assets”, DSLReports.com, February 5, 2009; <http://www.broadbandreports.com/shownews/ATT-May-Snap-Up-Divested-Verizon-Assets-100696> “AT&T seeks to scoop up assets divested by Verizon’s buyout of Alltel”, phonedog.com, February 6, 2009, <http://www.phonedog.com/cell-phone-research/blog/at-t-seeks-to-scoop-up-assets-divested-by-verizon-s-buyout-of-alltel.aspx>; “AT&T Wants to Pick Up Verizon’s Divested Assets”, FreshPhoneNews.com, February 6, 2009, <http://www.freshphonenews.com/att-wants-to-pick-up-verizons-divested-assets-1903/> (all sites last visited February 23, 2009).



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FEBRUARY 4, 2009

## AT&T Seeks Verizon Wireless Assets

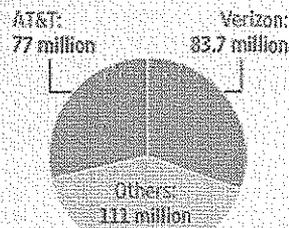
By AMOL SHARMA

In the bidding for the roughly \$3 billion in wireless assets Verizon Wireless must divest as part of its purchase of Alltel Corp., one strong but controversial contender is emerging: AT&T Inc.

The Dallas-based telecommunications giant, Verizon's chief rival, is among the bidders, along with a joint bid from private-equity firms Carlyle Group and Kohlberg Kravis & Roberts & Co. and a separate bid from Providence Equity Partners LLC, according to people familiar with the matter. At least one cable provider also has expressed interest, one of the people said.

### Market Giants

Cellphone subscribers in the U.S., by company in 2008



Sources: CTA, the companies

Verizon Wireless agreed to sell the assets to get government approval for the \$28.1 billion Alltel purchase, which closed last month. Assets include 2.1 million wireless subscribers in 22 states, as well as wireless spectrum and other assets necessary to run the businesses in those markets. People close to the deal say the assets are worth roughly \$3 billion.

AT&T is in the strongest financial position of the interested companies and is in a good position to walk away with a large chunk of the assets, the people say. An AT&T spokesman declined to comment.

Critics, including consumer advocates and Verizon's smaller competitors, say such a deal -- allowing one giant telecom provider to transfer customers to another -- wouldn't be in the interest of consumers. AT&T and Verizon Wireless, a joint venture of Verizon Communications Inc. and Vodafone Group PLC, have a combined 160 million subscribers, nearly 60% of the entire U.S. market.

Gigi Sohn, president of the public interest group Public Knowledge, said the government should encourage Verizon to sell the assets to smaller players to enhance competition. "This could be one of the first big tests for the Obama administration to see if their antitrust enforcement will have any teeth," Ms. Sohn said.

The Department of Justice, which must approve the divestitures, says it would examine affected markets and any competitive issues that a sale would raise as part of the approval process.

Trade groups representing rural cellphone operators, including the Rural Cellular Association and the Organization for the Promotion and Advancement of Small Telecommunications Companies, said they were concerned AT&T could charge high roaming fees if it takes control of the Alltel assets. Carriers pay roaming fees to other providers when their customers use a cellphone outside their home coverage area. RCA Executive Director Eric Peterson said he hopes regulators "would not allow that kind of a transaction to go forward."

Laurie Itkin, director of government affairs for Leap Wireless International Inc., a small wireless provider that

## EXHIBIT

opposed the Verizon-Alltel merger, is also concerned about radio spectrum. "If it ends up going from one mega-carrier to another mega-carrier we think that's a bad outcome for consumers," Ms. Itkin said.

A Verizon spokesman declined to comment on whether AT&T is likely to end up with the lion's share of the Alltel divestitures.

Antitrust lawyers say the Justice Department generally evaluates divestitures based on competitiveness in each individual market area. "If Verizon divests assets to AT&T in areas where AT&T doesn't have a significant presence now, the traditional analysis would say there's no problem with that," said Donald Russell, a former Justice Department attorney who reviewed several major telecom mergers.

Ms. Sohn and others say it doesn't make sense to look at the wireless market in individual market slices, since the companies set national rates for consumers and benefit from national scale in their roaming negotiations with competitors. "You can't just look at it on a local basis," she said.

—Matthew Karnitschnig contributed to this article.

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## CERTIFICATE OF SERVICE

I hereby certify that I am an attorney with the law offices of Blooston, Mordkofsky, Dickens, Duffy & Prendergast, LLP and that on February 24, 2009, I caused to be sent by electronic mail (e-mail), a copy of the foregoing "**Supplement to Petition for Reconsideration**" to the following:

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