

**Before the
Federal Communications Commission
Washington, DC 20554**

In re Applications of Atlantic Tele-Network, Inc.)	
and Verizon Wireless for Consent to the)	WT Docket No. 09-119
Assignment and Transfer of Control of)	DA 09-1515
Commission Licenses and Authorizations Pursuant)	
to Sections 214 and 310(d) of the Communications)	File Nos. 003858521, <i>et al.</i>
Act)	

**PETITION TO DENY OF
BULLOCH CELLULAR, INC., PINELAND CELLULAR, INC.,
PLANTERS RURAL CELLULAR, INC., and PLANT CELLULAR RSA 8, INC.**

Caressa D. Bennet
Michael R. Bennet
Daryl A. Zakov
Bennet & Bennet, PLLC
4350 East West Highway, Suite 201
Bethesda, MD 20814
(202) 371-1500

Their Counsel

August 10, 2009

TABLE OF CONTENTS

SUMMARY..... i

I. STATEMENT OF INTEREST.....2

II. THE PROPOSED LICENSE TRANSFERS ARE CONTRARY TO THE PUBLIC INTEREST.....4

 A. ATN Has Proven to be an Ineffective Competitor in its Overseas Wireless Retail Markets.....6

 B. The Scale and Scope of ATN’s Other Retail Mobile Markets Pale in Comparison to the Georgia Cluster and the Rest of the Divestiture Markets in the United States.....8

 C. ATN’s Lack of Retail Experience in the United States Will Severely Hinder Its Ability to Compete Effectively.....9

 D. If ATN Overbuilds the Georgia Cluster With a GSM Roam-Only Network It Will Harm Existing Customers in Contravention of the Public Interest.....11

III. IN THE EVENT THE FCC DOES NOT DENY THE APPLICATIONS OR DESIGNATE THEM FOR HEARING, THE APPLICATIONS SHOULD BE HELD IN ABEYANCE PENDING A DETERMINATION OF WHETHER VERIZON HAS THE LEGAL ABILITY TO TRANSFER ITS OWNERSHIP INTEREST IN THE PARTNERSHIP.....13

IV. CONCLUSION14

EXHIBIT A

EXHIBIT B

SUMMARY

Bulloch Cellular, Inc., Pineland Cellular, Inc., Planters Rural Cellular, Inc. and Plant Cellular RSA 8, Inc. (collectively, “Georgia Partners”) petition the Federal Communications Commission (“Commission”) to deny the applications seeking transfer of various Commission licenses from Verizon Wireless to Atlantic Tele-Network, Inc. (“ATN”). In the alternative, the Georgia Partners request that the Commission designate the applications for evidentiary hearing pursuant to Section 309(e) of the Communications Act or hold the applications in abeyance pending resolution of the issue of whether Verizon has the legal ability to transfer its ownership interest in the FCC licenses for the State of Georgia to ATN.

Transfer of these licenses to ATN would be inconsistent with the terms of the Verizon/Alltel merger order and contrary to the public interest due to ATN’s lack of domestic retail wireless experience and its proven record of ineffective competition in the overseas wireless retail markets in which it operates. The business model likely to be employed by ATN in the Georgia markets will harm existing CDMA customers in the Georgia markets and reduce competition in those markets in contravention of the public interest.

Verizon does not currently have the legal ability to transfer the Georgia licenses to ATN. The licenses and related management agreements are subject to a right of first refusal and restriction on assignability, respectively, and Verizon’s failure to comply with its contractual obligations pursuant thereto is currently being litigated in Georgia state court. If the Commission does not deny the applications or designate them for hearing, the applications should be held in abeyance pending a determination of whether Verizon has the legal ability to transfer its ownership in the Georgia licenses to ATN.

**Before the
Federal Communications Commission
Washington, DC 20554**

In re Applications of Atlantic Tele-Network, Inc.)	
and Verizon Wireless for Consent to the)	WT Docket No. 09-119
Assignment and Transfer of Control of)	DA 09-1515
Commission Licenses and Authorizations Pursuant)	
to Sections 214 and 310(d) of the Communications)	File Nos. 003858521, <i>et al.</i>
Act)	

PETITION TO DENY

Bulloch Cellular, Inc. (“Bulloch”), Pineland Cellular, Inc. (“Pineland”), Planters Rural Cellular, Inc. (“Planters”) and Plant Cellular RSA 8, Inc. (“Plant”) (collectively, “Georgia Partners”), by their attorneys and pursuant to Section 1.939 of the Rules and Regulations of the Federal Communications Commission (“FCC” or “Commission”) and the Commission’s July 9, 2009 Public Notice¹, hereby petition the FCC to deny the above-captioned applications (“Applications”) to assign or transfer control of various FCC authorizations from Verizon Wireless (“Verizon”) to Atlantic Tele-Network, Inc. (“ATN”) or, in the alternative, (1) designate the Applications for evidentiary hearing pursuant to Section 309(e) of the Communications Act of 1934, as amended (“Communications Act”), or (2) hold the Applications in abeyance pending resolution of the issue of whether Verizon has the legal ability to transfer its ownership interest in the FCC licenses for the State of Georgia to ATN.

I. STATEMENT OF INTEREST

The Georgia RSA #8 Partnership (“Partnership”) holds the B-Block cellular license for the Georgia 8-Warren Rural Service Area (“RSA 8”) (CMA 378), as well as numerous microwave licenses associated with the operation of the cellular system (“Georgia RSA 8

¹ *Atlantic Tele-Network, Inc. and Verizon Wireless Seek FCC Consent to Assign or Transfer Control of Licenses and Authorizations*, Public Notice, WT Docket No. 09-119, DA 09-1515, rel. July 9, 2009.

Cellular System”) which Verizon seeks to transfer to ATN in the above-referenced transaction.² Verizon, through its wholly-owned subsidiary, Alltel Communications, LLC (“Alltel”), holds a 33.333% general partner partnership interest in the Partnership.³ Under the terms of the Purchase Agreement between Verizon and ATN, Verizon will, upon obtaining Commission approval, cause both the Alltel general partnership interest and the rights and obligations of Alltel under a Management Agreement⁴ to be transferred to ATN.⁵ Under the terms of the Management Agreement, Alltel serves as the Manager of the Georgia RSA 8 Cellular System. As discussed below, while the Georgia RSA #8 Partnership Agreement (“Partnership Agreement”) gives the remaining partners a right of first refusal⁶ to purchase Alltel’s general partnership interest (and, in these circumstances, the entire Georgia Cluster) and the

² The fixed point to point microwave licenses which Verizon seeks to transfer are: FCC Call Signs: WMI753, WMK345, WMQ649, WMQ650, WMS497, WMT351, WMT659, WMW201, WMW251, WPJA835, WPNB538, WLW351, and WPNB538.

³ Pursuant to the FCC order approving the merger of Verizon and Alltel, Verizon’s voting interest in the Partnership acquired from Alltel is currently held by a court appointed Management Trustee.

⁴ Management Agreement between Georgia RSA #8 Partnership and Alltel Communications, Inc. effective January 1, 2004 (“Management Agreement”).

⁵ Purchase Agreement by and between Atlantic Tele-Network, Inc. and Cellco Partnership d/b/a Verizon Wireless dated as of June 9, 2009.

⁶ Pursuant to Section 7.2 of the Partnership Agreement, “No Partner shall sell, transfer or assign its interest in the Partnership to any other Partner or to a third party except after giving the other Partners a right of first refusal to acquire such interest.” While the right of first refusal is for Georgia RSA 8, it effectively extends to all of the divested properties in the State of Georgia pursuant to a Consent Judgment entered on April 24, 2009 by the United States District Court for the District of Columbia, whereby the U.S. Department of Justice required Verizon to divest to a single buyer all of its wireless interests in the State of Georgia which were acquired from Alltel (the “Georgia Cluster”) including Alltel’s partnership interest in the Partnership Agreement and its rights and duties under the Management Agreement. See *U.S. v. Verizon Communications Inc. and Alltel Corporation*, Final Judgment, No.: 1:08-cv-01878 (EGS), U.S. District Court for the District of Columbia, April 24, 2009 (“Final Judgment”) at Section IV(I). In addition to Georgia RSA 8, the Georgia Cluster includes: Albany MSA (CMA 261), Georgia RSA 6 (CMA 376), Georgia RSA 7 (CMA 377), Georgia RSA 9 (CMA 379), Georgia RSA 10 (CMA 380), Georgia RSA 12 (CMA 382) and Georgia RSA 13 (CMA 383). The Georgia Partners note that they are currently in discussions with a national wireless carrier to enter into an agreement that would allow the national wireless carrier to manage and operate the Georgia Cluster after the exercise of the Georgia Partners’ right of first refusal and the acquisition of the Georgia Cluster is complete.

Management Agreement contains an anti-assignment provision,⁷ Verizon has not provided valid notice of either its intent to sell Alltel's general partnership interest or its intent to assign the Management Agreement. Allowing the transaction to go through without giving the Georgia Partners the opportunity to exercise their contractual rights to prevent unwanted third parties from assuming ownership and management of the Partnership will harm the Georgia Partners. If the Commission approves the proposed transaction, the Georgia Partners will find themselves with a new general partner (ATN) and a new system manager (ATN) not of their choosing and in violation of the terms and conditions of both the Partnership Agreement and the Management Agreement. The harm resulting from an unlawful transfer of ownership and management to ATN is particularly acute given ATN's lack of retail experience in a rural Georgia market or for that matter lack of retail experience anywhere in the United States.⁸ As such, the Georgia Partners are parties in interest with standing to file this petition to deny.

II. THE PROPOSED LICENSE TRANSFERS ARE CONTRARY TO THE PUBLIC INTEREST.

In evaluating a proposed license transfer, the Commission may only grant its approval if it determines that the public interest will be served by such a transfer.⁹ Because the FCC licenses in question are governed by the terms of the Verizon/Alltel merger approvals, the FCC's public interest determination must also consider the competitive strength of the proposed transferee and the impact on competition.¹⁰ In the public interest showing attached to the Applications, Verizon

⁷ Pursuant to Section 12.8 of the Management Agreement, "No party shall have the right to assign this Agreement or its rights and obligations hereunder without the prior written consent of the other party" except for Manager's rights to assign the Agreement to an affiliated entity.

⁸ See Section II, *infra*.

⁹ 47 U.S.C. § 310(d).

¹⁰ See Final Judgment at Section IV(H) (divestiture shall be made to an acquirer that "has the intent and capability (including the necessary managerial, operational, technical, and financial capability) of competing effectively in the

and ATN correctly state that, in the FCC’s order approving the Verizon/Alltel merger, “[t]he divestitures were required to ensure that there would be an adequate number of competing service providers with sufficient network and spectrum assets to deter anticompetitive behavior by the merged entity.”¹¹ However, the Applicants then erroneously conclude that “[u]pon consummation of this Transaction, the Commission’s objectives will be achieved in the twenty-six markets that are the subject of these Applications.”¹² To the contrary, as discussed below, consummation of the proposed transaction would only harm competition in those markets because Verizon has sought to install a weak competitor with no retail experience in the United States. In addition to ATN’s proven inability to successfully compete in the wireless markets in which it provides retail service outside of the United States, it is the Georgia Partners’ belief based on meetings with Verizon and ATN that ATN is incapable of effectively competing in the domestic retail market space and that over time the subscribers ATN acquires through this transaction, including those in the Georgia Cluster, will churn to Verizon and other competing carriers in the Georgia Cluster. The Georgia Partners believe that out of all the potential bidders, Verizon chose a weak retail competitor with whom it has prior “roam-only” dealings in an effort to acquire the Georgia Cluster subscribers through churn and that over time the Georgia Cluster subscriber base will decline, requiring ATN to drop its retail operations and revert to a “roam-only” business model.

provision of mobile wireless telecommunications services”); *Applications of Cellco Partnership d/b/a Verizon Wireless and Atlantis Holdings LLC*, WT Docket No. 08-95, Memorandum Opinion and Order, 23 FCC Rcd 17444, 17518-19 (2008) (“*Verizon/Alltel Merger Order*”) (“subjecting Verizon’s power to market and dispose of the divestiture assets to the terms of any agreement entered into between Verizon, Alltel and the U.S. Department of Justice).

¹¹ See, e.g., FCC Form 603, File No. 003858521, Exhibit 1, page 5 (“Public Interest Showing”) (*citing Verizon/Alltel Merger Order* at 17515-16).

¹² Public Interest Showing at p. 5.

A. ATN Has Proven to be an Ineffective Competitor in its Overseas Wireless Retail Markets.

Aside from its ownership of Commnet Wireless (“Commnet), which is a “roam-only,” non-retail Commercial Mobile Radio Service (CMRS) operator in the United States, ATN owns or controls three retail-focused mobile networks, all of which are outside this country. Not only does ATN have no retail mobile experience in the United States, its retail experience abroad (in Bermuda and Guyana) strongly suggests that ATN is incapable of competing effectively in a much larger domestic market.¹³ ATN’s subsidiaries overseas have experienced everything from precipitous market-share erosion to moribund sales in markets that are significantly smaller and easier to manage than the domestic markets sought to be acquired here. Simply put, if the performance metrics of the ATN operations in Bermuda and Guyana were to be replicated in the United States, ATN would not be considered an effective marketplace competitor.

I. ATN Has Lost Substantial Market Share in the Guyanese Mobile Marketplace.

Until 2004, ATN had the luxury of being a government-protected mobile service monopoly in Guyana and was the only retail provider of mobile communications in the country. ATN, which controls the formerly state-held Guyana Telephone and Telegraph, markets its mobile products under the *Cellink* and *Cellink Plus* brand names. In 2006, its only facilities-based retail competitor, Digicel, launched retail mobile service in Guyana. In less than three years, ATN has gone from 100% market share to 42% market share.¹⁴ ATN has steadily been

¹³ ATN has only just begun to provide retail CMRS service in the islands of the Turks and Caicos, and therefore there is no sufficient track record of performance to evaluate ATN’s service at this time. The Georgia Partners note that the network utilized by ATN in Turks and Caicos is capable of serving both CDMA and GSM subscribers and therefore would support other carriers’ customers on a “roam-only” basis. <http://www.optimawireless.com/islandcom.php>.

¹⁴ Bibolini, Lucia, “*Guyana – Telecoms, Mobile and Broadband*,” Paul Budde Communication Pty Ltd. (released April 2009). See also <http://www.reuters.com/article/pressRelease/idUS96126+14-Apr-2009+BW20090414> (last checked August 7, 2009) and <http://www.researchandmarkets.com/reports/835930/> (last checked August 7, 2009) (“Guyana Report”).

losing market share since Digicel's arrival.¹⁵ The competition from Digicel has led to a corresponding decrease in ATN's wireless customer base from approximately 328,000 in December 2007 to approximately 248,000 in December 2008.¹⁶ This type of erosion of market-share of an incumbent operator with only one other competitor is unprecedented in the mobile industry.¹⁷

2. ATN Has Failed to Retain Subscribers in Bermuda Which Has Only Three Retail Mobile Carriers.

In Bermuda, where ATN operates under the brand name *Cellular One*, ATN has only two retail mobile competitors: Digicel and M3 Wireless. M3 Wireless was the first wireless operator in Bermuda and began operations in 1987. ATN, through its acquisition of Bermuda Digital Communications Ltd., entered the Bermuda market second, followed by Digicel who entered the market third following its purchase of the pre-Cingular AT&T Wireless.¹⁸ According to a survey conducted in December 2008, ATN's market share is approximately 31% while Digicel's is 38%.¹⁹ Furthermore, 58% of those Bermudan mobile consumers polled who were between the ages of 18-34 were significantly more likely to use Digicel.²⁰ Just as with ATN's operations in

¹⁵ "Guyana Broadband Overview," Point Topic Ltd. (released June 17, 2009). See also <http://point-topic.com/content/operatorSource/profiles2/guyana-broadband-overview.htm> (last checked August 8, 2009).

¹⁶ *Id.*

¹⁷ By way of example, China Mobile, which is China's incumbent mobile operator and has faced stiff competition from China Unicom for well over a decade, still has approximately a 70% market share in China.

¹⁸ See generally <http://www.keytech.bm/subsidiariesandaffiliates/m3wireless> (last checked August 10, 2009), http://www.telegeography.com/cu/article.php?article_id=11574 (last checked August 10, 2009), <http://www.highbeam.com/doc/1G1-50281323.html> (last checked August 10, 2009), and <http://www.digicelgroup.com/en/media-center/press-releases/achievements/digicel-announces-alan-bates-as-ceo-of-digicel-bvi-and-wayne-michael-caines-as-ceo-of-digicel-bermuda> (last checked August 10, 2009).

¹⁹ "The Bermuda Omnibus Survey: Top-Line Highlights – Fourth Quarter 2008," Corporate Research Associates Inc. and Total Research Associates Ltd. (released 2009). See also <http://www.totalgroup.bm/MEDIA/BMO-Q4-08.pdf> (last checked August 8, 2009).

²⁰ *Id.*

Guyana, in Bermuda, ATN has proven to be anything but an effective competitor even against a marketplace upstart like Digicel.

3. ATN's Foreign Mobile Retail Ventures do not Demonstrate that ATN Can be an Effective Retail Mobile Operator in the Georgia Cluster.

While it is premature to evaluate ATN's performance in Turks and Caicos,²¹ ATN's performance there bears monitoring by the FCC and DOJ during the review process to determine if ATN repeats its unimpressive performance in both Guyana and Bermuda. In Guyana, ATN has consistently lost subscribers after having a complete monopoly, and in Bermuda, it has remained a perpetual second-fiddle on an island the size of most small cities. ATN appears incapable of ever competing with regional foreign players such as Digicel. Bermuda, Guyana and just recently Turks and Caicos are the limit of ATN's mobile retail experience. If ATN's lack of success and diminishing market shares in Guyana and Bermuda are any indication of future performance in the United States, then ATN cannot be considered an effective competitor in the Georgia Cluster or in any of the other markets it seeks to acquire from Verizon.

B. The Scale and Scope of ATN's Other Retail Mobile Markets Pale in Comparison to the Georgia Cluster and the Rest of the Divestiture Markets in the United States.

As discussed above, ATN provides retail mobile service in only three markets, all of them outside the United States. However, because of the limited geographic size and population in those markets, the obstacles to providing competitive service in those foreign markets simply do not compare to the challenges facing ATN in the domestic mobile marketplace. While Guyana's population was 765,000 as of 2008, and the size of the country is roughly 85,000

²¹ In October 2008, ATN commenced competing against both Digicel and regional stalwart Cable & Wireless in the islands of the Turks and Caicos through its newly-acquired subsidiary *Islandcom Telecommunications*. See <http://www.tcgov.tc/info--ID--216.html>. *Islandcom Telecommunications* provides both CDMA and GSM services integrated into one network and is the third facilities-based mobile operator in Turks and Caicos. The dual network is capable of supporting both GSM and CDMA roamers visiting the island. <http://www.optimawireless.com/islandcom.php>.

square miles, the bulk of the population is concentrated in only 5% of the land area along the northern coast. ATN's mobile coverage is limited to this same region. This means that ATN is providing coverage to approximately 4,250 square miles of land. Bermuda and the Turks and Caicos are significantly smaller, with a combined land area of only 480 square miles and a total population of just over 100,000 people.

The divested markets that ATN is proposing to acquire from Verizon are spread out across six states: Georgia, Idaho, Illinois, Ohio, North Carolina, and South Carolina. These divested 26 markets include licenses that cover approximately 89,386 square miles. More importantly, ATN is slated to obtain approximately 800,000 former Alltel subscribers. This number exceeds the entire population of Guyana! The simple fact is that ATN has yet to manage a mobile network and retail customer base on the magnitude of these 26 markets.

Moreover, the entire Georgia 8 RSA, comprised of ten rural Georgia counties, covers approximately 6,800 square miles, an area almost 50% larger than the combined land mass of Guyana, Bermuda and Turks and Caicos. The Georgia Cluster further dwarfs ATN's collective overseas retail operations. ATN's anticipated ability to compete effectively in not just the Georgia 8 RSA and the Georgia Cluster, but across tens of thousands of square miles in five other states is highly suspect given its complete lack of wireless retail experience in the United States.

C. ATN's Lack of Retail Experience in the United States Will Severely Hinder Its Ability to Compete Effectively.

While Commnet, ATN's subsidiary, does have a respectful track record of managing facilities-based roam-only mobile networks in this country, it has no retail subscribers. The entire business model of Commnet is premised upon providing roaming coverage for mobile consumers who are by definition not in any one place for an extended period of time and who

have no loyalty to the serving mobile operator. Thus, network quality of service metrics, if any exist, are meaningless if they are to be compared against those of retail-based mobile operators. Furthermore, the management team of Commnet has no recent, direct experience in managing customer-centric matters such as point-of-sale operations, distribution, customer care, and marketing

Additionally, ATN has not publicly commented on whether personnel with retail management experience will be retained from the Alltel skeleton staff currently supervised by the Management Trustee, nor has ATN announced whether key personnel with similar experience from *Cellink/Cellink Plus*, *Cellular One of Bermuda* or *Islandcom* will be transferred to its domestic operations. There has also been no indication to the Georgia Partners that ATN is assembling any new management team to lead the domestic retail operations nor has ATN been forthcoming with any projections of its expected performance on the retail side should the transaction close. So while Commnet does have experience in managing the engineering-side of a mobile network, there is absolutely no indication that ATN will succeed in a retail-based environment on a scale significantly larger than its overseas operations.

The Georgia Partners have grave concerns regarding ATN's qualifications and ability to succeed as retail operators in the Georgia 8 RSA and the Georgia Cluster given ATN's total lack of experience in dealing with retail customers in rural Georgia. The Georgia Partners are long time telecommunications operators in rural Georgia. Each of the Georgia Partners is affiliated with rural telephone cooperatives which have served their rural Georgia communities for many decades. Most of the management team and employees of the Georgia Partners have lived and worked in rural Georgia their entire lives and understand the competitive mobile environment that ATN seeks to embark upon if this transaction goes forward. After meeting with ATN and having failed to receive any definitive information regarding the future retail operations, the

Georgia Partners have concluded that ATN is not fit to run a retail operation in the Georgia Cluster, including the Georgia 8 RSA, and have filed a lawsuit to prevent the transaction from occurring.²²

D. If ATN Overbuilds the Georgia Cluster With a GSM Roam-Only Network It Will Harm Existing Customers in Contravention of the Public Interest.

The entire business-model of Commnet is based upon revenue generated from a non-contiguous array of roam-only mobile networks. According to ATN's most recent annual report, Commnet's contribution to ATN's consolidated revenues "has grown from approximately 27% in 2006 to approximately 34% in 2008, and in 2008 Commnet was the single largest contributor to [ATN's] net income."²³ ATN is highly dependent upon Commnet remaining a cash-cow for its financial viability, and because Commnet has a history of deploying both GSM and CDMA networks to maximize its profit potential, there is no reason to believe it will not do the same in the Georgia 8 RSA or the rest of Georgia Cluster. In fact, when representatives of the Georgia Partners met with Lou Tomasetti, the President and CEO of Commnet, on July 2, 2009 in Statesboro, Georgia, Mr. Tomasetti informed the Georgia Partners that ATN was considering overbuilding rural portions of the Georgia Cluster, including the Georgia 8 RSA with a GSM roam-only network to capture revenue from GSM carriers in the area.

Existing Alltel customers in the Georgia Cluster utilize a mobile network operating on CDMA. However, in order to dedicate spectrum to a roam-only GSM network, ATN would have to *reduce* the amount of spectrum dedicated to the existing subscriber base causing the retail service to deteriorate.

²² See *Bulloch Cellular, Inc., Pineland Cellular, Inc., Planters Rural Cellular, Inc., and Plant Cellular RSA 8, Inc. v. Alltel Communications, LLC*, Civil Action No. 2009CV173298, filed in the Superior Court of Fulton County, State of Georgia. A copy of the Verified Complaint for Damages and Injunctive Relief filed in that proceeding on August 7, 2009 is attached hereto as Exhibit A. The Georgia Partners will provide the Commission with the voluminous attachments to the Complaint upon request.

²³ Annual Report (10-K) of Atlantic Tele-Network, Inc. (released March 16, 2009) at 37.

ATN's apparent willingness to harm the existing subscriber experience right off the bat suggests an intention not to support a robust retail experience. Considering ATN's historical reliance on a roam-only business model and stated intent to consider employing a GSM roam-only buildout strategy in Georgia RSA 8, coupled with ATN's dismal overseas retail record and the nominal per-subscriber price ATN has agreed to pay²⁴ there is mounting evidence that ATN has no real financial incentive to invest in the necessary marketing, advertising and work required to operate a successful retail business in the Georgia Cluster.

The Georgia Partners believe the proverbial handwriting is on the wall and that ATN will turn the divested assets into a "roam only" play when its stab at retail fails and the 800,000 subscribers churn away to Verizon and other U.S. carriers with retail experience. This makes ATN a poor selection as a purchaser. ATN's likely business strategy and its inexperience in the domestic retail wireless market, when coupled with the low price that Verizon is willing to accept, suggest that Verizon is more than aware that ATN is a weak competitor and that it intentionally selected a weak competitor among all of the other bidders who placed bids on the Georgia Cluster.

²⁴ Whereas AT&T has agreed to pay Verizon approximately \$1,560 per subscriber for the other divested Alltel properties, ATN has agreed to pay only \$250 per subscriber. See <http://www.fiercewireless.com/story/report-verizon-selling-alltel-assets-t-2-5b/2009-05-08>; AT&T Press Release (released May 8, 2009): <http://www.att.com/gen/press-room?pid=4800&cdvn=news&newsarticleid=26803>; <http://www.fiercewireless.com/story/atn-acquiring-some-verizons-alltel-assets-200m/2009-06-09>; ATN Press release (released June 9, 2009): http://www.atni.com/pr_web.php?nd=090609&pr=01. At the extremely low price of \$250 per subscriber, ATN is in a position to allow subscribers to fall prey to Verizon and other robust competitors who have established themselves in the retail market.

III. IN THE EVENT THE FCC DOES NOT DENY THE APPLICATIONS OR DESIGNATE THEM FOR HEARING, THE APPLICATIONS SHOULD BE HELD IN ABEYANCE PENDING A DETERMINATION OF WHETHER VERIZON HAS THE LEGAL ABILITY TO TRANSFER ITS OWNERSHIP INTEREST IN THE PARTNERSHIP.

There is a distinct legal cloud on Verizon's asserted ability to transfer its ownership interest in the Partnership and the Georgia Cluster to ATN. A lawsuit is pending in Georgia state court in which the Georgia Partners have sued Alltel for damages and injunctive relief based on, *inter alia*, Alltel's violation of the right of first refusal provision.²⁵ Without the lawful ability to transfer its ownership interest in the Partnership and the Georgia Cluster to ATN, Verizon has prematurely sought Commission approval to do so.²⁶ The Applications are unripe for Commission decision, and should therefore, in the event the Commission does not deny the applications or designate them for hearing, be held in abeyance pending resolution of the Georgia state court proceeding. Alternatively, the Commission may bifurcate this proceeding by holding in abeyance a determination on the merits of the proposed transfer of FCC licenses in the State of Georgia and ruling on the remaining licenses that are not affected by the cloud on transferability.

Adopting a decision on the merits of the Applications prior to a determination of whether Verizon has the lawful ability to engage fully in the proposed transaction would not only be an inefficient use of Commission resources, it would severely harm the Georgia Partners and disserve the public interest by signaling to the public that the government will condone the transfer of interests in FCC licenses that are not legitimately able to be transferred by the transferor.

²⁵ See footnote 23, *supra*.

²⁶ The Georgia Partners note that by failing to indicate the cloud on its title in the Partnership in its Applications, Verizon has misrepresented its ability to engage in the transaction for which it seeks Commission approval.

IV. CONCLUSION

For the foregoing reasons, the Commission is respectfully requested to deny the Applications or, in the alternative, designate them for hearing²⁷ to determine whether the proposed transfer to ATN serves the public interest as required by the Verizon/Alltel merger order. In the alternative, the Commission should hold the Applications (or, at a minimum, those in the Georgia Cluster) in abeyance pending judicial resolution of the issue of whether Verizon has the legal ability to transfer its ownership interest in the FCC licenses in the RSA 8 market to ATN.

Respectfully submitted,

**Bulloch Cellular, Inc.,
Pineland Cellular, Inc.,
Planters Rural Cellular, Inc. and
Plant Cellular RSA 8, Inc.**

/s/ Caressa D. Bennet

By: _____

Caressa D. Bennet
Michael R. Bennet
Daryl A. Zakov
Bennet & Bennet, PLLC
4350 East West Highway, Suite 201
Bethesda, MD 20814
(202) 371-1500

Their Attorneys

Date: August 10, 2009

²⁷ Additionally, the Commission should investigate the behavior of the Management Trustee to determine the role it may have played in harming the public interest by prematurely sending out letters to subscribers in the Georgia 8 RSA informing the subscriber base that ATN is acquiring Alltel in their market and that Verizon is taking over Alltel properties in neighboring areas. It is the Georgia Partners belief that the June 17, 2009 letter from Paul Bowersock, Senior Sales & Operations Leader (copy attached as Exhibit B) dated just eight days after Verizon announced the proposed sale to ATN has been written in a manner that causes confusion to subscribers and will cause subscribers to churn away from the Partnership's Georgia RSA 8 Cellular System. Apart from potentially harming the Partnership by distributing the letter, the Management Trustee had no right to send out the letter when the Georgia Partners had not yet acted on their contractual rights under the Partnership Agreement.

EXHIBIT A

IN THE SUPERIOR COURT OF FULTON COUNTY
STATE OF GEORGIA

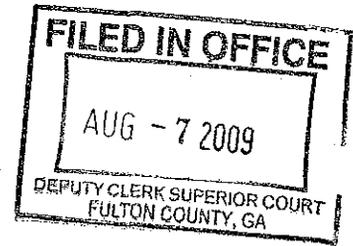
Bulloch Cellular, Inc., Pineland
Cellular, Inc., Planters Rural Cellular,
Inc., and Plant Cellular RSA 8, Inc.,

Plaintiffs,

vs.

Alltel Communications, LLC,

Defendant.



Civil Action No. 2009CV173298

VERIFIED COMPLAINT FOR DAMAGES AND INJUNCTIVE RELIEF

Plaintiffs Bulloch Cellular, Inc., Pineland Cellular, Inc., Plant Cellular RSA 8, Inc., and Planters Rural Cellular, Inc. hereby file their Verified Complaint For Damages and Injunctive Relief against Defendant Alltel Communications, LLC ("Alltel") and show the Court as follows:

INTRODUCTION AND SUMMARY

1.

Plaintiffs are the Georgia general partners of Georgia RSA #8 Partnership, a Georgia general partnership that holds a license to provide cellular service in ten southeast Georgia counties (the "Partnership"). Defendant Alltel is the other partner, and its parent company recently merged with Verizon Wireless. Because

the identity and commitment of each of the partners is critical for the Partnership's success, the Partnership Agreement requires each of the partners, before transferring its ownership interest in the Partnership ("Partnership Interest"), to give each of the other partners a right of first refusal.

2.

In this case, after its parent company agreed to merge with Verizon Wireless, Alltel promised Plaintiffs that it would do so upon Verizon Wireless's anticipated divestiture of Alltel's Partnership Interest, and other interests and assets in certain cellular markets located in Georgia (collectively called the "Georgia Cluster"). The divestiture was mandated for antitrust reasons by a settlement reached with the United States Justice Department. To maintain competition in those regions, including the Georgia Cluster, where Verizon Wireless and Alltel were the primary competitors, the Justice Department -- as a condition of approving the Verizon Wireless-Alltel merger -- required that the merged company divest itself of Alltel's interest in those regions. Thus, in early June of this year, in accordance with its settlement with the Justice Department, Verizon Wireless agreed to sell the Georgia Cluster, including Alltel's Partnership Interest, to Atlantic Tele-Network, Inc. ("ATNI"), a company with experience providing retail wireless service in Guyana, Bermuda and Turks and Caicos, but not in the United

States. Prior to reaching the agreement with ATNI, Alltel did not give Plaintiffs notice of that sale agreement or the right of first refusal.

3.

Then, on July 31, 2009, Alltel wrote Plaintiffs to inform Plaintiffs that it was Alltel's position that the anticipated sale of Alltel's Partnership Interest to ATNI did not trigger the right of first refusal in the Partnership Agreement. The reason the right of first refusal was not triggered, according to Alltel, was that Alltel, Verizon Wireless and ATNI had devised a way to transfer Alltel's Partnership Interest to a shell company, and the shell company would then be sold to ATNI. The result of these corporate gymnastics, according to Alltel, was that Plaintiffs' rights of first refusal did not apply.

4.

Although Alltel repudiated its obligation to give Plaintiffs a right of first refusal, Alltel did offer to sell its Partnership Interest to the Partners at a price that far exceeds the price that ATNI is paying for the assets.

5.

Because an actual transfer of Alltel's Partnership Interest will cause Plaintiffs irreparable harm, and because Alltel has separately breached the Partnership Agreement and violated fiduciary duties numerous times causing

Plaintiffs actual damages, Plaintiffs bring this action for injunctive relief and damages.

THE PARTIES, JURISDICTION AND VENUE

6.

Plaintiff Bulloch Cellular, Inc. (“Bulloch”) is a Georgia corporation with its principal place of business in Bulloch County, Georgia.

7.

Plaintiff Pineland Cellular, Inc. (“Pineland”) and Plaintiff Plant Cellular RSA 8, Inc., a wholly-owned subsidiary of Pineland (“Plant”), are both Georgia corporations with their respective principal places of business in Candler County, Georgia.

8.

Plaintiff Planters Rural Cellular, Inc. (“Planters”) is a Georgia corporation with its principal place of business in Screven County, Georgia. (Bulloch, Pineland, Plant and Planters are sometimes hereinafter collectively referred to as “Plaintiffs”).

9.

Each Plaintiff is a for-profit corporation that is ultimately owned by a consumer-owned cooperative.

10.

Defendant Alltel Communications, LLC is a Delaware limited liability company and is located and does business in Fulton County, Georgia.

11.

Alltel may be served by service upon its registered agent: CT Corporation System, 1201 Peachtree Street, N.E., Atlanta, Fulton County, Georgia 30361.

12.

Venue in this Court is proper under Georgia law, because, among other reasons, Alltel is located and does business in this county. This Court also has subject matter jurisdiction over this dispute.

FACTUAL BACKGROUND

13.

Plaintiffs and Alltel are each general partners (each a "Partner" and collectively, the "Partners") in Georgia RSA #8 Partnership, a Georgia general partnership, which was formed in November 1989, and which, by its terms, is governed by Georgia law.

14.

A true and correct copy of the Partnership Agreement for the Partnership, dated November 2, 1989, as amended and restated on April 12, 1991 and thereafter (the "Partnership Agreement"), is attached hereto as Exhibit A.

15.

Since 1991, the Partnership has held a license from the Federal Communications Commission (the "FCC") to provide cellular telecommunications service on the "B" frequency in a geographical area designated by the FCC as Georgia Rural Service Area ("RSA") No. 8 ("RSA 8") by virtue of FCC MOBILE RADIO AUTHORIZATION (FCC Form 463) issued January 14, 1991, FCC File No. 07706-CL-MP-91, Call Sign KNKN899, System Identification Number 1142. The Partnership also holds numerous FCC point to point microwave licenses that are used in conjunction with the operations of the cellular telecommunications services.

16.

Section 2.2 of the Partnership Agreement summarizes the purpose of the Partnership by stating: "The purpose and scope of the Partnership shall be to design, develop, construct, own, manage, operate and maintain, itself or in conjunction with others, a Cellular System in [RSA 8], to market the services thereof on both a retail and a wholesale basis, including without implied limitation selling, leasing or otherwise offering to the public terminal equipment, and to engage in activities ancillary thereto."

17.

RSA 8 is a rural service area that is comprised of ten southeast Georgia counties: Bulloch, Burke, Candler, Emanuel, Glascock, Jefferson, Jenkins, Screven, Treutlen and Warren.

18.

This litigation arises in part out of the breach by Alltel of the right of first refusal provision set forth in the Partnership Agreement at Section 7.2 (the "Right of First Refusal Provision"), which states, in part:

No Partner shall sell, transfer or assign its interest in the Partnership to any other Partner or to a third party except after giving the other Partners a right of first refusal to acquire such interest. Any Partner desiring to transfer its interest, in accordance with Section 7.1 [of the Partnership Agreement], shall *first* offer such interest to the other Partners, by written notice, at the same price and upon the same terms offered by a bona fide purchaser. In the event that the price or other terms are unique to the proposed purchasing Partner or to the third party transferee, the other Partners shall be entitled to match such terms or conditions with economically equivalent terms or conditions. Such written notice shall specify the interest to be conveyed, the terms and conditions on which such conveyance is proposed to be made, and the identity of such purchaser. During a period of fifteen (15) days after such written notice is received, the other Partners shall have the exclusive right to purchase on a pro rata basis such interest upon the terms and conditions provided. Interests proposed to be sold which are not purchased by one of the Partners shall then be offered to the other Partners on a pro rata basis for a period of fifteen (15) days. Should such Partner or Partners elect not to acquire the interest, the terms and conditions for the sale to the bona fide purchaser may not be renegotiated or modified, without first re-offering the interest upon the modified terms and conditions to the other Partner or Partners for the periods specified above. Thereafter, such interest may be transferred. The sale of an interest to a Partner or to a third party must

be in its entirety unless the remaining Partners agree otherwise.
[Emphasis supplied.]

19.

Pursuant to Section 7.2 of the Partnership Agreement, a selling Partner has several obligations, which include:

(a) Prior to selling, transferring or assigning such Partner's Partnership Interest to a third party bona fide offeror ("Third Party Offeror"), the selling Partner must *first* offer such interest to the other Partners, by written notice, which notice must specify the interest to be conveyed, the terms and conditions on which such conveyance is proposed to be made, and the identity of the Third Party Offeror;

(b) The selling Partner's written notice must offer its Partnership Interest to the other Partners at the same price and upon the same terms offered by a Third Party Offeror; and,

(c) If the Third Party Offeror's offer contains terms that are unique to the Third Party Offeror, the selling Partner must allow the non-selling Partners to match such unique terms with economically equivalent terms.

20.

Section 8.4 of the Partnership Agreement is entitled "Material Breaches" and provides in pertinent part:

In the event that any Partner materially breaches any material covenant, representation, or warranty hereunder which is not cured within thirty (30) days after notice is provided to such Partner,...then the other Partners shall automatically become entitled to purchase (in proportion to the respective ownership interests of the Partners electing to purchase or as otherwise agreed by them), either directly or through one or more Affiliates, the [O]wnership Interest of the Partner committing such Material Breach for an aggregate amount equal to 75% of the then 'fair market value' of that Ownership Interest....

The Management Agreement

21.

In addition to the fiduciary duties imposed by Georgia law upon Alltel as a Partner in the Partnership, Alltel has undertaken particularly high fiduciary duties with respect to its Partners in the Partnership because, for over the past fifteen years, it has served as the sole Manager of the Partnership and has managed all of the Partnership's business.

22.

As such, Alltel entered into the Management Agreement, which has been in existence since the formation of the Partnership (the most recent copy of which is attached as Exhibit B), under which Alltel basically operates all of the Partnership's "cellular system" and business, including entering into all third party contracts on behalf of the Partnership as its agent, billing and collecting all accounts, assuring that the Partnership performs all of its duties and obligations,

and a host of other specific duties set out in Articles 2 and 3 of the Management Agreement.

23.

In addition to the normal profit distributions that it would receive as a Partner of the Partnership, pursuant to the terms of the Management Agreement, Alltel received reimbursement of all costs, and a fee of about \$2 million every year for performance of its management duties. The Management Agreement recognizes that, as Manager, Alltel will hold property critical to the operation of the Partnership's cellular system, and that an orderly and lengthy transition will be required if a new party becomes Manager.

24.

Under Article 12 of the Management Agreement, Alltel may not assign its rights and duties under the Management Agreement to a third party without the prior consent of Plaintiffs.

Alltel Corporation's Merger With Verizon Wireless

25.

On June 5, 2008, without any notice to or consultation with Plaintiffs, Cellco Partnership d/b/a Verizon Wireless (together with its subsidiaries "Verizon Wireless"), entered into an Agreement and Plan of Merger (the "Merger Agreement") with Alltel Corporation ("Alltel Parent"), Atlantis Holdings, LLC

("Atlantis"), and other entities. The transactions contemplated by the Merger Agreement will be referred to as the "Alltel Merger".

26.

The Alltel Merger is described in the FCC Memorandum Opinion and Order and Declaratory Ruling, adopted by the FCC on November 4, 2008, and released on November 10, 2008 (FCC 08-258) (the "FCC Order"). A true and correct copy of the FCC Order is attached as Exhibit C.

27.

At the time that Alltel Parent entered into the Merger Agreement, it was the parent company of Alltel, and Atlantis was the parent company of Alltel Parent.

28.

Pursuant to the Merger Agreement, Verizon Wireless (through AirTouch Cellular, an indirect wholly-owned subsidiary of Verizon Wireless) agreed to acquire 100 percent of the equity of Alltel Parent. To effect the Alltel Merger, Abraham Merger Corporation, an indirect subsidiary of Verizon Wireless, would merge with and into Alltel Parent, and Alltel Parent would continue its corporate existence as an indirect wholly-owned subsidiary of Verizon Wireless.

29.

Under the Merger Agreement, upon the consummation of the Alltel Merger, all licenses, spectrum leasing arrangements, authorizations and assets held by

Atlantis through Alltel Parent and Alltel Parent's subsidiaries, including Alltel, would be controlled by Verizon Wireless.

30.

The Antitrust Division of the Department of Justice reviews telecommunications mergers pursuant to section 7 of the Clayton Act (15 U.S.C. § 18), which prohibits mergers that may substantially lessen competition.

31.

Specifically, on October 30, 2008, the Justice Department and several states filed suit (the "Justice Department Lawsuit") to block the entire Alltel Merger on grounds that the Alltel Merger would result in anti-competitive effects in certain cellular markets, including the Georgia Cluster. The Justice Department Lawsuit was filed in the United States District Court for the District of Columbia (the "DC Court") (Case No. 1:08-cv-01878 (EGS)).

32.

The Justice Department, the other plaintiffs in the Justice Department Lawsuit, Verizon Wireless and Alltel Parent had already agreed on the terms of a proposed settlement at the time of the filing of the Justice Department Lawsuit (as a result of negotiations carried on without Plaintiffs).

33.

Accordingly, among the documents filed in the Justice Department Lawsuit on October 30, 2008, was a jointly filed proposed Final Judgment (the "Proposed Consent Judgment"), which allowed the Alltel Merger to proceed subject to Verizon Wireless and Alltel Parent's divestiture of business units and related assets in 105 specified cellular markets, including all of the Georgia Cluster, in which Alltel Parent owned business units and related assets (collectively, the "Divestiture Assets").

34.

Plaintiffs first learned that the Alltel Merger would, by necessity, result in the further divestiture of Alltel's Partnership Interest as a result of the filing of the Justice Department Lawsuit.

35.

Upon learning that Alltel's divestiture of its Partnership Interest was a condition to Justice Department approval of the Alltel Merger, Plaintiffs immediately sought assurance that Alltel would honor its obligations as a general partner of the Partnership and as Manager of the Partnership, including Alltel's obligations to allow Plaintiffs to exercise their rights of first refusal under the Right of First Refusal Provision.

36.

On November 3, 2008, prior to the consummation of the Alltel Merger, Dennis Lewis, an officer of Plaintiff Bulloch, the Managing Partner of the Partnership, sent a letter on behalf of Plaintiffs to Alltel, a true and correct of which is attached hereto as Exhibit D.

37.

In his November 3rd letter, Mr. Lewis stated that Plaintiffs had not waived any rights under the Partnership Agreement, including those related to transfers of Partnership Interests. Mr. Lewis specifically noted that Plaintiffs looked forward to receiving timely notice of Alltel's anticipated transfer of its Partnership Interest to Verizon Wireless or any other third party.

38.

On November 20, 2008, Defendant Alltel, through Charles Schuchard, Vice President of Operations and Finance/Legal and Risk, sent a letter to Mr. Lewis. A true and correct copy of which is attached hereto as Exhibit E.

39.

Mr. Schuchard's November 20th letter states in pertinent part:

We appreciate your concerns regarding this matter. Alltel is attentive to and seeks to comply with its obligations under the Georgia RSA #8 Partnership Agreement.... Due to divestiture requirements arising under the DOJ consent decree and the FCC order governing Verizon's purchase of Atlantis Holdings, LLC's...controlling ownership interest in Alltel, we note that Alltel's interest in the Partnership will not be

directly acquired by Verizon but will, rather, be placed in trust pending sale to a third party not owned or affiliated with Verizon. It is therefore Alltel's position that the Partners' rights of first refusal ('ROFR') have not been triggered to date by virtue of the Verizon transaction with Atlantis, nor will the ROFR be triggered by the placement of the Alltel interest into trust as Verizon will not be permitted to...take control of Alltel's interest in the Partnership.... Essentially, Alltel will continue to manage the interest in the Partnership. At such time as the sale of the interest to a third party is agreed to, any obligations and notices that are triggered as a consequence of the ROFRs will be addressed with the Partnership, and each of the Partners. [Emphasis supplied.]

40.

Alltel thereby assured Plaintiffs that, at the time an agreement with a third party to sell Alltel's Partnership Interest was reached, Alltel would comply with its obligations under Section 7.2 of the Partnership Agreement.

41.

To allow the Alltel Merger to go forward as to properties unrelated to the Divestiture Assets, Plaintiffs consented to the limited interim assignment of Alltel's voting rights in the Partnership (but not Alltel's Partnership Interest itself) and Alltel's rights and duties under the Management Agreement, to a court-appointed management trustee ("Management Trustee"), subject to Alltel expressly agreeing to be responsible for the Management Trustee's performance of the Management Agreement. A copy of that interim consent is attached as Exhibit F.

42.

Meanwhile, following the completion of the procedures required by the Antitrust Procedures and Penalties Act, 15 U.S.C. §§ 16(b)-(h), the DC Court entered the Proposed Consent Judgment, without a hearing, as a final consent judgment on April 24, 2009 (the "Consent Judgment"). A copy of the Consent Judgment entered by the DC Court is attached hereto as Exhibit G.

43.

Under the terms of the Consent Judgment, Verizon Wireless was prohibited from controlling or managing the Divestiture Assets. The control and management of the Divestiture Assets were transferred to the Management Trustee, and Verizon Wireless was required to seek a third-party buyer. The Consent Judgment allowed Verizon Wireless, with Department of Justice approval, to sell all of the Divestiture Assets to a third-party on or before May 9, 2009 (which deadline was subsequently extended by the Justice Department to the later of July 8, 2009 or five days after FCC approval of the transfer of the licenses included among the Divestiture Assets).

44.

Accordingly, the Consent Judgment required that Alltel divest itself not only of its Partnership Interest, but also of its interest as Manager under the Management Agreement.

45.

Further, the Consent Judgment divided the Divestiture Assets into eighteen geographic "clusters" of assets (of which the Georgia assets were specifically defined as a "Cluster"), and required that each Cluster must be sold as a unit. In other words, under the terms of the settlement and Consent Judgment that Alltel Parent and others proposed with the Justice Department, all of the Georgia Cluster, including Alltel's Partnership Interest and its rights and duties under the Management Agreement, had to be sold as a group to a single acquirer, as an express condition and term of the sale to any third party.

46.

In addition to RSA 8, the Georgia Cluster included: Albany MSA (CMA 261), GA RSA 6 (CMA 376), GA RSA 7 (CMA 377), GA RSA 9 (CMA 379), GA RSA 10 (CMA 380), GA RSA 12 (CMA 382) and GA RSA 13 (CMA 383). Thus, by April, 2009 -- at the latest -- Alltel knew that the Georgia Cluster, including Alltel's Partnership Interest, would be sold, that such a sale would trigger Plaintiffs' rights under the Right of First Refusal Provision of the Partnership Agreement, and that under the terms of that proposed sale, all of the Georgia Cluster must be sold and operated as one unit.

47.

Plaintiffs have at all relevant times been ready, willing and able to exercise their rights of first refusal and, in accordance with the terms of the Consent Judgment, purchase the Georgia Cluster. To that end, since learning that the Alltel Merger would result in their rights of first refusal being triggered, Plaintiffs have engaged in serious discussions with other major national retail cellular service providers concerning the Partnership. At least one such service provider has expressed substantial interest in joining the Partnership as a new partner and assuming Alltel's role as Manager of the Partnership, once Plaintiffs exercise their rights of first refusal and purchase the Georgia Cluster.

48.

However, on at least one occasion, Verizon Wireless and Alltel Parent have not permitted such a cellular service provider engaged in discussions with Plaintiffs to review due diligence documentation regarding the Divestiture Assets (specifically, the Georgia Cluster) contained in a data room maintained by Verizon Wireless for potential purchasers of the Divestiture Assets.

Proposed Sale of Georgia Cluster to Atlantic Tele-Network, Inc.

49.

On January 9, 2009, the Alltel Merger closed, making Alltel an indirect wholly owned subsidiary of Verizon Wireless. Alltel's Partnership Interest itself remains owned by Alltel. The right of Alltel to vote its Partnership Interest is

being held by the Management Trustee at this time along with the Management Agreement pertaining to the operation of the Partnership.

50.

On June 9, 2009, Verizon Wireless entered into an agreement with ATNI (the "ATNI Purchase Agreement"), pursuant to which ATNI agreed to purchase from Verizon Wireless certain Divestiture Assets, including the Georgia Cluster, for \$200 million, a price of approximately \$250 per wireless subscriber.

51.

A true and correct copy of the ATNI Purchase Agreement as filed with the Securities and Exchange Commission on June 15, 2009 (without any of the important schedules to such agreement) is attached hereto as Exhibit H.

52.

Pursuant to the terms of the ATNI Purchase Agreement, Verizon Wireless undertakes to cause certain licenses, network assets, tower and other leases and other assets and certain related liabilities to be contributed to a newly formed, wholly-owned subsidiary limited liability company ("Newco"), whose membership interests are then to be acquired by ATNI for a purchase price of approximately \$200 million, or approximately \$250 per wireless subscriber. Those assets to be transferred by Alltel to Newco are to include all of the Georgia Cluster, including

Alltel's Partnership Interest and the Management Agreement, as well as all other assets controlled by Alltel which are necessary to operate the Georgia Cluster.

53.

ATNI's 8-K filed with the SEC on June 15, 2009 specifically notes that, under the terms and conditions of the Consent Judgment, Verizon Wireless is required to divest all of the assets to be purchased by ATNI.

54.

Pursuant to the terms of the ATNI Purchase Agreement, the transaction between Verizon Wireless and ATNI is described as a purchase of limited liability company membership interests, which shall be structured in the following manner:

a) Verizon Wireless will cause the entities that own and operate the Divestiture Assets being purchased by ATNI to transfer such assets to Newco, which, in turn, is wholly owned by a Delaware limited liability company to be formed by one or more of Verizon Wireless's subsidiaries and/or affiliate companies ("Newco Parent").

b) ATNI will then purchase from Newco Parent all right, title and interest in its membership interest in Newco.

c) ATNI's purchase of the Newco membership interests will cause control and equitable ownership of the Divestiture Assets held by Newco to be transferred to ATNI.

d) Newco itself is specifically created as a “shell” entity. Under Section 2.1 of the ATNI Purchase Agreement, Newco must be organized specifically for the purpose of consummating the transfer of the assets, including Alltel’s Partnership Interest, from Verizon Wireless to ATNI. To assure that Newco is a shell and an entity formed specifically for the purpose of consummating the Verizon Wireless-ATNI transaction, Verizon Wireless must warrant under Section 3.5(b) of the ATNI Purchase Agreement that, prior to the transfer of the Divestiture Assets to Newco, Newco had no assets, debts or other liabilities and never conducted any business.

55.

Despite Alltel’s assurance in the November 20, 2008 letter that Alltel would comply with the Right of First Refusal Provision before any agreement to sell Alltel’s Partnership Interest was reached, Alltel did *not* give notice to Plaintiffs of the ATNI Purchase Agreement until *almost two months* had passed, and even then Alltel utterly failed to comply with the provisions of the Partnership Agreement.

56.

On August 3, 2009, Plaintiffs received a July 31, 2009 letter (the “July 31, 2009 letter”) from Alltel purportedly regarding “Notice of Offer to Sell.” A true and correct copy of the July 31, 2009 letter is attached hereto as Exhibit I.

57.

In the July 31, 2009 letter, Alltel took the position that the transfer of Alltel's Partnership Interest to ATNI *did not* give rise to the Right of First Refusal Provision under Section 7.2 of the Partnership Agreement.

58.

Alltel stated in the July 31, 2009 letter that the ATNI Purchase Agreement did not trigger the Right of First Refusal Provision “[a]s a result of the structure of the transactions contemplated by the Purchase Agreements,” pointing out:

On June 9, 2009, Verizon Wireless entered into a Purchase Agreement with Atlantic Tele-Network, Inc. ('ATN') (the 'Purchase Agreement'), pursuant to which Verizon Wireless agreed to transfer, and cause certain of its subsidiaries to transfer, certain assets, including the [RSA 8 Partnership] Interest, to a newly formed limited liability company ('Newco'), and then to sell all of the ownership interest in Newco to ATN.

59.

By structuring the transaction in this complex manner, Alltel claims, Alltel has avoided its fiduciary and contractual obligations under Georgia law to its partners to comply with the Right of First Refusal Provision of the Partnership Agreement.

60.

Though specifically repudiating its obligations under the Partnership Agreement, in the July 31, 2009 letter Alltel states that it will voluntarily give each

of the Plaintiffs the opportunity to purchase its pro rata share of Alltel's Partnership Interest at a price purportedly calculated based upon a \$650 per subscriber price (the "Alltel Offer"). On information and belief, the \$650 per subscriber offer, which is the price allowed in the ATNI Purchase Agreement, was negotiated by the parties to the ATNI Purchase Agreement specifically in order to deny Plaintiffs their economic right to acquire such interest for the actual contract price of approximately \$250 per wireless subscriber.

61.

The Alltel Offer does not comply with Alltel's obligations under the Partnership Agreement in many respects, including the following:

a) It is made in conjunction with a statement by Alltel giving notice that Alltel has no intention of complying with Section 7.2 of the Partnership Agreement;

b) The Alltel Offer is late: Alltel was obligated to give notice of the ATNI Purchase Agreement and an offer to its partners as soon as an agreement was reached with ATNI, which was, at the very latest, June 9, 2009;

c) The offer does not provide the full terms of the ATNI Purchase Agreement and, accordingly, does not provide, by written notice, "the same price and the same terms offered by a bona fide purchaser";

d) The offer is not at the same price: the offered price is almost three times more than the average price to be paid by ATNI for the purchased assets;

e) The offer does not grant to Plaintiffs the right to match the terms and conditions of the ATNI Purchase Agreement with economically equivalent terms and conditions.

62.

The Alltel Offer, as currently framed, also is not genuine because Alltel has no intention of selling the offered assets to any of the Plaintiffs because to do so would require Alltel's ultimate parent, Verizon Wireless, to breach its obligation under the Consent Judgment, which, by its terms and conditions, prohibits the sale of Alltel's Partnership Interest except as a unit with the entire Georgia Cluster.

63.

All conditions precedent to the bringing of this action have been satisfied or have occurred.

COUNT I: TEMPORARY, PRELIMINARY AND PERMANENT

INJUNCTIVE RELIEF

64.

Plaintiffs incorporate by reference the allegations in paragraphs 1 through 63 above.

65.

Plaintiffs do not seek injunctive relief with respect to the Alltel Merger with Verizon Wireless, but do seek to enjoin the transactions contemplated by the ATNI Purchase Agreement as they relate to the Georgia Cluster.

66.

Plaintiffs, as owners of 66.67% of the Partnership, have a unique interest in ensuring that Alltel's Partnership Interest is transferred to an entity that would be beneficial to the Partnership and would promote real competition in the Georgia Cluster -- either to Plaintiffs or to a qualified company acceptable to all of the Partners that has substantial retail wireless experience in the United States. Unless the transfer of the Georgia Cluster is enjoined, Plaintiffs will suffer irreparable harm.

67.

Having waited so long to give Plaintiffs notice of the ATNI Purchase Agreement, and then having repudiated its obligations under the Right of First Refusal Provision on the basis of a sham transaction, Alltel has no equities that would weigh against the granting of injunctive relief.

68.

Plaintiffs are accordingly entitled to a temporary restraining order and a preliminary injunction to preserve the status quo until this litigation has been

completed and then a final permanent injunction precluding Alltel from selling the Georgia Cluster unless and until it has fully complied with the Right of First Refusal Provision and has offered to sell the Georgia Cluster to Plaintiffs at the price of approximately \$250 per wireless subscriber and on the same other terms and conditions as the proposed sale of the Georgia Cluster to ATNI.

COUNT II: BREACH OF FIDUCIARY DUTY

69.

Plaintiffs incorporate by reference the allegations in paragraphs 1 through 68 above.

70.

By its express terms, Georgia law governs the duties of the Partners in the Partnership.

71.

Plaintiffs and Alltel are all general partners in the Georgia general partnership. As a general partner, under Georgia law, Alltel owes Plaintiffs certain fiduciary duties arising out of the Partnership Agreement, as well as the Management Agreement.

72.

Specifically, Alltel, as a general partner of the Partnership, had and has the following obligations and duties to Plaintiffs, among others: the duty of utmost

good faith in all respects; the duty of complete candor and honesty; the affirmative duty to keep Plaintiffs informed as to Alltel's intentions with respect to the Alltel Merger, the Verizon Wireless-ATNI transaction and the transfer of Alltel's Partnership Interest and the Management Agreement.

73.

Alltel has blatantly breached its fiduciary duties to Plaintiffs through its secrecy and attempts to circumvent Plaintiffs' contractual rights of first refusal as evidenced by, inter alia, (1) structuring the ATNI Purchase Agreement in such a way so as to attempt to evade the operation of the Right of First Refusal Provision; (2) refusing and failing to make an offer to Plaintiffs that had a chance of passing regulatory muster by including sale of the entire Georgia Cluster to Plaintiffs; (3) waiting almost two months to give Plaintiffs notice of the ATNI Purchase Agreement and then not providing the entire Agreement; (4) not making the Alltel Offer for a fair price; (5) not accurately disclosing the true basis of the price of the Alltel Offer; and (6) falsely and intentionally inflating the price offered to its Partners, Plaintiffs herein.

74.

As a result of Alltel's breach of its fiduciary duties, Plaintiffs are entitled to actual and punitive damages in amounts to be proven at trial.

COUNT III - BREACH OF CONTRACT
BREACH OF RIGHT OF FIRST REFUSAL PROVISION

75.

Plaintiffs incorporate by reference the allegations in paragraphs 1 through 74 above.

76.

Alltel's haughty acts toward Plaintiffs have resulted in Alltel's breach of the Partnership Agreement in many respects, including:

a) The Alltel Offer contains a statement by Alltel giving notice that Alltel has no intention of complying with Section 7.2 of the Partnership Agreement;

b) The Alltel Offer is late: Alltel was obligated to give notice of the ATNI Purchase Agreement and an offer to its partners as soon as an agreement was reached with ATNI, which was, at the very latest, June 9, 2009;

c) The Alltel Offer does not provide the full terms of the ATNI Purchase Agreement and accordingly does not provide, by written notice, "the same price and the same terms offered by a bona fide purchaser";

d) The Alltel Offer is not at the same price: the offered price is about three times more than the average price to be paid by ATNI for the purchased assets;

e) The Alltel Offer does not grant to Plaintiffs the right to match the terms and conditions of the ATNI Purchase Agreement with economically equivalent terms and conditions, and does not offer the entire Georgia Cluster as required by the terms and conditions agreed to by Alltel and memorialized in the Consent Judgment.

77.

Alltel's breaches, by themselves and in the aggregate, if not cured, will result in a material breach of a material covenant of the Partnership Agreement, which breach will entitle Plaintiffs to purchase Alltel's Partnership Interest at 75 percent of fair market value.

78.

Based upon the actions described above, and as will additionally be shown at trial, Plaintiffs are entitled to recover the actual damages suffered in an amount to be shown at trial.

COUNT IV

BREACH OF COVENANT OF GOOD FAITH AND FAIR DEALING

79.

Plaintiffs incorporate by reference the allegations in paragraphs 1 through 78 above.

80.

Under Georgia law, there is implied into every contract a covenant of good faith and fair dealing.

81.

Alltel has blatantly breached this covenant in many respects by: (a) secretly agreeing to transfer its Partnership Interest to Newco, (b) failing to give Plaintiffs written notice detailing the transaction between Verizon Wireless and ATNI, (c) pooling Alltel's Partnership Interest with other Divestiture Assets, all of which ultimately are planned to be sold together as a package of assets to ATNI, thus making it difficult for Plaintiffs to match ATNI's offer terms in accordance with Plaintiffs' rights of first refusal, and (d) committing itself to transfer its Partnership Interest to ATNI in breach of Plaintiffs' rights of first refusal.

82.

Alltel's breach of the implied covenant of good faith and fair dealing has resulted in a material breach of the Partnership Agreement, which breach if not cured entitles Plaintiffs to purchase Alltel's Partnership Interest at 75 percent of fair market value.

83.

Based upon the actions described above, and as will additionally be shown at trial, Plaintiffs are entitled to recover the actual damages suffered in an amount to be shown at trial.

COUNT V

**SPECIFIC PERFORMANCE AS TO THE GEORGIA CLUSTER
INCLUDING ALLTEL'S PARTNERSHIP INTEREST**

84.

Plaintiffs repeat and incorporate by reference as if fully stated herein the allegations in paragraphs 1 through 83 above.

85.

The Partnership Agreement is a valid and enforceable contract between Alltel and Plaintiffs and their respective successors and permitted assigns.

86.

Plaintiffs have at all times performed all of their obligations under the Partnership Agreement, and have at all relevant times desired to exercise the rights of first refusal conferred upon them by the Partnership Agreement. Plaintiffs remain ready, willing and able to exercise such rights and to acquire the Georgia Cluster on the terms and conditions required by the Consent Judgment and for a price equal to the price per subscriber to be paid by ATNI.

87.

Alltel's Partnership Interest and Alltel's assets and business interests related to all of the Georgia Cluster are unique.

88.

No adequate remedy at law exists to compensate Plaintiffs for Alltel's breach of the Partnership Agreement.

89.

Specific and full performance of Alltel's obligation to offer to Plaintiffs to purchase the Georgia Cluster, at a fair price, will provide substantial relief for Alltel's wrongful conduct and comply fully with the Consent Judgment.

90.

Plaintiffs are therefore entitled to an order requiring Alltel to specifically perform its obligations under the Partnership Agreement by offering to sell to Plaintiffs, on the same terms and price as has been offered to ATNI, Alltel's Partnership Interest and the rest of the Georgia Cluster.

COUNT VI

PUNITIVE DAMAGES

91.

Plaintiffs repeat and incorporate by reference as if fully stated herein the allegations in paragraphs 1 through 90 above.

92.

The actions of Alltel, as set out above, demonstrate that such conduct was the result of willful misconduct, malice, wantonness, oppression or that want of care that would raise the presumption of conscious indifference to the consequences.

93.

Alltel has acted knowingly and willfully with the specific intention to cause Plaintiffs harm.

94.

Plaintiffs are entitled to judgment against Alltel for punitive damages pursuant to O.C.G.A. § 51-12-5.1 in an amount to be proven at trial.

COUNT VII

ATTORNEY'S FEES

95.

Plaintiffs incorporate by reference the allegations in paragraphs 1 through 94 above.

96.

Alltel has acted in bad faith, has been stubbornly litigious, and has caused Plaintiffs unnecessary trouble and expense.

Plaintiffs are entitled to recover their attorney's fees and expenses of litigation pursuant to O.C.G.A. § 13-6-11, in an amount to be proven at trial.

WHEREFORE, Plaintiffs request and pray that process issue against Alltel and that judgment be entered in favor of Plaintiffs and against Alltel, as follows:

(A) A temporary restraining order and a preliminary injunction to preserve the status quo until this litigation has been completed and then a final permanent injunction precluding Alltel from selling the Georgia Cluster unless and until it has fully complied with the Right of First Refusal Provision and has offered to sell the Georgia Cluster to Plaintiffs at the price of approximately \$250 per subscriber and on the same other terms and conditions as the proposed sale of the Georgia Cluster to ATNI;

(B) An award of damages for Alltel's breach of contract and breach of its covenant of good faith and fair dealing, in an amount to be proven at trial;

(C) An award of damages for Alltel's breach of fiduciary duty in an amount to be proven at trial;

(D) An award of punitive damages as is just under the circumstances as determined by the enlightened conscience of the jury;

(E) An award of attorney's fees;

(F) Such other and further relief that is warranted under the circumstances; and

(G) That this case be tried to a Jury.

**IN THE SUPERIOR COURT OF FULTON COUNTY
STATE OF GEORGIA**

Bulloch Cellular, Inc., Pineland
Cellular, Inc., and Planters Rural
Cellular, Inc.,

Plaintiffs,

vs.

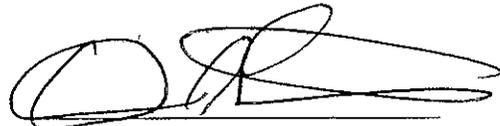
Civil Action No.

Alltel Communications, LLC,

Defendant.

VERIFICATION

Dennis Lewis declares that he is the General Manager of Bulloch Cellular, Inc., and authorized to make this verification on behalf of Bulloch Cellular, Inc.; that he has read the foregoing Verified Complaint for Damages and Injunctive Relief; and that the facts contained herein are true and correct to the best of his knowledge, information, and belief.



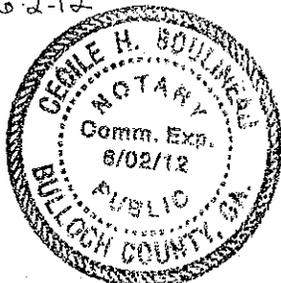
Dennis Lewis

SUBSCRIBED AND SWORN TO
before me this 6th day of August, 2009.

Cecile H. Boulmeau

Notary Public

My commission expires: 6-2-12



IN THE SUPERIOR COURT OF FULTON COUNTY
STATE OF GEORGIA

Bulloch Cellular, Inc., Pineland
Cellular, Inc., and Planters Rural
Cellular, Inc.,

Plaintiffs,

vs.

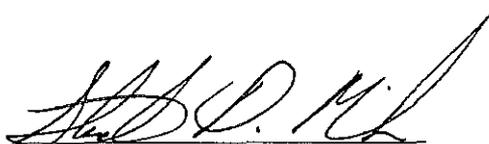
Civil Action No.

Alltel Communications, LLC,

Defendant.

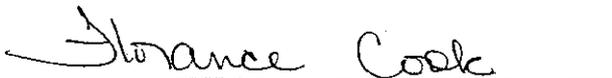
VERIFICATION

Stephen Milner declares that he is the General Manager of Planters Rural Cellular, Inc., and authorized to make this verification on behalf of Planters Rural Cellular, Inc.; that he has read the foregoing Verified Complaint for Damages and Injunctive Relief; and that the facts contained herein are true and correct to the best of his knowledge, information, and belief.



Stephen Milner

SUBSCRIBED AND SWORN TO
before me this 6th day of August, 2009.



Notary Public

My commission expires: June 5, 2011



IN THE SUPERIOR COURT OF FULTON COUNTY
STATE OF GEORGIA

Bulloch Cellular, Inc., et al.

Plaintiffs,

vs.

Alltel Communications, LLC,

Defendant.

Civil Action No.

VERIFICATION

Richard Price declares that he is the General Manager of both of Pineland Cellular, Inc. and Plant Cellular RSA 8, Inc., and is authorized to make this verification on behalf of Pineland Cellular, Inc. and Plant Cellular RSA 8, Inc.; that he has read the foregoing Verified Complaint for Damages and Injunctive Relief; and that the facts contained herein are true and correct to the best of his knowledge, information, and belief.

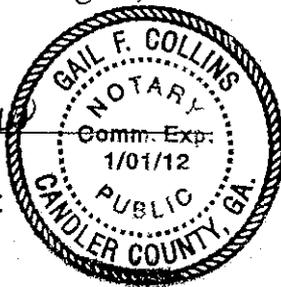
Richard P. Price
Richard Price

SUBSCRIBED AND SWORN TO
before me this 6 day of August, 2009.

Gail F. Collins

Notary Public

My commission expires:



This 7th day of August, 2009.



Bruce P. Brown
Georgia Bar No. 064460



F.T. Davis, Jr.
Georgia Bar No. 208500

EXHIBIT B

June 17, 2009



Our customers make us better.

**Still Alltel.
Still committed to you.**

(0088167)*000206*****5-DIGIT 30439
CUSTOMER CODE: V023
DANNY OLLIFF
PO BOX 537
METTER GA 30439-0537



Dear Danny:

We have some exciting news to share with you! While you will continue to enjoy the same Alltel service for the time being, Atlantic Tele-Network has entered into an agreement to become your wireless service provider and is expected to do so around the end of this year.

You'll continue to have access to all that Alltel offers!

Until all regulatory approvals are complete, it will be business as usual for your Alltel service. You'll continue to have access to My Circle and Alltel's recently expanded and improved 3G network. After the transaction officially closes, Atlantic Tele-Network will communicate its transition and integration plans to you. The goal of Atlantic Tele-Network is to further develop your market and provide you with the attention and flexibility of a local provider.

Changes you may soon see in neighboring areas will NOT affect your Alltel service.

Specifically, some Alltel properties near you will transition to Verizon. Your account ending in 1780, however, is not included in the transition, and there will be no impact to your Alltel service. You may also notice some Verizon advertisements in neighboring areas, please know that they do not affect your wireless service.

We remain committed to you!

We're happy you've chosen Alltel to meet your wireless needs, and we remain committed to providing you with the quality, reliable service you expect and deserve. For answers to any questions you may have about these transitions, please visit alltel.com/Atlantic.

For additional services or assistance, visit alltel.com/storelocator to find locations near you to set up new service, upgrade your phone, make payments, process insurance claims and more.

Thank you for being a valued Alltel customer. We hope you love every minute!

Sincerely,

Paul Bowersock
Senior Sales & Operations Leader

DMC0509-5542d-ATN-CONS



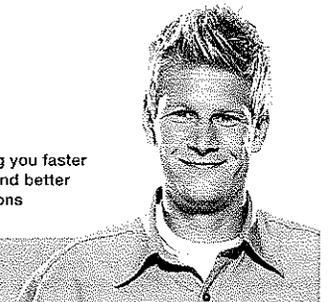
unlimited calling to any 5, 15, or 25 numbers on any network

anytime plan changes

change your rate plan whenever you want without extending your contract

advanced 3G network

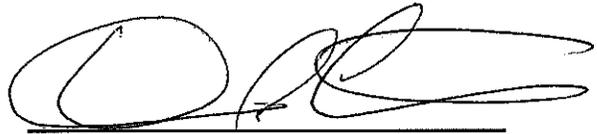
delivering you faster speeds and better connections



DECLARATION OF DENNIS D. LEWIS

I, Dennis D. Lewis, do hereby declare under penalty of perjury the following:

1. I am the COO and General Manager of Bulloch Cellular, Inc. (Bulloch). Bulloch is the managing partner of Georgia RSA #8 Partnership (Partnership). I am also the Chairman of the Partnership.
2. On June 22, 2009 in Amelia Island, Florida, I, along with Stephen Milner, General Manager of Planters Rural Cellular, Inc. (Planters); Richard Price, General Manager of both Pineland Cellular, Inc. and Plant Cellular RSA 8, Inc. (Plant); Stephen Kraskin (counsel to Bulloch and Planters); Frank Gallagher of Stifel Nicolaus; and Cecile Boulineau, my Executive Assistant and Secretary to the Georgia RSA #8 Partnership, met with Michael Prior, CEO of Atlantic Tele-Network, Inc. (ATN) and William F. Kreishner, Senior Vice President of ATN. Molly Feldman of Verizon Wireless attended the meeting via telephone.
3. On July 2, 2009, in Statesboro, Georgia, I, along with Richard Price (Pineland and Plant) and Steve Milner (Planters) met with Lou Tomasetti, CEO of Commnet Wireless (Commnet) and Ken Boyner, Vice President of Engineering and Network Operations of Commnet, to discuss ATN's proposed acquisition of the Georgia Cluster and its proposal to overbuild a GSM network.
4. I have read the foregoing Petition to Deny. I have personal knowledge of the facts set forth therein and believe them to be true and correct. The opinions cited therein are based on the Georgia Partners meetings with ATN that occurred on June 22, 2009 in Amelia Island, Florida and on July 2, 2009 in Statesboro, Georgia. Those opinions are my own and, based on conversations with the other Georgia Partners, are also shared by the other Georgia Partners.



Dennis D. Lewis

8/10/2009

Date

CERTIFICATE OF SERVICE

I, Colleen von Hollen, of Bennet & Bennet, PLLC, 4350 East West Highway, Suite 201, Bethesda, MD 20814, hereby certify that a copy of the foregoing Petition to Deny of Bulloch Cellular Inc., Pineland Cellular Inc., Planters Rural Cellular, Inc. and Plant Cellular RSA 8, Inc. (and collectively "Georgia Partners") was served on this 10th day of August, 2009, by email on those listed below:

Nancy J. Victory
Wiley Rein LLP
1776 K Street, NW
Washington, DC 20006
nvictory@wileyrein.com

Douglas J. Minster
Adams Divestiture Company LLC
Atlantic Tele-Network, Inc.
10 Derby Square
Salem, MA 01970
dminster@atni.com

Michael Samsock
Alltel Communications LLC
Verizon Wireless
1300 Eye Street, NW, Suite 400 West
Washington, DC 20005
Michael.samsock@verizonwireless.com

Jonathan V. Cohen
Wilkinson Barker Knauer, LLP
2300 N Street, NW, Suite 700
Washington, DC 20037
joncohen@wbklaw.com

W. Stephen Cannon
1627 Eye Street, NW, 10th Floor
Washington, DC 20006
scannon@constantinecannon.com

Erin A. McGrath
Federal Communications Commission
Erin.mcgrath@fcc.gov

Stacy Ferraro
Spectrum Competition and Policy Division
Wireless Telecommunications Bureau
Federal Communications Commission
Stacy.ferraro@fcc.gov

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

Neil Dellar
Office of General Counsel
Federal Communications Commission
Neil.dellar@fcc.gov

Best Copy and Printing, Inc. (BCPI)
445 12th Street, S.W., Room CY-B402
Washington, D.C. 20554
fcc@bcpiweb.com

The Honorable Julius Genachowski
445 12th Street, S.W.
Washington, D.C. 20554
Julius.genachowski@fcc.gov

Bruce Gottlieb
445 12th Street, S.W.
Washington, D.C. 20554
Bruce.gottlieb@fcc.gov

The Honorable Michael Copps
445 12th Street, S.W.
Washington, D.C. 20554
Michael.copps@fcc.gov

Paul Murray
445 12th Street, S.W.
Washington, D.C. 20554
paul.murray@fcc.gov

The Honorable Robert McDowell
445 12th Street, S.W.
Washington, D.C. 20554
Robert.mcdowell@fcc.gov

Angelo Giancarlo
445 12th Street, S.W.
Washington, D.C. 20554
Angela.giancarlo@fcc.gov

The Honorable Mignon L. Clyburn
445 12th Street, S.W.
Washington, D.C. 20554
mignon.clyburn@fcc.gov

Renee R. Crittendon
445 12th Street, S.W.
Washington, D.C. 20554
renee.crittendon@fcc.gov

The Honorable Meredith Attwell Baker
445 12th Street, S.W.
Washington, D.C. 20554
meredith.baker@fcc.gov

/s/ Colleen vonHollen

Colleen von Hollen