1776 K STREET NW
WASHINGTON, DC 20006
PHONE 202.719.7000
FAX 202.719.7049

7925 JONES BRANCH DRIVE
McLEAN, VA 22102
PHONE 703.905.2800
FAX 703.905.2820

www.wileyrein.com

Nancy J. Victory
202.719.7344
nvictory@wileyrein.com

April 8, 2010

VIA ECFS

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

Re: Notice of *Ex Parte* Presentation

Applications of Atlantic Tele-Network, Inc. and Cellco Partnership d/b/a Verizon Wireless for Consent to Assign or Transfer Control of Licenses and Authorizations, WT Docket No. 09-119

Dear Ms Dortch:

On April 7, 2010, John Schreiber and John Scott of Verizon Wireless, Kathleen Grillo of Verizon and the undersigned met with Louis Peraertz, Legal Advisor to Commissioner Clyburn, and separately with Charles Mathias, Legal Advisor for Wireline, International and Public Safety to Commissioner Baker, and Henry Gola, Intern to Commissioner Baker. The purpose of the meetings was to discuss Verizon Wireless' process for divesting various wireless properties as required by the Department of Justice and the Commission in approving Verizon Wireless' acquisition of Alltel Communications.

Mr. Schreiber, Verizon Wireless' Executive Director-Property Planning and Acquisitions, supervised the divestiture process. He described Verizon Wireless' efforts to include minority and small business entities in that process and to encourage them to participate. For example, a preliminary overview of the divestiture properties was sent to a large number of prospective buyers, including minority-owned firms, and four such firms actively participated in the process. Mr. Schreiber noted that after one minority-owned firm dropped out, Verizon Wireless went back to that firm to encourage it to rejoin the process, and provided guidance as to the geographic areas where it could be competitive in the sale process. He also noted that certain bid timelines and other procedural requirements that applied uniformly to all bidders were relaxed for minority-owned firms. The company's filings in this proceeding detail additional efforts it made to encourage participation by minority-owned firms.[1]

Mr. Schreiber noted that those efforts were consistent with Verizon Wireless' commitment to doing business with minority-owned firms. For example, a transaction between Verizon Wireless and a minority-owned firm for the exchange of several wireless licenses is currently awaiting Commission approval.

With regard to Telephone USA, one of the minority-owned firms that participated in the divestiture process, Mr. Schreiber noted actions that Verizon Wireless took to encourage its participation. For example, although Telephone USA had joined the process much later than other bidders, Verizon Wireless waived the requirement that it have a Nondisclosure Agreement in place prior to gaining access to confidential data on the properties so that it could participate in an initial bidding round and not be disadvantaged by any time delay required to execute a Nondisclosure Agreement. No other bidder received this waiver. Verizon Wireless also waived several additional bid requirements to assist Telephone USA.

Mr. Schreiber stated that Verizon Wireless was more than willing to divest properties to Telephone USA, but that there were deficiencies in Telephone USA's offers that precluded Verizon Wireless from accepting them. These included:

1. During the bidding process, Telephone USA never produced any evidence of committed funding, a credible path to obtain funding, or cash on hand sufficient to support the purchase price. Verizon Wireless repeatedly asked for that evidence, and the bid procedures documents sent to all bidders clearly stated that committed financing would be required. Mr. Schreiber explained that requiring committed financing is customary in similar sale processes, and was particularly critical here, because the divestiture process established by the Commission and the Department of Justice gave Verizon Wireless just one shot to select a viable buyer –

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[1] *See, e.g,,* Response of Verizon Wireless to the Wireless Telecommunications Bureau's November 19, 2009 General Information Request, at 6-10 (Dec. 18, 2009); Joint Opposition of Atlantic Tele-Network Inc. and Verizon Wireless to Petitions to Deny, at 15-17 (August 20, 2009) (discussing additional efforts to engage minority-owned firms and small businesses, including holding personal meetings not afforded to other bidders and making confidential information available earlier than bid procedures provided).

and under a very short time frame. It was thus reasonable and appropriate for the Company to reject the bid of an entity that offered no evidence of its ability to fund its proposed purchase price.[2]

2. Unlike other bidders, Telephone USA conditioned its final bid on completion of its due diligence. This contingency did not comply with the bidding procedures provided to all interested parties, which required due diligence to be completed prior to the submission of final bids. Even though the due diligence process was facilitated by convenient remote access to a virtual data room and Company management that was readily available to meet with bidders, Mr. Schreiber noted that Telephone USA conducted substantially less due diligence than other bidders, raising additional concerns about its capability to secure financing.

3. Telephone USA sought a longer-term operating agreement that would require Verizon Wireless' extended involvement in managing the properties. Mr. Schreiber explained that this request was problematic because the Consent Decree approving the Alltel transaction directed that any such transition agreements generally be limited to one year. Acceding to Telephone USA's request would have necessitated negotiations with DOJ and potentially modification of the Consent Decree, presenting additional risks to closing the transaction.

4. Unlike other bidders, Telephone USA requested a 30-day "exclusivity" period for negotiating an agreement alone with Verizon Wireless. Given the extremely short period that DOJ and the Commission allowed Verizon Wireless to reach agreement and enter into binding purchase and sale agreements for all of the

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[2] Commission staff requested that Telephone USA submit "documents demonstrating Telephone USA's committed funding of the purchase price for the licenses." Letter from Ruth Milkman, Chief, Wireless Telecommunications Bureau, to Joseph Stroud, Chairman, Telephone USA Investments Inc. (March 12, 2010). Telephone USA's responses did not produce any documents demonstrating it had committed funding. Instead it offered only unsupported claims that it was capable of obtaining financing based on its principal's success in securing financing for past investments. *See* Letter from John R. Feore, Jr., Counsel to Telephone USA Investments, Inc., to Marlene H. Dortch, Secretary, Federal Communications Commission, WT Docket No. 09-119 (March 25, 2010); Letter from John R. Feore, Jr., Counsel to Telephone USA Investments, Inc., to Marlene H. Dortch, Secretary, Federal Communications Commission, WT Docket No. 09-119 (March 22, 2010).

109 divestiture properties (120 days, possibly extended at the end of that period for an additional 60 days at the Commission and DOJ's discretion), Verizon Wireless could not suspend discussions with all other parties in the hope that it could reach an agreement with Telephone USA – particularly when Telephone USA failed to demonstrate that it had adequate funding or the ability to obtain financing.

Mr. Schreiber explained that, in contrast to Telephone USA, Atlantic Tele-Network Inc. (ATN) did provide a binding, fully-financed proposal. That proposal was based on audited financial documents publicly available in SEC filings that demonstrated substantial cash on hand, and also identified specific, already existing lines of credit that ATN could draw on to finance the purchase price.[3] While ATN proposed to pay a lower price than Telephone USA, Mr. Schreiber explained that price was only one of multiple considerations. ATN specifically demonstrated that it had sufficient financial resources to assure Verizon Wireless of its ability to fund and close the transaction without contingencies. Verizon Wireless determined that ATN's bid provided assurances that the transaction would be timely consummated, as required by the Consent Decree and the Commission's order approving the Alltel acquisition.

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[3] Mr. Schreiber explained that, while Telephone USA asserts that ATN's ability to use its existing $50 million term credit facility to finance a small portion of the purchase price was somehow contingent, this line of credit was available to ATN based upon its existing credit worthiness and required only a consent from the bank that the use of funds provided acceptable collateral.

Pursuant to Section 1.1206 of the Commission's Rules, this letter is being filed electronically with the Secretary. Should you need additional information, please contact the undersigned.

Respectfully submitted,

/s/ Nancy J. Victory

Nancy J. Victory

Counsel for Verizon Wireless

cc: Louis Peraertz
Charles Mathias
Henry Gola