

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

In the Matter of

Verizon Communications Inc.

Petition for Declaratory Ruling under  
Section 310(b)(4) of the Communications  
Act of 1934, as Amended

IB Docket No. 13-230

**REPLY IN SUPPORT OF VERIZON’S PETITION FOR DECLARATORY RULING**

No party opposed Verizon’s Petition for Declaratory Ruling.<sup>1</sup> Indeed, the only party to file (extremely brief) comments stated expressly that it “has no objection” to the requested foreign ownership ruling and instead raised issues that would only be relevant, if at all, to other proceedings. Thus, the FCC should promptly grant the requested declaratory ruling.

Verizon sought this declaratory ruling because of its pending transaction to acquire the remaining ownership interest it does not currently hold in Cellco Partnership d/b/a Verizon Wireless (“Verizon Wireless”). Under the terms of that transaction, Verizon, which currently holds a 55 percent controlling interest in Verizon Wireless, will acquire Vodafone Group Plc’s (“Vodafone”) indirect, minority 45 percent interest. Part of the consideration for this transaction will be in the form of Verizon stock that will be distributed to Vodafone’s shareholders. Thus, this transaction may, under certain circumstances, result in a widely dispersed number of foreign shareholders holding an aggregate interest of slightly more than 25 percent in Verizon.

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<sup>1</sup> Verizon Communications Inc. filed its Petition on behalf of its subsidiaries holding FCC common carrier radio licenses (collectively “Petitioner” or “Verizon”).

No party filed an objection to Verizon's Petition. Nor would it be appropriate for one to do so. Verizon simply plans to acquire a minority interest in a business it already controls; the transaction does not involve combining or acquiring any other businesses, assets, customers, or spectrum. Moreover, while the immediate post-transaction foreign ownership may slightly exceed 25 percent (the estimated range is 24.3-25.3 percent), that foreign ownership will be widely dispersed, with no single foreign entity or person holding a greater than five percent equity and/or voting interest in post-transaction Verizon. The transaction will have no discernible impact on customers, and raises no national security, law enforcement, foreign policy, or trade issues.

Only NTCH filed comments, expressly stating that it "has no objection" to the ownership ruling sought in the Petition.<sup>2</sup> Instead, NTCH raised issues that are related to *wholly separate* proceedings that must be addressed, if at all, in those other proceedings.

First, NTCH urges the Commission to grant its pending Petition for Reconsideration of the Commission's Order in the Verizon Wireless-SpectrumCo license applications.<sup>3</sup> But the instant proceeding solely concerns the prospective level of foreign ownership in Verizon following the proposed transaction here; it does not address any prior foreign ownership determinations. NTCH's request for reconsideration of a previous foreign ownership ruling is

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<sup>2</sup> Comments of NTCH, Inc., IB Docket No 13-230, at 1 (Oct. 25, 2013) ("NTCH Comments").

<sup>3</sup> See NTCH Petition for Reconsideration, *Applications of Cellco Partnership d/b/a Verizon Wireless and SpectrumCo LLC and Cox TMI, LLC for Consent to Assign AWS-1 Licenses*, WT Docket Nos. 12-4 & 12-175 (Sept. 24, 2012) ("Petition for Reconsideration"); *Applications of Cellco Partnership d/b/a Verizon Wireless and SpectrumCo LLC and Cox TMI, LLC for Consent to Assign AWS-1 Licenses*, Memorandum Opinion and Order and Declaratory Ruling, 27 FCC Rcd 10698 (2012) ("SpectrumCo Order").

irrelevant to the question of the future, post-Vodafone, foreign ownership in Verizon, and must be addressed in the proceeding in which it was raised.

Second, NTCH also encouraged the Commission not to apply a 47 U.S.C. § 310(b)(4) review to an instance where 47 U.S.C. § 310(b)(3) forbearance is appropriate. But that issue is irrelevant here because the Petition raises issues only under § 310(b)(4), and NTCH does not argue otherwise. Moreover, Verizon also requested that, to the extent that the Commission believes any aspect of the transaction is subject to § 310(b)(3), it grant forbearance from that section in accordance with the Commission's foreign ownership forbearance order.<sup>4</sup>

Third, NTCH argues that the Commission should no longer grant foreign ownership rulings of unlimited duration and instead grant only rulings of a "time-delimited duration."<sup>5</sup> But that is just an argument that the Commission should change its current rules and its long-standing practice under which it has granted foreign ownership rulings of unlimited duration. Indeed, the Commission's recent revision to the foreign ownership rules reaffirmed its established practice, and expressly provided for foreign ownership approvals that contemplate changes in foreign ownership at an indeterminate future time.<sup>6</sup> If NTCH wants the Commission to change those rules, it can file a petition for rulemaking, but that is not an appropriate issue here.

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<sup>4</sup> Letter from Katharine R. Saunders, Verizon, to Marlene H. Dortch, FCC, *Applications of Cellco Partnership d/b/a Verizon Wireless and SpectrumCo LLC and Cox TMI, LLC for Consent to Assign AWS-1 Licenses*, WT Docket Nos. 12-4 & 12-175, at fn. 1 (Sept. 17, 2013) (citing *Review of Foreign Ownership Policies for Common Carrier and Aeronautical Radio Licensees under section 310(b)(4) of the Communications Act of 1934, as Amended*, First Report and Order, 27 FCC Rcd 9832 (2012)).

<sup>5</sup> NTCH Comments at 2.

<sup>6</sup> See, e.g., *Review of Foreign Ownership Policies for Common Carrier and Aeronautical Radio Licensees under Section 310(b)(4) of the Communications Act of 1934, as Amended*, Second Report and Order, 28 FCC Rcd 5741, ¶ 5 (2013). Any petition for reconsideration of this Order was due by or before August 22, 2013.

In short, no party has raised any claim as to why the public interest would be served by refusing the requested declaratory ruling, and indeed, under the facts of the transaction here, there is no legitimate issue that could be raised. Accordingly, Verizon respectfully urges the Commission to grant the requested declaratory ruling promptly.

Respectfully submitted,



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