

**DESCRIPTION OF *PRO FORMA* TRANSFER OF CONTROL  
AND PUBLIC INTEREST STATEMENT**

Contingent upon Commission approval and consummation by the parties of the transfer of control of AT&T Wireless Services, Inc. (“AWS”) to Cingular Wireless Corporation (“Cingular”) that is pending before the Commission (“AWS-Cingular merger”),<sup>1</sup> Cingular seeks Commission consent for the *pro forma* transfer of control of AWS, along with the experimental radio service license it holds, from Cingular to Cingular. Upon consummation of the AWS-Cingular merger, AWS will be a wholly-owned subsidiary of Cingular.

As described in more detail below, the proposed *pro forma* transfer of control will occur after the AWS-Cingular merger is consummated as part of an internal reorganization of Cingular and its subsidiaries.<sup>2</sup> Cingular is jointly owned and equally controlled by SBC Communications Inc. (“SBC”) and BellSouth Corporation (“BellSouth”) and is the vehicle through which SBC and BellSouth exercise control over Cingular Wireless LLC.<sup>3</sup> As part of the merger, SBC and BellSouth will acquire additional non-voting preferred stock in Cingular. Consequently, as set forth in the Form 602 on file for Cingular with the Wireless Telecommunications Bureau, immediately following the AWS-Cingular merger, SBC will hold a 50 percent voting interest and a 60 percent non-voting equity interest, and BellSouth will hold a 50 percent voting interest and a 40 percent non-voting equity interest, in Cingular.<sup>4</sup> Thus, control of Cingular, Cingular Wireless LLC, AWS, and all their licensee subsidiaries will be equally shared by SBC and BellSouth, and SBC and BellSouth will continue to hold their economic interests in the licensee subsidiaries on a 60/40 basis.<sup>5</sup>

Shortly after the closing of the AWS-Cingular merger, the following reorganization steps will occur.

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<sup>1</sup> See *AT&T Wireless Services, Inc. and Cingular Wireless Corporation Seek FCC Consent to Transfer Control of Licenses and Authorizations*, WT Docket No. 04-70, *Public Notice*, DA 04-932 (rel. Apr. 2, 2004).

<sup>2</sup> The reorganization will entail *pro forma* assignments and/or transfers of control affecting many of Cingular’s post-merger FCC licenses, some of which are not subject to the Commission’s after-the-fact notification (*i.e.*, forbearance) procedures, see 47 C.F.R. § 1.948(c)(1), and will require prior Commission approval before implementation. These “non-forbearance” licenses consist of experimental and private radio licenses. The instant application is, therefore, one of a series filed with the Wireless Telecommunications Bureau and the Office of Engineering and Technology to obtain Commission consent for the planned *pro forma* events for those licenses requiring prior Commission approval.

<sup>3</sup> Both SBC and BellSouth currently hold a 50 percent ownership interest in Cingular, the manager which controls the licensee subsidiaries of Cingular Wireless LLC. Economic interests in the licensee subsidiaries are split indirectly on a 60/40 basis between SBC and BellSouth, respectively. See *SBC Communications, Inc. and BellSouth Corporation*, 15 F.C.C.R. 25459, ¶ 7 (WTB/IB 2000).

<sup>4</sup> See Cingular Wireless Corporation, Form 602 (“Ownership Disclosure Information”) that is on file with the Commission, a relevant portion of which is reproduced hereto as Chart 1.

<sup>5</sup> See *supra* note 3.

- Cingular will transfer control of AWS to Cingular Wireless LLC, which, at the time of the reorganization, will be owned and controlled by SBC and BellSouth in the same proportions as Cingular.
- Cingular will redeem from BellSouth and SBC the additional non-voting preferred stock in Cingular so that each parent entity once again will hold a 50 percent voting and equity interest in Cingular. Control of Cingular by SBC and BellSouth will be shared equally both before and after the redemption.

Charts are attached providing an overview of Cingular's ownership structure both (i) immediately following consummation of the AWS-Cingular merger as indicated in the applications currently pending before the Commission ("Chart 1"); and (ii) following the proposed internal reorganization ("Chart 2"). These charts highlight that the proposed ownership changes are non-substantial, and thus *pro forma* in nature, as Cingular will ultimately retain control over the license(s) at issue throughout each stage of the reorganization.

The reorganization will further the public interest by allowing Cingular to maximize operational efficiencies, the benefits of which, will ultimately be passed on to consumers in competitive prices and service offerings. Moreover, the Commission has previously stated that in situations, such as the instant reorganization, where no substantial change of control will occur, "grant of the application is deemed presumptively in the public interest."<sup>6</sup>

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<sup>6</sup> See *Federal Communications Bar Association's Petition for Forbearance from Section 310(d) of the Communications Act Regarding Non-Substantial Assignments of Wireless Licenses and Transfers of Control Involving Telecommunications Carriers, Memorandum Opinion and Order*, 13 F.C.C.R. 6293, 6295 (1998).