

**DESCRIPTION OF *PRO FORMA* TRANSACTION
AND PUBLIC INTEREST STATEMENT**

This is one of a series of applications seeking Commission consent for the *pro forma* transfer of a minority, non-controlling interest in certain licenses and authorizations held by Cellco Partnership d/b/a Verizon Wireless (“Verizon Wireless”) and its subsidiaries.

The applications are being filed pursuant to a transaction in which Verizon Communications Inc. (“Verizon”), which currently holds a 55 percent controlling partnership interest in Verizon Wireless, will acquire the minority, non-controlling 45 percent partnership interest in Verizon Wireless that is indirectly held by Vodafone. The Commission previously found that Verizon controls Verizon Wireless under its current structure, and that Vodafone lacks control.¹ Verizon will acquire Vodafone’s non-controlling interest by acquiring 100 percent of the common stock of Vodafone Finance 1 Inc., a U.S. subsidiary of Vodafone which indirectly holds through intermediate subsidiaries all of Vodafone’s minority 45 percent partnership interest in Verizon Wireless. Upon completion of the transaction, Verizon will continue to be a widely traded public company, and Verizon’s subsidiaries, including Verizon Wireless, will continue to hold all of the FCC authorizations they currently hold.²

Licensees are required to seek the Commission’s approval prior to assigning or transferring control of any station licenses.³ However, this transaction will not result in the assignment of any licenses because the same entities will hold the licenses both before and after

¹ See, e.g., *Applications of Verizon Wireless and SpectrumCo LLC and Cox TMI, LLC for Consent to Assign AWS-1 Licenses*, Memorandum Opinion and Order and Declaratory Ruling, WT Docket No. 12-4 & WT Docket No. 12-175, ¶¶ 174, 178 (rel. Aug. 23, 2012) (“*SpectrumCo Order*”) (“... Vodafone, through its U.S.-organized subsidiaries, holds its 45 percent non-controlling partnership interest in Verizon Wireless itself, and not in a U.S. organized entity that controls Verizon Wireless ... [W]e permit Vodafone and its foreign-owned subsidiaries named in the record to hold, through intervening U.S.-organized subsidiaries, a non-controlling, 45 percent general partnership interest in Verizon Wireless.”); *Applications of Cellco Partnership d/b/a Verizon Wireless and Atlantis Holdings LLC For Consent to Transfer Control of Licenses, Authorizations, and Spectrum Manager and De Facto Transfer Leasing Arrangements and Petition for Declaratory Ruling that the Transaction is Consistent with Section 310(b)(4) of the Communications Act*, WT Docket No. 08-95, Memorandum Opinion and Order and Declaratory Ruling, FCC 08-258, ¶ 8 (Nov. 4, 2008) (“Vodafone . . . holds a non-controlling 45 percent interest in Cellco Partnership.”); *Applications for Consent to the Assignment of Licenses Pursuant to Section 310(d) of the Communications Act from Urban Comm-North Carolina, Inc., Debtor-in-Possession, to Cellco Partnership d/b/a Verizon Wireless*, Memorandum Opinion and Order, 21 FCC Rcd 15050, ¶ 10 n.42 (2006) (“The indirect, non-controlling interest of Vodafone, a United Kingdom company, in Verizon Wireless has been previously approved by the Commission....”).

² Verizon separately is filing a petition for declaratory ruling pursuant to Section 310(b)(4) of the Communications Act that it would not be contrary to the public interest for foreign ownership in Verizon to be greater than 25 percent after the transaction closes. As explained in that petition, the level of aggregate foreign ownership in Verizon may or may not slightly exceed 25 percent following closing depending on various factors. Accordingly, the Commission should approve these *pro forma* transfers in the normal course under its streamlined procedures.

³ See 47 U.S.C. 310(d). See also 47 C.F.R. § 5.79.

the transaction is completed. Likewise, Verizon will control Verizon Wireless both before and after the transaction is completed. As noted above, the Commission has previously found that Verizon controls Verizon Wireless under its current structure, and that Vodafone holds only a non-controlling interest in Verizon Wireless. It noted that Verizon, in addition to holding a majority of the equity interests, “has sole affirmative control of Verizon Wireless through its right to designate four of the seven members of the board of representatives in which control of the partnership is vested.”⁴

Given all of this, it is not clear that the transfer of Vodafone’s minority interest to Verizon constitutes a transfer requiring Commission review. These applications nonetheless are being filed out of an abundance of caution. The applications are subject to *pro forma* treatment because only a minority non-controlling interest in the partnership is being transferred, that interest is being transferred to an existing partner, and the partner currently holding affirmative control will continue to hold affirmative control.⁵ In addition, Verizon has already been found to be qualified to control Verizon Wireless, and the same entities which currently hold the direct partnership interests in Verizon Wireless will continue to hold those interests. Accordingly, the transaction involves at most the *pro forma* transfer of Vodafone’s minority non-controlling interest.⁶

⁴ *SpectrumCo Order* ¶ 174.

⁵ The Commission forbears from requiring prior approval of any transfers or assignments of telecommunications licenses that do not result in a “substantial change in ownership or control,” instead requiring only post-consummation notification. 47 C.F.R. § 1.948(c)(1); *Federal Communications Bar Ass’n Petition for Forbearance from Section 310(d) of the Communications Act Regarding Non-Substantial Assignments of Wireless Licenses*, Memorandum Opinion and Order, 13 FCC Rcd 6293, ¶¶ 7-8, 33 (1998). Moreover, the Commission has indicated that for telecommunications license transfers and assignments, certain “common categories of transactions are considered non-substantial and therefore eligible for *pro forma* treatment,” including the “assignment of less than a controlling interest in a partnership.” *Id.* ¶ 8. On several occasions, the Commission has approved the *pro forma* transfer of non-controlling minority general partnership interests. *See, e.g., Applications of AT&T Wireless Services, Inc. and Cingular Wireless Corporation For Consent to Transfer Control of Licenses and Authorizations File Nos. 0001 656065, et al. and Applications of Subsidiaries of T-Mobile USA, Inc. and Subsidiaries of Cingular Wireless Corporation For Consent to Assignment and Long-Term De Facto Lease of Licenses File Nos. 0001771442, 0001757186 and 0001757204 and Applications of Triton PCS License Company, LLC, AT&T Wireless PCS, LLC, and Lafayette Communications Company, LLC For Consent to Assignment of Licenses File Nos. 0001808915, 0001810164, 0001810683, and 50013CWAA04*, WT Docket No. 04-70, WT Docket No. 04-254, and WT Docket No. 04-323, Memorandum Opinion and Order, FCC 04-255, ¶ 273 (Oct. 22, 2004); File number 0001656065, Form 603 Exhibit 1, 61 (lead application for AT&T–Cingular transaction, indicating AT&T’s minority interest in general partnerships involving Cordova Wireless, Muskegon Cellular Partnership, Pittsfield Cellular Telephone Company, and St. Joseph CellTelCo); File number 0001914019 (notice of transfer for Cordova Wireless, granted on Oct. 27, 2004); File number 0001913774 (notice of transfer for Muskegon Cellular Partnership, granted on Oct. 27, 2004); File number 0001914030 (notice of transfer for Pittsfield Cellular Telephone Company, granted on Oct. 27, 2004); File number 0001914022 (notice of transfer for St. Joseph CellTelCo, granted on Oct. 27, 2004).

⁶ Verizon Wireless holds an experimental authorization that is the subject of this application. The affected licensees holding private radio licenses and authorizations are Los Angeles SMSA Limited

This *pro forma* transaction also raises no competition-related or other concerns. The transaction does not involve the combination or acquisition of any facilities, customers, or spectrum. Verizon will continue to be attributed with the same amount of spectrum both before and after the transaction, because ultimate control over the subject licenses remains with Verizon. The transaction does not change Verizon's overall spectrum holdings, create new spectrum overlaps in any geographic area or market, or reduce the number of entities providing service in any area or market. Accordingly, the Commission should find that the transaction is in the public interest and consent to the applications.

Partnership, Verizon Wireless (VAW) LLC, and Verizon Wireless. Applications requesting prior approval for the transfer of control of these private radio authorizations are being filed separately with the Wireless Telecommunications Bureau. All other licenses and authorizations impacted by the transactions are eligible for forbearance pursuant to Section 1.948 of the Commission's Rules from the requirement that advance consent to *pro forma* transfers of control be granted. Pursuant to that rule, notifications of the transfers of these authorizations will be filed within 30 days after the transaction has closed. The lists of call signs referenced in the instant prior approval applications are intended to be complete and include all licenses under the control of Verizon Wireless that require prior approval for their transfer. However, the Applicants request that Commission approval of the *pro forma* transfer applications include any licenses requiring prior *pro forma* transfer approval that may have been inadvertently omitted. Further, the Applicants request that Commission approval of the *pro forma* transfer applications include any licenses that are newly granted to Verizon Wireless or one of its subsidiaries during the pendency of this transaction.