# EXHIBIT 1 – DESCRIPTION OF TRANSACTION AND PUBLIC INTEREST STATEMENT

## Description of Transaction:

This application is one of a series of applications requesting Commission consent to transfer control of Machine License Holding, LLC ("MLH" or "Licensee") from Cingular Wireless LLC ("Cingular" or "Transferor") to Interactive Acquisition Inc. ("Interactive" or "Transferee"). The Transferee is a company formed for the purposes of this transaction and is majority owned by three (3) investment funds affiliated with Cerberus Capital Management, L.P. ("Cerberus"). Cerberus is an investment manager based in New York that manages over $14 billion in assets, including investments in the technology and telecommunications sectors. The Cerberus funds are ultimately controlled by Stephen Feinberg, a U.S. citizen who is Chief Executive Officer of Cerberus. Upon closing of the transaction described below, Cerberus, through Interactive, will exercise ultimate control over MLH. For the reasons set forth below, the parties respectfully submit that Commission approval of the transaction would serve the public interest, convenience, and necessity.

The instant FCC Form 703 seeks Commission consent to transfer control of MLH's experimental license, WC2XUH, from Cingular to Interactive. In addition to this experimental license, MLH holds 104 Specialized Mobile Radio ("SMR") licenses that are used to operate a nationwide wireless data communications service. MLH also holds a private land mobile radio service license, WBZY345, which supports its SMR operations, and international Section 214 authority, FCC File No. ITC-214-19990608-00327. Concurrently herewith, Cingular and Interactive are filing applications to transfer control of MLH's wireless licenses and international Section 214 authority from Cingular to Interactive.

The parties seek the requested Commission authority to implement the final step of a larger, multi-step transaction by which Cerberus, through Interactive, will acquire control of the nationwide wireless data service owned by Cingular Interactive, L.P. ("CILP"), a limited partnership indirectly wholly owned by Cingular. In the first step, CILP completed the *pro forma* assignments of the above-referenced wireless, experimental, and international Section 214 authorizations to its sister company, MLH.[1] As a result of the *pro forma* assignment of authorizations to MLH, CILP holds network assets but does not hold any FCC authorizations. In the second step, Cingular will sell the partnership interests in CILP to Interactive – at which point CILP will be indirectly owned and controlled by Cerberus. Upon the closing of the sale of CILP to Interactive, a long-term spectrum manager lease between MLH and CILP for the SMR

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[1] *See* FCC File Nos. 0001884566, 0001884567, 0010EXAU2004, and letter from Carol L. Tacker to Marlene H. Dortch dated September 27, 2004 notifying FCC of the *pro forma* assignment of international Section 214 authorization ITC-214-19990608-00327.

spectrum covered by MLH's FCC licenses will become effective.[2] In accordance with Commission Rules, the spectrum lease will enable Interactive, through CILP, to commence operations on the subject SMR spectrum pending Commission approval of the instant applications to transfer control of MLH to Interactive. Thus, the third and final step of this transaction is the sale and transfer of control of MLH to Interactive for which Commission authority is requested herein.

**Public Interest Statement:**

The parties respectfully submit that a grant of this application will serve the public interest, convenience and necessity pursuant to Section 310(d) of the Communications Act of 1934, as amended (the "Act"). Cerberus and Interactive are legally, technically, financially, and otherwise qualified to hold the licenses at issue. Cerberus is a leading global private equity firm with extensive experience understanding the financial and operational issues confronting technology and telecommunications companies. Moreover, Cerberus intends to retain key management personnel whose telecommunications operating experience will inure to the benefit of the combined company. Although MLH and its sister company CILP will have access to Cerberus's considerable management expertise, the proposed transaction will not affect MLH's and CILP's day-to-day operations of the stations and use of the licenses. Thus, the parties anticipate that the proposed transaction will result in a company better equipped, both from financial and operational perspectives, to continue its growth as a provider of innovative wireless data communications services.

The proposed transaction is expected to enhance competition in the wireless telecommunications marketplace. The proposed transaction will not cause an overall diminution of competition in the markets at issue because the number of facilities-based competitors will remain unchanged. Indeed, Cerberus is a new facilities-based entrant to the wireless telecommunications industry. Thus, the proposed transaction does not risk undue market concentration and will not result in any spectrum overlaps with Cerberus's current holdings. The proposed ownership change will be virtually transparent to customers and will not cause confusion, disruption to service, or other inconvenience to customers.[3] Finally, the proposed transaction will yield substantial public interest benefits by providing MLH and CILP access to Cerberus's significant financial and operational resources. Access to these added resources will position MLH and CILP to continue providing high-quality, reliable radio-based services, and to developing an array of innovative services to meet customer demand.

Based on the foregoing, the proposed transfer will yield affirmative public interest benefits, and will neither violate the Act or the Commission's Rules, nor undermine the

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2 *See* FCC File No. 0001889690.

3 Affected customers will be provided notice of the ownership change.

Commission's policies or require extensive review or expenditure of Commission resources.[4] The proposed transaction does not require any waivers, and does not raise any competitive issues. In light of these facts, the parties respectfully request expeditious Commission approval of the instant application.

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[4] *See Applications of Tele-Communications, Inc. and AT&T Corp.*, 14 F.C.C.R. 3160, 3170 (1999); *Applications of Ameritech Corp. and SBC Communications Inc.*, 14 F.C.C.R. 14712, 14740-41 (1999) (stating assignments and transfers that will yield affirmative public interest benefits without violating the Act, FCC Rules, or FCC policies, do not require extensive review or excessive expenditure of Commission resources). Further, the Commission has emphasized that a detailed showing of benefits is not required for transactions where there are no anti-competitive effects. *See Applications of Southern New England Telecomm. Corp. and SBC Communications, Inc.*,13 F.C.C.R. 21292, 21315 (1998) (citations omitted). Similarly, as the Commission stated in it's approval of the SBC/Pacific Telesis merger, where it found that the merger would not reduce competition and that SBC possessed the requisite qualifications to control the licenses in question, "[a] demonstration that benefits will arise from the transfer is not ... a prerequisite to our approval, provided that no foreseeable adverse consequences will result from the transfer." *Applications of Pacific Telesis Group and SBC Communications Inc.*, 12 F.C.C.R. 2624, 2626-27 (1997).