Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554

In re Applications of	)	
	)	
ATLANTIS HOLDINGS LLC, Transferor,	)	
	)	
and	)	WT Docket No. _______
	)	
CELLCO PARTNERSHIP D/B/A VERIZON WIRELESS, Transferee	)	
	)	
for Consent to the Transfer of Control of Commission Licenses and Authorizations Pursuant to Sections 214 and 310(d) of the Communications Act	)	

DESCRIPTION OF TRANSACTION, PUBLIC INTEREST SHOWING AND RELATED REQUESTS AND DEMONSTRATIONS

June 13, 2008

SUMMARY

Cellco Partnership d/b/a Verizon Wireless, with its wholly-owned subsidiary AirTouch Cellular (collectively, "Verizon Wireless"), and Atlantis Holdings LLC ("Atlantis Holdings"), hereby request the Commission's consent to transfer control to Verizon Wireless of Atlantis Holdings' interests in various radio station authorizations, spectrum leases, and domestic and international Section 214 authorizations held by ALLTEL Corporation ("ALLTEL"), its subsidiaries and controlled partnerships, and partnerships in which ALLTEL has a minority, non-controlling general partner interest. As discussed herein, the proposed transaction satisfies the Commission's standards for approval, does not implicate unjust enrichment or trafficking, and does not require any waivers of the Commission's rules. The applicants thus ask that the transaction be approved on an expedited basis.

The transaction brings together the complementary capabilities of Verizon Wireless and ALLTEL to produce significant public interest benefits. Verizon Wireless will be able to create a truly national facilities-based network by using ALLTEL's regional operations to fill existing network gaps.[1] ALLTEL's customers—who generally reside in small- to mid-sized cities and rural areas—will enjoy the benefits of a seamless national network; award winning Verizon Wireless-quality services; and rapid access to broadband services. Verizon Wireless customers across the country will benefit from enormous synergy savings totaling at least $9 billion as well as a truly national network poised to provide next-generation wireless broadband capabilities. Furthermore, a speedy transition will be ensured because the two companies have common network technologies and complementary geographic footprints.

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1 The map contained in Exhibit 2 highlights the new geographic areas that Verizon Wireless will serve following the proposed transaction.

Specifically, the requested consents will produce the following substantial, cognizable public interest benefits:

- For rural America, the transaction will facilitate the expansion of wireless broadband service to the rural areas that comprise a large portion of ALLTEL's footprint. Verizon Wireless has already deployed Evolution-Data Optimized Revision A ("EvDO Rev. A") high speed broadband technology to much of its service area and will promptly deploy this technology to benefit ALLTEL's customers.

- For ALLTEL's existing customers, in addition to Verizon Wireless' award winning network quality and customer care, the transaction will provide access to a broader range of content, applications, devices, and service plans. Verizon Wireless has technical expertise, financial resources, and economies of scope and scale that can be leveraged for the benefit of ALLTEL's customers.

- For Verizon Wireless' existing customers, the transaction promises expanded, seamless network coverage with a uniform look and feel and greater deployment of—and increased capacity for—broadband EvDO Rev. A data services. Indeed, ALLTEL provides services in territories which often are adjacent to major metropolitan areas currently served by Verizon Wireless. In fact, the proposed transaction will enable Verizon Wireless to enter 11 new cellular market areas ("CMAs"), and parts of 43 other CMAs, where ALLTEL is licensed and Verizon Wireless holds no cellular or PCS spectrum.

- For all customers, the transaction will yield synergy savings of at least $9 billion. As the Commission has repeatedly recognized, such savings represent a tangible and cognizable public interest benefit.

- For all wireless consumers in ALLTEL's coverage areas, the transaction provides the benefits of a stronger national competitor that will stimulate enhanced competition and competitive responses.

In addition, Verizon Wireless will honor ALLTEL's existing roaming agreements with other carriers, ensuring continuity for customers of those carriers. The public interest benefits of the proposed transaction are discussed in detail in Section II(B) below.

The proposed transaction will enhance, not harm, competition. The Applicants have, in Section II(C), discussed the appropriate product market definition and geographic scope of review. The Applicants believe strongly that developments in the wireless marketplace require re-evaluating and expanding the relevant market to be examined both geographically and with respect to the spectrum assets. The wireless marketplace is increasingly national in nature and spectrum previously not considered available for use has recently been brought on line. Nonetheless, the Applicants have, in the interest of expedited processing, evaluated the effects of the merger on the traditional CMA basis examining 800 MHz cellular, 1.9 GHz PCS, 700 MHz and 800 MHz specialized mobile radio spectrum. In those areas where licensed coverage between the two carriers does overlap, there is robust and well documented competition present. In such respects, any competitive assessment logically must recognize that the pool of spectrum available for Commercial Mobile Radio Services ("CMRS") has expanded dramatically. The current spectrum screen does not take account of the full range of available spectrum and therefore no longer provides a meaningful trigger for engaging in competitive analyses. Indeed, over half of the over 600 MHz of spectrum available for mobile services is currently excluded from consideration. And, as documented herein, competition is thriving and will continue to do so. Further, robust competitive forces at the national level, the lack of barriers to entry, and the lack of any risk of coordinated interaction will operate to discipline the behavior of participants in local markets and prevent competitive harm.[2]

In view of the foregoing, the Applicants believe that the public interest benefits clearly favor granting the requested consents. The Applicants further note that the instant transaction does not implicate any unjust enrichment payment, involve Section 310(b) concerns, require waivers of the Commission's rules, or raise other administrative complexities. Both parties have also recently been approved as legally, financially, and technically qualified to hold Commission licenses, and the non-U.S. ownership in Verizon Wireless has been previously passed upon and determined to be not contrary to the public interest. Accordingly, the Applicants believe the

[2] Attached as Exhibit 3 is a declaration of economists Dennis Carlton, Allan Shampine and Hal Sider, which reviews the pro-competitive benefits of the transaction.

Commission should grant the requested consents on an expedited basis. Indeed, prompt action is required to speed the deployment of wireless broadband services to rural America and to enable all consumers to enjoy the many benefits of this transaction.

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reliability, and voice quality"[119]—a result that would be unexpected if tacit collaboration were, in fact, occurring.

III. PROCEDURAL CONSIDERATIONS

A. Request for Declaratory Ruling on Foreign Ownership

Verizon Wireless requests that the Commission extend Verizon Wireless' current Section 310(b)(4) authority to hold interests in common carrier licenses and authorizations to encompass the ALLTEL Subsidiaries and Partnerships and the FCC licenses they will hold following transfer to Verizon Wireless as a result of this transaction. The Commission has previously approved Vodafone's minority interest in Verizon Wireless, as well as Vodafone's qualifications (as a foreign corporation) to hold indirect interests in common carrier licensees, pursuant to Section 310(b)(4) of the Communications Act.[120] No material changes have occurred in Verizon Wireless' foreign ownership since that authorization was granted. Thus, the proposed transaction raises no new foreign ownership issues, and the Commission can and should extend the previous Section 310(b)(4) authorization to the ALLTEL Subsidiaries and Partnerships and the FCC licenses they will hold following transfer to Verizon Wireless.[121]

Here, Verizon Wireless proposes to acquire Atlantis Holding's interests in the ALLTEL Subsidiaries and Partnerships. As a result of the transaction, these entities will be indirectly

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119 *12th Annual Competition Report,* 23 FCC Rcd at 2310 (¶166).

120 47 U.S.C. §310(b)(4).

121 Verizon Wireless submits that the Commission need not issue a declaratory ruling, given the agency's prior Section 310(b)(4) rulings approving Verizon Wireless' current foreign ownership. Nonetheless, should the Commission determine that a new declaratory ruling is necessary, Verizon Wireless hereby requests such a ruling extending its current Section 310(b)(4) authority to hold interests in common carrier licenses and authorizations to encompass the FCC licensees and licenses in which it will hold an interest as a result of the proposed transaction.

owned by Verizon Wireless. Verizon Wireless is a Delaware general partnership owned indirectly by Verizon Communications and Vodafone. Verizon Communications, a Delaware corporation, owns 55 percent of Verizon Wireless; Vodafone, a public limited company organized under the laws of the United Kingdom, owns 45 percent.

As noted above, Vodafone has previously received authorization from the Commission to hold its indirect interests in Verizon Wireless' common carrier licenses and authorizations. In conjunction with the creation of the partnership, Verizon Communications and Vodafone sought Commission approval, pursuant to Section 310(b)(4), for Vodafone to indirectly hold up to 65.1 percent of Verizon Wireless. The Commission granted the parties' request, determining that "the public interest would be served by allowing the proposed indirect foreign ownership," consistent with the Commission's *Foreign Participation Order*.[122] No material changes have occurred in Verizon Wireless' foreign ownership since that authorization was granted.[123] Further, the

[122] *In re Applications of Vodafone AirTouch, Plc, and Bell Atlantic Corp., for Consent to Transfer Control or Assignment of Licenses and Authorizations*, Memorandum Opinion and Order, 15 FCC Rcd 16,507, 16,514 (¶ 19) (WTB & IB 2000) ("*Vodafone/Bell Atlantic Order*"). The Commission previously determined that, "[b]ecause the United Kingdom is a Member of the World Trade Organization (WTO), under the Commission's *Foreign Participation Order*, we presume that the public interest would be served by authorizing, under Section 310(b)(4), common carrier radio licenses held by entities indirectly owned by Vodafone and citizens of the United Kingdom." *In re Applications of AirTouch Commc'ns, Inc. and Vodafone Group, Plc, for Consent to Transfer of Control of Licenses and Authorizations*, Memorandum Opinion and Order, 14 FCC Rcd. 9430, 9434 (¶ 9) (WTB 1999). The Commission authorized Vodafone to hold up to a 100 percent indirect foreign ownership interest in U.S. common carrier radio licensees. *See id.*; *Int'l Authorizations Granted,* Public Notice, 15 FCC Rcd 116 (IB 1999). Subsequently, the Commission granted the request to allow Verizon Wireless to "be indirectly owned by Vodafone in an amount up to 65.1 percent" and authorized the transfer and assignment of numerous common carrier licenses including cellular, PCS, WCS and microwave authorizations. *Vodafone/Bell Atlantic Order,* 15 FCC Rcd at 16,514, 16,521 (¶¶ 19, 38).

[123] On April 8, 2008, Verizon Wireless provided a detailed showing to the Commission confirming that its current foreign ownership remains consistent with the foreign ownership ruling issued by the Commission in the *Vodafone/Bell Atlantic Order. See* Letter from Nancy J. Victory, Counsel for Verizon Wireless, to Marlene H. Dortch, Secretary, Federal Communications Commission, WT Docket No. 07-208, DA 07-4192 (April 8, 2008).

Commission has since extended this authority to permit Verizon Wireless to acquire numerous additional common carrier licenses and authorizations.[124] This request seeks a declaratory ruling allowing Vodafone to hold the same indirect ownership interest of up to 65.1 percent in the authorizations to be acquired and any future licenses and authorizations to be acquired by the ALLTEL Subsidiaries and Partnerships.

The public interest will be served if the Commission extends Verizon Wireless' current Section 310(b)(4) authority to hold interests in common carrier licenses and authorizations to encompass the ALLTEL Subsidiaries and Partnerships and the FCC licenses they will hold following transfer to Verizon Wireless as a result of this transaction. In the *Foreign Participation Order*, the Commission concluded that allowing additional foreign investment in common carrier wireless licensees beyond the 25 percent benchmark of Section 310(b)(4) will promote competition in the U.S. market, thereby serving the public interest.[125] The Commission, therefore, adopted a presumption in favor of allowing such investment if the investment is from entities organized under the laws of WTO Members.[126] As the Commission previously concluded, Vodafone's principal place of business is the United Kingdom, a WTO Member.[127]

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124 *See, e.g.*, *International Authorizations Granted*, Public Notice, 21 FCC Rcd 13,575 (2006) (granting Verizon Wireless' request to extend the existing foreign ownership ruling to AWS and other Wireless Communications Services licenses Verizon Wireless may acquire in the future); *Northcoast Order,* 18 FCC Rcd at 6492 (¶ 6 & n.15) (finding that Verizon Wireless' interest "ha[d] been previously approved by the Commission under Section 310(b)(4)" and because "no changes have occurred in Verizon Wireless' foreign ownership since . . . these rulings . . . the applications raise no new foreign ownership issues").

125 *Rules and Policies on Foreign Participation in the U.S. Telecomms. Market*, Report and Order and Order on Reconsideration, 12 FCC Rcd 23,891, 23,940 (¶ 111) (1997).

126 *Id.* at 23,913 (¶ 50) and 23,940 (¶¶ 111-12).

127 *Vodafone/Bell Atlantic Order,* 15 FCC Rcd at 16,514 (¶ 18).

The Commission already has determined that the public interest would be served by allowing Vodafone to hold up to a 65.1 percent interest in the common carrier licenses held by Verizon Wireless.[128] The same public interest rationale that applied in that decision should apply with equal force to the ALLTEL Subsidiaries and Partnerships and the FCC licenses being acquired by Verizon Wireless as a result of the proposed transaction.[129] The Commission should therefore issue a declaratory ruling extending Verizon Wireless' Section 310(b)(4) authority to these licenses, to the extent such extension of authority is needed.

B. Additional Authorizations

As set forth in the Applications, ALLTEL controls or has a minority, non-controlling general partner interest in entities holding numerous Commission licenses. The lists of call signs referenced in the Applications are intended to be complete and to include all licenses held by the respective licensees that are subject to the transaction. One or more of the ALLTEL Subsidiaries and Partnerships, however, may have on file or may hereafter file additional requests for authorizations for new or modified facilities, which may be granted or remain pending during the pendency of the Applications. Accordingly, the Applicants request that the FCC authorize Verizon Wireless to acquire control of the following upon the grant of the transfer of control applications:

- Any authorization issued to or leases obtained by one or more of the ALLTEL Subsidiaries and Partnerships during the Commission's consideration of the Applications and the period required for consummation of the transaction following approval;

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128 *Id.*, 15 FCC Rcd at 16,514 (¶ 19).

129 Further, the network security commitments previously made by Verizon Wireless and Vodafone in connection with an agreement with the United States Department of Defense, Department of Justice, and the Federal Bureau of Investigation, dated Dec. 14, 1999, will apply to the authorizations acquired as a result of this transaction. *See infra* Section III(G).