

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

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

These Applications seek the Commission's approval of the transfer of control from AT&T Inc. ("AT&T") to Cellco Partnership d/b/a Verizon Wireless ("Verizon Wireless" and collectively with AT&T, the "Applicants") of certain cellular and microwave licenses located in Louisiana and Mississippi, together with derivative international Section 214 authority.¹ These licenses and authorizations are currently held by Centennial Communications Corp. ("Centennial"), Centennial Southeast License Company LLC ("Centennial Southeast") and Lafayette Cellular Telephone Company ("Lafayette Cellular"),² and are the subject of pending transfer of control applications to AT&T.³ The five Cellular Market Areas ("CMAs") involved in this transaction total 1.2 million licensed POPs. As shown below, the proposed transaction will provide multiple public interest benefits and increase competition. The transaction will result in no competitive harms. The Commission therefore should approve these Applications quickly without any conditions.

¹ A list of the FCC licenses and authorizations for which transfer authority is sought is attached as Exhibit 2.

² Centennial Southeast is a wholly-owned subsidiary of Centennial. Lafayette Cellular is a general partnership in which Centennial holds a 95 percent general partner interest.

³ Verizon Wireless' acquisition of the Centennial licenses and authorizations would take place after AT&T has obtained Commission and other regulatory approvals for the Centennial acquisition and closed that transaction. *See AT&T Inc. and Centennial Communications Corp. Seek FCC Consent to Transfer Control of Licenses, Leasing Arrangements, and Authorizations*, Public Notice, DA 08-2713 (2008).

I. DESCRIPTION OF THE APPLICANTS AND THEIR EXISTING BUSINESSES

Verizon Wireless provides wireless voice and data services to over 86 million customers throughout the United States.⁴ AT&T provides wireless, high-speed Internet access, local and long distance voice, video, and directory publishing and advertising services. The Commission has concluded repeatedly that Verizon Wireless possesses the qualifications required by the Communications Act to control Commission authorizations, and nothing has changed to disturb these conclusions.⁵ There is also no question about AT&T's character or qualifications to hold Commission authorizations.⁶

⁴ Verizon Wireless does not hold PCS or cellular licenses in the state of Alaska, but serves the lower 48 contiguous states, the District of Columbia, and Hawaii.

⁵ See, e.g., *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*, Memorandum Opinion and Order and Declaratory Ruling, 23 FCC Rcd 17444, ¶ 33 (2008) (“*Verizon/ALLTEL Order*”); *Applications of Northcoast Commc’ns, LLC and Cellco P’ship d/b/a Verizon Wireless*, Memorandum Opinion and Order, 18 FCC Rcd. 6490 (CWD, WTB 2003) (“*Northcoast Order*”); *Wireless Telecomms. Bureau and Int’l Bureau Grant Consent for Assignment or Transfer of Control of Wireless Licenses and Authorizations from Price Commc’ns Corp. to Cellco P’ship d/b/a Verizon Wireless*, Public Notice, 16 FCC Rcd. 7155 (2001); *Wireless Telecomms. Bureau Assignment of License Authorization Applications, Transfer of Control of Licensee Applications, De Facto Transfer Lease Applications and Spectrum Manager Lease Notifications Action*, Public Notice, Rpt. No. 2086 (Mar. 2, 2005) (granting applications of NextWave Telecommunication Inc. and Cellco Partnership d/b/a Verizon Wireless seeking FCC approval of the proposed transfer of control of licenses held by NextWave Personal Communications Inc., Debtor-In-Possession and NextWave Power Partners Inc., Debtor-In-Possession); *Wireless Telecomms. Bureau Assignment of License Authorization Applications, Transfer of Control of Licensee Applications, De Facto Transfer Lease Applications and Spectrum Manager Lease Notifications Action*, Public Notice, Rpt. No. 2018 (Dec. 15, 2004) (granting applications of Qwest Wireless, LLC and Cellco Partnership d/b/a Verizon Wireless seeking FCC consent to the assignment of sixty-two broadband Personal Communications Services licenses).

⁶ See, e.g., *Application of Aloha Spectrum Holdings Company LLC and AT&T Mobility II LLC Seeking FCC Consent for Assignment of Licenses and Authorizations*, Memorandum Opinion and Order, 23 FCC Rcd 2234, 2236 (2008) (“*AT&T Mobility/Aloha Order*”); *Applications of AT&T Inc. and Dobson Commc’ns Corp. for Consent to Transfer Control of Licenses and Authorizations*, Memorandum Opinion and Order, 22 FCC Rcd 20295, 20303 (2007) (“*AT&T/Dobson Order*”); *AT&T Inc. and BellSouth Corp. Application for Transfer of Control*, Memorandum Opinion and Order, 22 FCC Rcd 5662, 5758 (2007) (“*AT&T/BellSouth Order*”); *SBC Commc’ns Inc. and AT&T Corp. Applications for Approval of Transfer of Control*, Memorandum Opinion and Order, 20 FCC Rcd 18290, 18379-81 (2005) (“*SBC/AT&T Order*”); *Applications of AT&T Wireless Servs., Inc. and Cingular Wireless Corp. for Consent to Transfer*

II. DESCRIPTION OF THE TRANSACTION

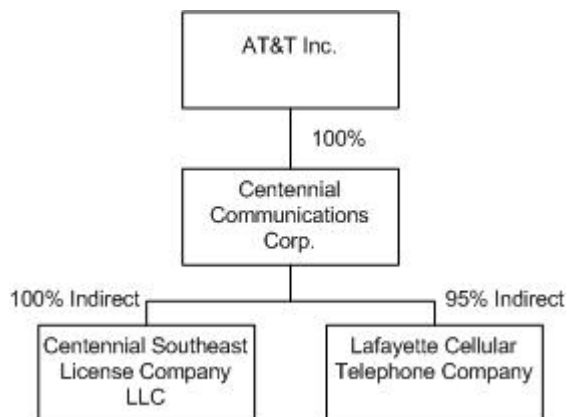
Pursuant to a Purchase Agreement dated May 8, 2009, AT&T is selling certain of the wireless assets, businesses, and licenses it is in the process of acquiring from Centennial to Verizon Wireless. Specifically, Verizon Wireless will acquire from AT&T the assets of the Centennial wireless businesses in CMA174 (Lafayette, LA), CMA458 (Louisiana 5 – Beauregard), CMA459 (Louisiana 6 – Iberville),⁷ CMA460 (Louisiana 7 – West Feliciana), and CMA500 (Mississippi 8 – Claiborne). These assets include the cellular A-band licenses for those CMAs, along with the customers and substantially all operational and related assets of the former Centennial wireless businesses in these areas.

Verizon Wireless' acquisition of these assets will occur only after the FCC has approved, and the parties have closed, the AT&T-Centennial transaction. Thus, prior to the commencement of this proposed transaction, Centennial will be a direct subsidiary of AT&T while Lafayette Cellular and Centennial Southeast will both be indirect subsidiaries.⁸

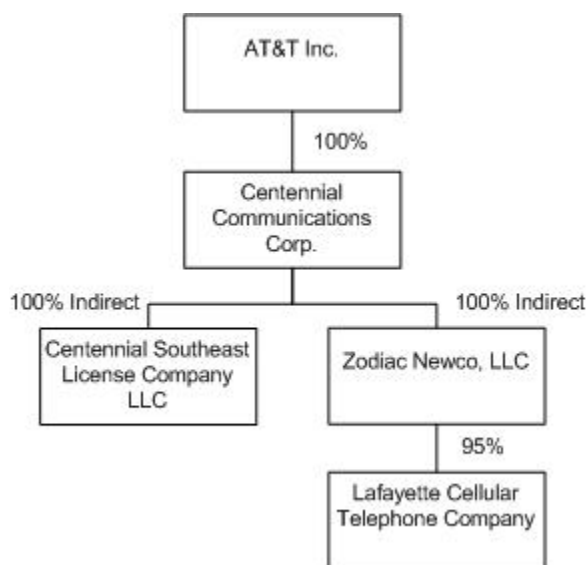
Control of Licenses and Authorizations, Memorandum Opinion and Order, 19 FCC Rcd 21522, 21548 (2004) (“*Cingular/AT&T Wireless Order*”); *Applications of SBC Commc’ns and BellSouth Corp.*, Memorandum Opinion and Order, 15 FCC Rcd 15459, 25465-66 (WTB & IB 2000) (“*Cingular Order*”); *Applications of Ameritech Corp. and SBC Commc’ns Inc.*, Memorandum Opinion and Order, 14 FCC Rcd 14712, 14950 (1999) (subsequent history omitted) (“*SBC/Ameritech Order*”).

⁷ The Centennial wireless business in CMA459 (Louisiana 6 – Iberville) is limited to Iberia Parish and St. Mary Parish and a portion of Iberville Parish. The A-band cellular spectrum in the other areas of this CMA is licensed to Radiofone, Inc. d/b/a ALLTEL.

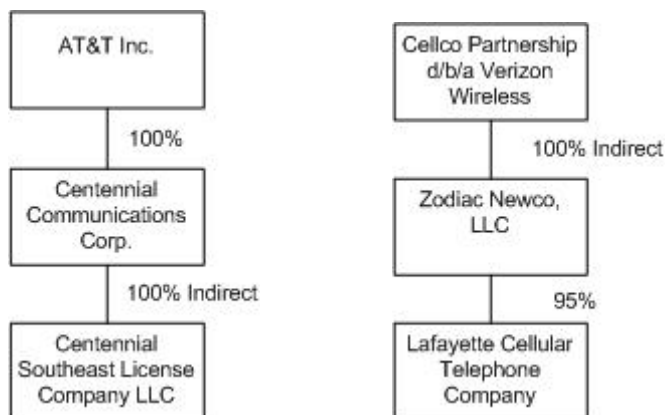
⁸ The charts depicting the ownership structure at various points in this transaction do not include a potential restructuring that AT&T may undertake after the AT&T-Centennial transaction closes. Under this restructuring, Centennial Southeast and Lafayette Cellular become subsidiaries of AT&T Mobility II LLC, a wholly-owned, indirect subsidiary of AT&T. If such a restructuring does occur before the consummation of this transaction, all that will change will be the identity of the intermediate holding company – AT&T still will be the ultimate controlling party wherever a chart shows it to be.



As a first step of the transaction, Centennial and Centennial Southeast will contribute the licenses and authorizations (and related assets) that are the subject of these Applications, and Centennial will contribute its general partnership interest in Lafayette Cellular, to a newly-formed, wholly-owned indirect subsidiary of AT&T called Zodiac Newco, LLC (“Newco”).



Then, the indirect AT&T subsidiary that is the parent of Newco will transfer its interest in Newco to an indirect subsidiary of Verizon Wireless, thereby causing Newco to become a wholly-owned indirect subsidiary of Verizon Wireless.



Following the close of the transaction, the licenses and authorizations that are the subject of these applications will be controlled by Verizon Wireless.

III. STANDARD OF REVIEW

In deciding whether to grant these Applications under Sections 214(a) and 310(d) of the Communications Act of 1934, as amended,⁹ the Commission must determine whether doing so is in the public interest. Under its established procedures, the Commission first assesses whether the proposed transaction complies with the specific provisions of the Communications Act, other applicable statutes, the Commission’s rules, and federal communications policy. The Commission then weighs any potential public interest harms of the proposed transaction against the potential public interest benefits. The Applicants bear the burden of proving by a preponderance of the evidence that the proposed transaction, on balance, serves the public interest.¹⁰

⁹ 47 U.S.C. §§ 214(a), 310(d).

¹⁰ See, e.g., *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*, Memorandum Opinion and Order and Declaratory Ruling, 23 FCC Rcd 17444, ¶ 26 (2008) (“*Verizon Wireless/ALLTEL Merger Order*”); *Applications of AT&T Inc. and Dobson Communications Corporation For Consent to Transfer Control of Licenses and Authorizations*, Memorandum Opinion and Order, 22 FCC Rcd 20295, ¶ 10 (2007) (“*AT&T/Dobson Merger*”).

This transaction does not violate any law or rule. Nor will it impede the realization of the objectives of the Communications Act or the Commission's ability to implement the Act. To the contrary, this transaction will result in a number of public interest benefits and increase competition in the affected geographic areas. The transaction will result in no competitive harms. Accordingly, the Commission should approve these Applications expeditiously and without conditions.

IV. THE TRANSACTION WILL SERVE THE PUBLIC INTEREST

A. Consumers Throughout the Affected Territory Will Reap Substantial Benefits.

The Commission has long recognized that increasing the diversity and range of features and services available to customers, as well as increasing the geographic reach of a wireless carrier's network, is in the public interest.¹¹ This is clearly the case here. As a result of this transaction, subscribers in the CMAs at issue here will receive a greater variety of service offerings and more extensive coverage than they do now. Specifically, following the complete transition of the networks, Verizon Wireless will compete strongly for subscribers in these areas by offering the following benefits:

- *Enhanced service plans* -- Verizon Wireless offers a variety of service plans with data bundles and packaged offerings. For example, Verizon Wireless' bundled service plans include unlimited nights and weekends and unlimited mobile-to-mobile minutes. Customers in the affected territory will have access to a larger base of over 80 million subscribers to whom they can place unlimited calls on a mobile-to-mobile basis without using their service plan monthly allocation of minutes.
- *Improved quality of service* -- Upon integration of these CMAs by Verizon Wireless, the availability of Verizon Wireless' Evolution - Data Optimized ("EvDO") network, which is among the largest 3G broadband data networks in the US, will enable

Order"); *Applications of AT&T Wireless Services, Inc. and Cingular Wireless Corporation For Consent to Transfer Control of Licenses and Authorizations*, Memorandum Opinion and Order, 19 FCC Rcd 21522, ¶ 40 (2004) ("*Cingular/AT&T Wireless Merger Order*").

¹¹ See, e.g., *AT&T/Dobson Merger Order* ¶¶ 73-82; *Midwest Wireless Order* ¶¶ 105-09, 111-12.

Centennial customers to access Broadband Access™ on their laptops, e-mail on their PDAs, and Verizon Wireless' VCast™ Video and Music services on their wireless phones. As a result of its continuing investment in its network and in customer services, Verizon Wireless has received substantial accolades with regard to customer satisfaction.¹²

- *Expanded seamless network coverage* -- Verizon Wireless' network is among the largest in the U.S., with licensed and operational coverage in all major metropolitan areas and covering a population of approximately 289 million; the services that these customers will enjoy in their home license areas will be seamlessly available as they travel throughout the country.
- *Expanded international roaming* -- Verizon Wireless has roaming agreements in over 40 destinations that will permit subscribers in these areas to use their mobile phones while traveling internationally. Additionally, through its Global Phone Service offering, wireless service is available to Verizon Wireless subscribers in over 220 destinations worldwide.
- *Improved customer care* -- Customers in these areas will benefit from Verizon Wireless' strong commitment to customer care. For example, Verizon Wireless' Welcome Call program ensures that every customer who signs up for or changes an existing Verizon Wireless service plan receives a Welcome Call from a Verizon Wireless customer service representative. In addition, the Verizon Wireless "Worry Free Guarantee" program allows subscribers to test-drive the network and new equipment for 30 days and change calling plans at any time.
- *Greater variety of services and content* -- Customers in these areas will have access to a much broader range of mobile music, video, television and other multimedia services than they do now. These services provide customers with business information, entertainment, gaming and other content. For example, Verizon Wireless' exclusive services include VCast™, which allows customers to view video on demand and graphics for 3D games because it runs on Verizon Wireless' EvDO Rev. A network. VCast™'s range of services includes VCast™ Music, and VCast™ Video, all of which offer content from some of the country's most popular entertainment and information sources. Verizon Wireless also is able to offer cross-brand applications and a full array of diverse content due to its national coverage and over 86 million customers, both of which are very attractive to corporate partners. For instance, Verizon Wireless has paired with ESPN, YouTube, CBS, Comedy Central, Fox, MTV, Sesame Street, and many other popular sources of video content, as well as multiple game developers.
- *Access to a greater variety of wireless devices* -- Verizon Wireless offers a wide variety of wireless devices to its customers, which will benefit the customers in these CMAs. In addition, under the Verizon Wireless Open Development Initiative,

¹² See, e.g., J.D. Power & Associates, Press Release, J.D. Power & Associates Reports: Verizon Wireless Ranks Highest in Satisfying Business Customers In Both Home-Based and Small/Midsize Businesses, <http://www.jdpower.com/corporate/news/releases/pressrelease.aspx?ID=2009090> (May 21, 2009) (last visited June 8, 2009); The American Customer Satisfaction Index, Scores by Industry, Wireless Telephone Service, http://www.theacsi.org/index.php?option=com_content&task=view&id=147&Itemid=155&i=Wireless+Telephone+Service (last visited June 8, 2009).

customers in these areas will have the option of using any device that meets the company's published technical standards.

Verizon Wireless has extensive experience in smoothly transitioning customers it acquires in transactions and will bring that experience to bear in transitioning customers in these CMAs onto the Verizon Wireless network in the months following the close of the transaction. Verizon Wireless will be acquiring a GSM network throughout these areas. After consummation, Verizon Wireless will integrate the acquired network into its pre-existing CDMA PCS network. During the integration, Verizon Wireless will collocate CDMA equipment ("GSM/CDMA overlay") on many of the existing towers, while continuing to operate the GSM network for a period of time to permit a smooth customer migration to the CDMA network. After the GSM/CDMA overlay is complete, Verizon Wireless will begin replacing all existing GSM subscriber handsets in the acquired CMAs with CDMA handsets.

In addition, the transaction will enable Verizon Wireless to expand its geographic footprint to the benefit of the company's existing and future customers as well as all consumers in the relevant license areas. Of the 1.2 million POPs covered by the systems being acquired, almost half are in areas not covered by the company's existing PCS systems in these CMAs. Verizon Wireless customers will thus benefit from expanded coverage in these areas. The transaction will also enable Verizon Wireless to obtain seamless A-band cellular coverage throughout the affected CMAs.¹³ By expanding its capacity in these CMAs, Verizon Wireless will be better able to accommodate new subscribers and meet consumers' increasing demands for capacity-hungry high-speed services and applications. The transaction also will significantly increase Verizon Wireless' operations in these license areas, ensuring the presence of another

¹³ While Verizon Wireless, through its wholly-owned subsidiary Radiofone, Inc. d/b/a ALLTEL, holds A-band cellular spectrum in CMA 459 (Louisiana 6 – Iberville), that license area has been partitioned and Verizon Wireless' cellular holdings in this CMA do not overlap geographically with the spectrum it is acquiring in this transaction.

strong national competitor. While Verizon Wireless currently serves these territories, it has only a handful of retail outlets and agents that sell Verizon Wireless service in these areas,¹⁴ a fact that will change post-consummation of this transaction. As a result, Verizon Wireless will be a stronger and more effective competitor, benefiting all consumers in these areas.

B. The Transaction Will Not Harm Competition.

The transaction will not result in any competitive harms. Because of Verizon Wireless' limited operations and spectrum holdings in the geographic areas at issue in this transaction, the acquisition of the Centennial licenses and businesses do not raise any competitive concerns. As demonstrated in the spectrum aggregation and competition charts attached as Exhibit 3, post-transaction Verizon Wireless' spectrum holdings in these areas will be well below the applicable spectrum screen in any county. Further, Verizon Wireless' market presence in the affected areas is very limited and all of these CMAs have numerous licensed competitors. Under such circumstances, the Commission has held that no further competitive inquiry is required.¹⁵

V. MISCELLANEOUS REGULATORY AND PROCEDURAL ISSUES

A. Request for Declaratory Ruling on Foreign Ownership

Verizon Wireless requests that the Commission extend the company's current Section 310(b)(4) authority to hold interests in common carrier licenses and authorizations to encompass Newco and the FCC licenses it will hold following their transfer to Verizon Wireless as a result of this transaction. The Commission has previously approved Vodafone Group Plc.'s

¹⁴ In most of the CMAs involved in this transaction, Verizon Wireless has no more than two retail outlets or agents.

¹⁵ See, e.g., *Verizon Wireless/ALLTEL Merger Order* at ¶ 76 (“[T]he purpose of this initial screen is to eliminate from further review those markets in which there is clearly no competitive harm relative to today’s generally competitive marketplace”); *AT&T/Dobson Order* at ¶ 39; *ALLTEL/Midwest Wireless Order* at n.151; *Sprint/Nextel Order* at ¶ 62; *ALLTEL/Western Wireless Order* at ¶ 48; *Cingular/AT&T Wireless Order* at ¶¶ 106-109.

(“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.¹⁶ 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 Newco and the FCC licenses it will hold following transfer to Verizon Wireless.¹⁷

Here, Verizon Wireless proposes to acquire AT&T’s 100 percent interest in Newco as well as a controlling interest in Lafayette Cellular. As a result of the transaction, Newco and Lafayette Cellular will be indirectly owned by Verizon Wireless. Verizon Wireless is a Delaware general partnership owned indirectly by Verizon Communications Inc. (“Verizon”) and Vodafone. Verizon, 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 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

¹⁶ 47 U.S.C. §310(b)(4).

¹⁷ 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.

interest would be served by allowing the proposed indirect foreign ownership,” consistent with the Commission’s *Foreign Participation Order*.¹⁸ No material changes have occurred in Verizon Wireless’ foreign ownership since that authorization was granted.¹⁹ Further, the Commission has since extended this authority to permit Verizon Wireless to acquire numerous additional common carrier licenses and authorizations.²⁰ This request seeks a declaratory ruling allowing Vodafone to hold the same indirect ownership interest of up to 65.1 percent in the

¹⁸ *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).

¹⁹ 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).

²⁰ *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”). *See also Verizon Wireless/ALLTEL Merger Order* at ¶ 226 (finding that “current foreign ownership of Verizon Wireless is not inconsistent with the foreign ownership ruling issued in the *Vodafone-Bell Atlantic Order*,” and that “the beneficial ownership information that Verizon Wireless has submitted for Vodafone and Verizon [is] sufficient to demonstrate compliance with its section 310(b)(4) ruling for the same reasons discussed in the *Verizon Wireless-RCC Order*”).

authorizations to be acquired and any future licenses and authorizations to be acquired by Newco and Lafayette Cellular.

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 Newco, Lafayette Cellular 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.²¹ 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.²² As the Commission previously concluded, Vodafone's principal place of business is the United Kingdom, a WTO Member.²³

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.²⁴ The same public interest rationale that applied in that decision should apply with equal force to Newco, Lafayette Cellular and the FCC licenses being acquired by Verizon Wireless as a result of the proposed transaction.²⁵ The Commission should therefore issue a

²¹ *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).

²² *Id.* at 23,913 (¶ 50) and 23,940 (¶¶ 111-12).

²³ *Vodafone/Bell Atlantic Order*, 15 FCC Rcd at 16,514 (¶ 18).

²⁴ *Id.*, 15 FCC Rcd at 16,514 (¶ 19).

²⁵ 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 V(F).

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

The lists of call signs referenced in these Applications are intended to be complete and include all licenses held by the respective Centennial entities that are subject to the proposed transaction. These licensees, however, may have on file or may hereafter file additional requests for authorizations for new or modified facilities related to the licenses and assets to be transferred, which may be granted or remain pending during the Commission's consideration of these Applications. Accordingly, the Applicants request that the FCC authorize Verizon Wireless, as appropriate, and with respect to the five CMAs covered by this transaction, to acquire control of the following upon the grant of the Applications:

- Any authorization issued to Centennial Southeast or Lafayette Cellular during the Commission's consideration of these Applications and the period required for consummation of the transaction following approval;
- Construction permits held by such licensees that mature into licenses after closing;
- Applications that are filed after the date of these Applications that are pending at the time of consummation; and
- Any leases of spectrum into which such licensees enter as a lessee while this transaction is pending and during the period required for consummation of the transaction.

Such actions would be consistent with Commission precedent.²⁶ Moreover, the Applicants request that Commission approval of the transfer applications include any licenses that may have been inadvertently omitted.

²⁶ See *Cingular-AT&T Wireless Order*, 19 FCC Rcd at 21,626 (¶ 275); *Application of WorldCom, Inc., and MCI Commc'ns Corp. for Transfer of Control of MCI Commc'ns Corp. to WorldCom, Inc.*, Memorandum Opinion and Order, 13 FCC Rcd 18,025 (¶ 226) (1998); *Applications of NYNEX Corp., Transferor, and Bell Atlantic Corp., Transferee, for Consent to Transfer Control of NYNEX Corp. and Its Subsidiaries*, Memorandum Opinion and Order, 12 FCC Rcd 19,985, 20,097 (¶ 247) (1997) ("NYNEX-Bell Atlantic Order"); *Applications of Craig*

C. Exemption from Cut-Off Rules

Pursuant to Sections 1.927(h), 1.929(a)(2) and 1.933(b) of the Commission's Rules,²⁷ to the extent necessary,²⁸ the Applicants request a blanket exemption from any applicable cut-off rules in cases where one or more of the Centennial subsidiaries file amendments to pending applications to reflect consummation of the proposed transfer of control. This exemption is requested so that amendments to pending applications to report the change in ultimate ownership of such licensees, which are parties to these Applications, would not be treated as major amendments. The scope of the proposed transaction demonstrates that the ownership change would not be made for the acquisition of any particular pending application, but as part of a larger transaction undertaken for an independent and legitimate business purpose. Grant of such application would be consistent with previous Commission decisions routinely granting a blanket exemption in cases involving similar transactions.²⁹

O. McCaw and AT&T for Consent to Transfer of Control of McCaw Cellular Commc 'ns, Inc. and Its Subsidiaries, Memorandum Opinion & Order, 9 FCC Rcd 5836, 5909 (¶ 137 & n.300) (1994) ("McCaw-AT&T Order").

²⁷ 47 C.F.R. §§ 1.927(h), 1.929(a)(2), and 1.933(b).

²⁸ With respect to cut-off rules under Sections 1.927(h) and 1.929(a)(2), the Commission has previously found that the public notice announcing the transaction will provide adequate notice to the public with respect to the licenses involved, including for any license modifications pending. In such cases, it determined that a blanket exemption of the cut-off rules was unnecessary. See *Applications of Ameritech Corp. and GTE Consumer Servs. Inc.*, Memorandum Opinion and Order, 15 FCC Rcd 6667, 6668 (¶ 2 & n.6) (1999); *In re Applications of Comcast Cellular Holdings, Co. and SBC Commc 'ns, Inc.*, Memorandum Opinion and Order, 14 FCC Rcd 10,604, 10,605 (¶ 2 & n.3) (1999).

²⁹ See, e.g., *NYNEX-Bell Atlantic Order*, 12 FCC Rcd at 20,091-0922 (¶ 234); *Applications of PacifiCorp Holdings, Inc., Transferor, and Century Tel. Enters., Inc., Transferee, For Consent to Transfer Control of Pacific Telecom, Inc., a Subsidiary of PacifiCorp Holdings, Inc.*, Memorandum Opinion and Order, 13 FCC Rcd 8,891, 8915-16 (¶ 47) (1997); *McCaw-AT&T Order*, 9 FCC Rcd at 5909 (¶ 137 & n.300).

D. Unjust Enrichment Issues

None of the authorizations involved in this transaction was obtained pursuant to set-asides or bidding credits for designated entities within the last five years. Thus, the unjust enrichment provisions of the Commission's Rules do not apply.³⁰ None of the licenses at issue was acquired through competitive bidding procedures within the last three years, so Section 1.2111(a) of the Commission's rules does not apply.³¹

E. Unconstructed Facilities

All of the FCC authorizations covered by these applications involve constructed facilities. Accordingly, there is no reason to review the transaction from the perspective of trading in licenses.

F. DOJ Agreement

Verizon Wireless, Bell Atlantic Corporation (Verizon Communications' predecessor-in-interest) and Vodafone are parties to an agreement with the United States Department of Defense, Department of Justice ("DOJ"), and the Federal Bureau of Investigation, dated December 14, 1999. The agreement provides that any system Verizon Wireless later acquires pursuant to an Application for Assignment or Transfer of Control of International 214 Authority is subject to the agreement. Verizon Wireless' understanding of this requirement was confirmed in a letter from Steve Zipperstein, General Counsel of Verizon Wireless, to representatives of the above departments and agencies.³² Verizon Wireless here again confirms that, following

³⁰ 47 C.F.R. § 1.2111(b)-(d).

³¹ 47 C.F.R. § 1.2111(a).

³² Letter from Steven E. Zipperstein, General Counsel, Verizon Wireless, to the Honorable Laura H. Parsky, Deputy Assistant Attorney General, U.S. Dept. of Justice, Douglas P. Larsen, Esq., Deputy General Counsel for Acquisition and Logistics, U.S. Dept. of Defense, and Gary M. Bald, Executive Assistant Director for Counterterrorism/Counterintelligence, Federal Bureau of Investigation (June 23, 2006).

consummation, Newco, Lafayette Cellular and the licensed systems that are the subject of this transaction will be subject to the DOJ Agreement.

G. Environmental Impact

As required by Section 1.923(e) of the Commission's rules,³³ the Applicants state that the assignments and transfers of control of licenses involved in this transaction will not have a significant environmental effect, as defined by Section 1.1307 of the Commission's rules.³⁴ A transfer of control or assignment does not involve any engineering changes and, therefore, cannot have a significant environmental impact.

H. Ownership of Licensee Entities

Newco will be an indirect, wholly-owned subsidiary of Verizon Wireless. Therefore, it is entitled to rely on Verizon Wireless' FCC Form 602 ownership report.

I. Related Governmental Filings

The Department of Justice ("DOJ") will conduct its own review of the proposed transaction and will review the competitive aspects of this transaction pursuant to the Hart-Scott-Rodino Antitrust Improvements Act of 1976³⁵ and the rules promulgated thereunder. The Applicants are submitting a notification form and associated documentary appendix to the DOJ and the Federal Trade Commission, and they expect that this review will confirm that the overall transaction is in the public interest and not anticompetitive.

³³ 47 C.F.R. § 1.923(e).

³⁴ *Id.* § 1.1307.

³⁵ 15 U.S.C. § 18a.

VI. CONCLUSION

For the foregoing reasons, the Commission should conclude that the proposed transaction described herein serves the public interest, convenience, and necessity, and should expeditiously, and unconditionally, grant these Applications.