

Description of Pro Forma Transaction

Pursuant to Sections 1.948(c) and 63.24(f) of the Commission rules,¹ Peach Acquisitions LLC (“Peach”) is providing a notification of the *pro forma* assignment of wireless licenses and derivative international Section 214 authority from Abraham Divestiture Company LLC (“ADC”) to Peach under the control of AT&T Inc. (“AT&T”). This *pro forma* assignment was part of a series of nearly simultaneous transactions which occurred on June 22, 2010 at the closing of the sale to AT&T of certain of the divestiture assets from the Verizon Wireless/ALLTEL merger.²

AT&T elected to treat its acquisition of some of the assets it acquired as part of a reverse like-kind exchange under 26 U.S.C. § 1031. Under this reverse like-kind exchange, AT&T will exchange, for tax purposes, the assets it acquired from Verizon Wireless for the assets AT&T is divesting from its purchase of Centennial Communications Corp.³ The June 22, 2010 transactions occurred as follows:

Verizon Wireless subsidiaries contributed the assets being sold to ADC, then a wholly owned, indirect subsidiary of Verizon Wireless. Verizon Wireless then transferred ownership of ADC to Garden Acquisitions Inc. (“GAI”), the exchange accommodation titleholder (“EAT”), which will hold ADC for up to 180 days. Not all of the assets AT&T acquired from Verizon Wireless will be required to offset the value of the Centennial divestiture assets. Accordingly, at closing, GAI contributed its sole membership interest in a shell limited liability company, Peach, to ADC and ADC contributed to Peach the excess assets, including licenses, that will not be needed for the reverse like-kind exchange. ADC then transferred control of Peach to AT&T Mobility II LLC, a wholly owned, indirect subsidiary of AT&T.

At the time ADC contributed the excess assets to Peach, Peach was a direct and wholly owned subsidiary of ADC. Therefore, the assignment of licenses from ADC to Peach qualifies as *pro forma*.⁴ In addition, as held in the *AT&T/Verizon Order*, the transfer of control of Peach to AT&T constitutes a *pro forma* transaction.⁵

¹ 47 C.F.R. §§ 1.948(c), 63.24(f).

² See *In re Applications of AT&T Inc. & Cellco P’ship d/b/a Verizon Wireless for Consent to Assign or Transfer Control of Licenses and Authorizations & Modify a Spectrum Leasing Arrangement*, WT Dkt No. 09-104, Memorandum Opinion and Order, FCC 10-116 (rel. Jun. 22, 2010) (“*AT&T/Verizon Order*”) (consenting to the sale).

³ See *Cellco P’ship d/b/a Verizon Wireless & AT&T Inc. Seek FCC Consent to Assign or Transfer Control of Licenses & Authorizations & Request a Declaratory Ruling on Foreign Ownership – Amended Application*, Public Notice, 24 FCC Rcd. 11,314 (WTB/IB 2010); *Texas 10, LLC & AT&T Inc. Seek FCC Consent to Assign Licenses & Authorizations*, WT Dkt No. 10-78, Public Notice, DA 10-530 (WTB/IB rel. Mar. 26, 2010).

⁴ 47 C.F.R. § 63.24(d); *In re FCBA’s Petition for Forbearance from Section 310(d) of the Communications Act Regarding Non-Substantial Assignments of Wireless Licenses and*

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The Commission has previously stated that in situations “where no substantial change of control will result from the transfer or assignment, grant of the application is deemed presumptively in the public interest and the application is placed on public notice as granted.”⁶ Moreover, this assignment raises no competition related concerns.

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Transfers of Control Involving Telecommunications Carriers, Memorandum Opinion and Order, 13 FCC Rcd. 6293, 6299, ¶ 8 (1998) (“*FCBA Forbearance Order*”).

⁵ See *AT&T/Verizon Order*, ¶ 13, n. 51 (“[T]he transfer of *de jure* control of assets between the *de facto* controlling party (in this case, AT&T) and the exchange accommodation titleholder (in this case, GAI) is a *pro forma* transaction.”).

⁶ *FCBA Forbearance Order*, 13 FCC Rcd. at 6295, ¶ 2.