

**DESCRIPTION OF THE TRANSACTION AND PUBLIC INTEREST STATEMENT**

E.N.M.R. Telephone Cooperative (“ENMR”), Plateau Telecommunications, Incorporated (“Plateau Telecommunications”), New Mexico RSA 4 East Limited Partnership, and Texas RSA 3 Limited Partnership (collectively, “Plateau Wireless”) have agreed to sell their mobile wireless business to a subsidiary of AT&T Inc. (collectively with its subsidiaries and affiliates, “AT&T” and together with Plateau Wireless, the “Applicants”). Using technologies from the GSM family, Plateau Wireless operates in three CMAs in largely rural portions of eastern New Mexico and western Texas (CMA554 - New Mexico 2 - Colfax, CMA556 - New Mexico 4 - Santa Fe, and CMA654 - Texas 3 - Parmer). The Applicants are filing various applications for the Commission’s approval of the assignment of Plateau Wireless’s licenses and authorizations (collectively, “Applications”). For the reasons set forth below, the Commission should find that this transaction serves the public interest and grant these Applications swiftly and without conditions.

**I. DESCRIPTION OF THE APPLICANTS AND THE TRANSACTION**

AT&T is a leading provider in the United States of wireless, Wi-Fi, high-speed Internet, local and long distance voice, mobile broadband, and advanced TV services, as well as worldwide wireless coverage and IP-based business communications services.<sup>1</sup> The Commission has concluded repeatedly that AT&T has the qualifications required by the Communications Act of 1934, as amended (the “Act”) to hold Commission authorizations,<sup>2</sup> and nothing has changed to disturb this conclusion.

---

<sup>1</sup> See AT&T Inc., Annual Report (Form 10-K), at 1 (Feb. 21, 2014).

<sup>2</sup> See, e.g., *Applications of Cricket License Company, LLC, et al., Leap Wireless International Inc., and AT&T Inc. for Consent to Transfer Control of Authorizations*, Memorandum Opinion

Footnote continued on next page

Plateau Wireless or its various affiliates offer wireline and wireless phone, cable television, and high-speed Internet services to customers in parts of eastern New Mexico and parts of western Texas.<sup>3</sup> Plateau Wireless provides retail mobile wireless voice and data services under the “Plateau” brand name to subscribers in this region. There is no question about Plateau Wireless’s character or qualifications to hold Commission authorizations.<sup>4</sup>

In the transaction, immediately prior to closing, Plateau Wireless will contribute its three AWS-1 licenses, three cellular licenses, two 700 MHz licenses, 23 common carrier fixed point-to-point microwave licenses, and three international Section 214 authorizations<sup>5</sup> (collectively, the “Plateau Wireless Licenses”), as well as mobile wireless customers, network equipment, and other assets Plateau Wireless uses in the provision of its mobile wireless business (collectively, with the Plateau Wireless Licenses, the “Plateau Wireless Assets”) to a newly formed limited liability company called Powell Acquisition Company LLC (“Powell”).<sup>6</sup> Then, at closing,

---

Footnote continued from previous page  
and Order, 29 FCC Rcd 2735, 2745 ¶ 19 (WTB/IB 2014) (“*AT&T/Leap Order*”); *Applications of AT&T Inc. and Atlantic Tele-Network, Inc. for Consent to Transfer Control of and Assign Licenses and Authorizations*, Memorandum Opinion and Order, 28 FCC Rcd 13,670, 13,680 ¶ 17 (WTB, IB 2013) (“*AT&T/ATNI Order*”); *Applications of AT&T Inc., Cellco Partnership d/b/a Verizon Wireless, Grain Spectrum, LLC, and Grain Spectrum II, LLC for Consent to Assign and Lease AWS-1 and Lower 700 MHz Licenses*, Memorandum Opinion and Order, 28 FCC Rcd 12,878 ¶ 17 (WTB 2013) (“*AT&T/Verizon Order*”); *Application of AT&T Inc. and Qualcomm Inc. for Consent to Assign Licenses and Authorizations*, Order, 26 FCC Rcd 17,589, 17,601 ¶ 28 (2011) (“*AT&T/Qualcomm Order*”).

<sup>3</sup> See Plateau, <http://www.plateautel.com/about.asp> (last visited July 8, 2014).

<sup>4</sup> See, e.g., *Wireless Telecommunications Bureau Grants Advanced Wireless Service Licenses*, Public Notice, DA 06-2408, Attachment A at 6 (WTB rel. Nov. 29, 2006) (granting AWS licenses to, Plateau Telecommunications, New Mexico RSA 4 East L.P. and Texas RSA 3 L.P.).

<sup>5</sup> One of the three international Section 214 authorizations, File No. ITC-214-20030912-00436, will be retained by E.N.M.R. Telephone Cooperative and will be partially assigned to AT&T.

<sup>6</sup> See generally Press Release, Plateau Telecommunications, Incorporated (June 2014), [http://www.plateautel.com/docs/press\\_release/Plateau\\_Press\\_Release\\_0614.pdf](http://www.plateautel.com/docs/press_release/Plateau_Press_Release_0614.pdf).

Plateau Wireless will transfer the control of its 100 percent interest in Powell to a wholly owned, indirect subsidiary of AT&T.<sup>7</sup>

## II. THE 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,<sup>8</sup> the Commission first must assess 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.<sup>9</sup> The Commission "may not consider whether the public interest, convenience, and necessity might be served by" a transaction involving an entity "other than the proposed transferee."<sup>10</sup> Moreover, the Commission repeatedly has found that an assignment or transfer proceeding is not the proper forum for addressing general industry issues that are not specific to the transaction.<sup>11</sup>

---

<sup>7</sup> ENMR and Plateau Telecommunications also provide wireline and fixed wireless Internet access services, local phone and television services. ENMR and Plateau Telecommunications will retain these businesses, so they are not part of this proposed transaction.

<sup>8</sup> 47 U.S.C. §§ 214(a), 310(d).

<sup>9</sup> See *AT&T/Verizon Order*, 25 FCC Rcd at 8,716 ¶ 22; *AT&T/Centennial Order*, 24 FCC Rcd at 13,927 ¶ 27.

<sup>10</sup> 47 U.S.C. § 310(d).

<sup>11</sup> See, e.g., *AT&T/Qualcomm Order*, 26 FCC Rcd at 17,622 ¶ 79; *AT&T/Centennial Order*, 24 FCC Rcd at 13,972 ¶ 141.

In general, the Section 310(d) standard requires the Commission to balance the potential public interest benefits of the proposed transfer against any likely harms. Thus, if it is clear on the face of an application that a license assignment/transfer will not violate the Act or Commission rules or frustrate or undermine policies and enforcement of the Act and will not reduce competition,<sup>12</sup> the application does not require extensive review.<sup>13</sup> In particular, where, as here, the acquiring party possesses the requisite qualifications to control the licenses in question, and there are no transaction-specific harms, the Commission does not require a detailed showing of transaction-specific benefits.<sup>14</sup>

### **III. THE TRANSACTION WILL SERVE THE PUBLIC INTEREST AND BENEFIT WIRELESS CONSUMERS**

The assignment of these licenses to AT&T unambiguously serves the public interest. AT&T and Plateau Wireless customers alike will benefit from a broader, denser, more advanced network while Plateau Wireless customers will gain access to AT&T's array of services. In addition, the transaction will result in roaming cost savings.

---

<sup>12</sup> See *Ameritech Corp., Transferor, and SBC Communications Inc., Transferee, for Consent to Transfer Control of Corps. Holding Commission Licenses and Lines Pursuant to Sections 214 and 310(d) of the Communications Act and Parts 5, 22, 24, 25, 63, 90, 95 and 101 of the Commission's Rules*, Memorandum Opinion and Order, 14 FCC Rcd 14,712, 14,740-41 ¶ 54 (1999).

<sup>13</sup> *Id.*

<sup>14</sup> *Applications of SoftBank Corp., Starburst II, Inc., Sprint Nextel Corp., and Clearwire Corp. for Consent to Transfer Control of Licenses and Authorizations*, Memorandum Opinion and Order, Declaratory Ruling, and Order on Reconsideration, 28 FCC Rcd 9642, 9682 ¶ 102 (2013) (“[U]nder the Commission’s sliding scale approach, where potential public interest harms appear unlikely . . . we will accept a lesser showing of public interest benefits.”); *Applications of Pacific Telesis Group Transferor, and SBC Communications Inc. Transferee, for Consent to Transfer Control of Pacific Telesis Group and Its Subsidiaries*, Memorandum Opinion and Order, 12 FCC Rcd 2624, 2627 ¶ 2 (1997) (“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.”).

The Commission consistently has recognized the public interest benefits of improving the capacity and network quality of a wireless carrier's network.<sup>15</sup> The transaction will permit AT&T to expand its network capacity and coverage quickly in the license areas – primarily in rural areas. These network enhancements will help AT&T to keep up with consumer demands for data-intensive applications and to deploy much more robust advanced services.<sup>16</sup>

AT&T has no facilities-based network at all in a large part of Plateau Wireless's service territory. Instead, when AT&T customers travel to those areas, they roam on Plateau Wireless's network, which provides the AT&T customers with lower data speeds and more limited functionality than they enjoy on AT&T's network. As a result of the transaction, AT&T plans to complete Plateau Wireless's 4G HSPA+ deployment and to overlay LTE technology, both at a much faster pace than Plateau Wireless would be able to achieve. Because AT&T will integrate the two networks, its customers will enjoy the experience of on-net service in much more of these three CMAs.

In the areas where the AT&T and Plateau Wireless's networks do overlap, moreover, AT&T will integrate complementary cell sites and select other equipment, resulting in a denser network with improved coverage and capacity. Customers of both companies will enjoy a better experience – particularly in areas where they may be experiencing dropped calls, dead spots, and coverage gaps. Greater cell site density also will enable faster data speeds and permit better

---

<sup>15</sup> See, e.g., *Applications of Deutsche Telekom AG, T-Mobile USA, Inc., and MetroPCS Communications Inc. for Consent to Transfer of Control of Licenses and Authorizations*, Memorandum Opinion and Order and Declaratory Ruling, 28 FCC Rcd 2,322, 2,344, 2,348 ¶¶ 63, 74 (WTB, IB 2013) (“*T-Mobile/MetroPCS Order*”); *AT&T/Centennial Order*, 24 FCC Rcd at 13,958 ¶ 103.

<sup>16</sup> See, e.g., *AT&T/Qualcomm Order*, 26 FCC Rcd at 17,590 ¶ 4 (recognizing the public interest in supporting the goal of “expanding mobile broadband” and “faster and better service”).

signal penetration of homes and other buildings. Such integration also will help AT&T to keep up with growing demands for broadband service.

Following the transaction, Plateau Wireless customers will gain access to the range of services available on AT&T's nationwide 4G network. Through AT&T's international roaming partners, Plateau Wireless's subscribers will be able to make and receive calls in more than 225 countries and access data services in more than 210 countries,<sup>17</sup> as well as use nearly 402,000 Wi-Fi hotspots globally through roaming agreements.<sup>18</sup> Among other things, Plateau Wireless customers also will enjoy:

- expanded choice of handsets with advanced service capabilities;
- wider variety of rate plans;
- more robust set of data services;
- free mobile-to-mobile calling to a substantially expanded customer base;
- rollover of unused minutes to the next month;
- free access to 32,000 Wi-Fi hotspots for eligible subscribers;<sup>19</sup> and
- access to AT&T's nationwide footprint when traveling.

Plateau Wireless customers will experience these numerous benefits relatively quickly.

AT&T's experience in transitioning customers to its network following previous transactions will help ensure the integration of the two networks proceeds rapidly and efficiently.<sup>20</sup> Indeed, because Plateau Wireless and AT&T are roaming partners and both use GSM and UMTS-based

---

<sup>17</sup> AT&T, International Services, <http://about.att.com/mediakit/international> (last visited July 8, 2014).

<sup>18</sup> See AT&T, AT&T Broadband Services (Wi-Fi), <http://about.att.com/mediakit/broadband> (last visited July 8, 2014).

<sup>19</sup> *Id.*

<sup>20</sup> See *Applications of Cellco Partnership d/b/a Verizon Wireless and Rural Cellular Corporation*, Memorandum Opinion and Order and Declaratory Ruling, 23 FCC Rcd 12,463, 12,519 ¶ 132 (recognizing "that Verizon Wireless, in light of its many acquisitions, has had significant experience in transitioning customers from one system to another, some involving the replacement of one technology with another," and relying on that experience to ensure a smooth transition).

network technologies, Plateau Wireless customers should be able to use their current devices post-integration.<sup>21</sup> As part of the transition, AT&T plans to offer the majority of Plateau Wireless subscribers comparable rate plans without requiring any contract extension. AT&T will give the minority of customers for whom AT&T will be unable to offer comparable rate plans the choice between choosing non-comparable rate plans and terminating their service without early termination fees.

In addition to the compelling direct benefits to consumers described above, the proposed transaction also will result in roaming cost savings. By expanding AT&T's coverage, the transaction will result in more on-net usage by both AT&T's current customers and the acquired Plateau Wireless customers, thereby reducing their reliance on roaming. Roaming costs, therefore, will decline sharply through internalization and the elimination of double marginalization.<sup>22</sup>

---

<sup>21</sup> SIM swaps are likely to be necessary at some point in the integration process, however.

<sup>22</sup> As the Commission has recognized repeatedly, the internalization of roaming costs, as well as the elimination of the transaction costs of administering roaming, serve the public interest because they lower the marginal cost of providing service and are therefore "likely to benefit consumers through lower price and/or increased service." *Applications of AT&T Wireless Services, Inc. and Cingular Wireless Corp. for Consent to Transfer Control of Licenses and Authorizations*, Memorandum Opinion and Order, 19 FCC Rcd 21,522, 21,605 ¶ 219 (2004). ("Cingular/AT&T Wireless Order"); *accord AT&T Inc. and Dobson Communication Corp. for Consent to Transfer Control of Licenses and Authorizations*, Memorandum Opinion and Order, 22 FCC Rcd 20,295, 20,334-35 ¶ 83 (2007) ("AT&T/Dobson Order") (crediting roaming synergies); *Applications of Western Wireless Corporation and Alltel Corporation for Consent to Transfer Control of Licenses and Authorizations*, Memorandum Opinion and Order, 20 FCC Rcd 13,053, 13,108 ¶ 151 ("ALLTEL's merger with WWC would reduce its roaming costs in geographic markets where ALLTEL and WWC's service areas do not overlap, and the elimination of roaming agreements in these markets would directly benefit . . . its customers.").

#### IV. THE TRANSACTION WILL NOT HARM COMPETITION

The transaction will not result in any competitive harms nationally<sup>23</sup> or in the license areas that are the subject of this transaction. Upon consummation of the proposed transaction, AT&T's spectrum holdings in the three CMAs will range from 135 megahertz to 173 megahertz and average 147 megahertz on a population-weighted basis.<sup>24</sup> Acquisition of the Plateau Wireless Licenses will cause AT&T to go over the current 151 MHz spectrum screen in just 12 counties.<sup>25</sup> In those 12 counties, the three other national carriers have spectrum to serve customers or potential customers in the areas.<sup>26</sup> Verizon and T-Mobile operate networks in all three CMAs affected by the transaction, and Sprint has network coverage in two of the three. Another facilities-based provider – Flat Wireless – also operates in two of the CMAs affected by this transaction. In any event, AT&T will be well below 194 MHz throughout the three CMAs.<sup>27</sup>

---

<sup>23</sup> The Commission previously has found that an acquisition of a small non-national wireless carrier like Plateau Wireless does not have “significant effects . . . at the national level.” *AT&T/ATNI Order*, 28 FCC Rcd at 13,683 ¶ 26.

<sup>24</sup> See Appendix A.

<sup>25</sup> See *id.* The Commission's current screen is triggered where applicants would have “102 megahertz or more of cellular, PCS, SMR, 700 MHz, and WCS spectrum, where neither BRS nor AWS-1 spectrum is available; 121 megahertz or more of spectrum, where BRS spectrum is available, but AWS-1 spectrum is not available; 132 megahertz or more of spectrum, where AWS-1 spectrum is available, but BRS spectrum is not available; or 151 megahertz or more of spectrum where both AWS-1 and BRS spectrum are available.” *AT&T/Leap Order*, 29 FCC Rcd at 2753 ¶ 41 n.141.

<sup>26</sup> See Appendix B. Verizon holds cellular, PCS, AWS, and 700 MHz spectrum in each CMA. Sprint holds PCS and SMR spectrum in each CMA. T-Mobile holds PCS and AWS spectrum in each CMA. The presence of these other carriers precludes a finding of competitive harm. See *Sprint/Nextel Order*, 20 FCC Rcd at 13,969 ¶ 3 (noting “there will be a continuing presence of multiple other substantial carriers in each overlap market with the capacity to add subscribers and the ability to add capacity.”).

<sup>27</sup> The Commission recently raised its spectrum screen to 194 MHz to account for the larger amount of spectrum suitable and available for mobile broadband use. See *Policies Regarding Mobile Spectrum Holdings*, WT Dkt No. 12-269, Report and Order, FCC 14-63, ¶ 251 (rel. Jun. 2, 2014). Although the Commission found that this new threshold serves the public interest, it has not yet taken effect.



Under these circumstances, neither the increase in AT&T's spectrum holdings nor the transaction as a whole raises competitive concerns.<sup>28</sup>

## **V. MISCELLANEOUS REGULATORY MATTERS**

### **A. After-Acquired Authorizations**

The Applicants request that any Commission approval of these Applications include authority for AT&T to be assigned any applications regarding the Plateau Wireless Assets that are pending at the time of consummation. Such action would be consistent with prior decisions of the Commission.<sup>29</sup> Accordingly, the Applicants also request that Commission approval include any of Plateau Wireless's licenses that may have been inadvertently omitted from the application forms the Applicants are filing.

### **B. Blanket Exemption to Cut-Off Rules**

The public notice announcing this transaction will provide adequate notice to the public with respect to the licenses involved, including any for which license modifications are now pending. Therefore, no waiver needs to be sought from Sections 1.927(h), 1.929(a)(2), and 1.933(b) of the Commission's rules<sup>30</sup> to provide a blanket exemption from any applicable cut-off

---

<sup>28</sup> While this transaction will result in AT&T having more than 45 MHz of available low-band spectrum (spectrum below 1 GHz) in Texas 3 - Parmer, there still is no basis for finding competitive harm. In this CMA, the three other national carriers and Flat Wireless, which has 30 MHz of spectrum in each county, all offer plans with nationwide coverage. Indeed, the three other national carriers – but not AT&T – pass the Commission's presumptive threshold for competitive presence in this CMA. *See, e.g., T-Mobile/MetroPCS Order*, 28 FCC Rcd. at 2339 ¶ 50 n.119 (stating that coverage of at least 70 percent of the population and at least 50 percent of the land area are sufficient for a presumption of competitive presence).

<sup>29</sup> *See AT&T/Leap Order*, 29 FCC Rcd at 2809 ¶ 191; *AT&T/ATNI Order*, 28 FCC Rcd at 12,724 ¶ 103.

<sup>30</sup> 47 C.F.R. §§ 1.927(h), 1.929(a)(2), 1.933(b).

rules in cases where the Applicants file amendments to pending license applications to reflect the consummation of the proposed assignments.

**C. Environmental Impact**

As required by Section 1.923(e) of the Commission's rules,<sup>31</sup> the Applicants state that the assignment of licenses involved in this transaction will not have a significant environmental effect, as defined by Section 1.1307 of the Commission's rules.<sup>32</sup> An assignment of licenses does not involve any engineering changes and, therefore, cannot have a significant environmental impact.

**VI. CONCLUSION**

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

---

<sup>31</sup> *Id.* § 1.923(e).

<sup>32</sup> *Id.* § 1.1307.