

**NOTIFICATION OF *PRO FORMA* TRANSACTION
AND REQUEST FOR WAIVER**

Illinois Valley Cellular RSA 2-II Partnership (“IVC RSA 2-II”) hereby notifies the Commission of the *pro forma* transfer of minority partnership interests in IVC RSA 2-II, which holds an international Section 214 authorization to provide global resale services (File No. ITC-214-20010507-00292).¹ The transfer did not result in a substantial change in control of IVC RSA 2-II; therefore the transfer was *pro forma* in nature.

Because the transfer took place on January 1, 2017, IVC RSA 2-II seeks a waiver of Section 63.24(f)(2) of the Commission’s rules that required IVC RSA 2-II to provide notice of the *pro forma* transaction within 30 days.²

ANSWER TO QUESTION 10

Contact Information

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¹ IVC RSA 2-II concurrently is filing a Form 603 *pro forma* notification in connection with its common carrier wireless licenses.

² 47 C.F.R. § 63.24(f)(2).

ANSWER TO QUESTION 11

Direct and Indirect Ownership of Transferee

Pursuant to Section 63.18(h) of the Commission's rules, the following entities hold a direct or indirect ten percent or greater equity interest in IVC RSA 2-II. As further described in response to Question 13 below, Marseilles Cellular, Inc. ("Marseilles") continues to have *de facto* control over IVC RSA 2-II.

Marseilles, a corporation organized under the laws of Illinois, holds a 32.34 percent general partnership interest in IVC RSA 2-II. Marseilles' main office is located at 220 North Menard Street, Metamora, Illinois 61549. The principal business of Marseilles is the provision of telecommunications services.

Tonica Cellular, Inc. ("Tonica"), a corporation organized under the laws of Illinois, holds a 9.67 percent general partnership interest in IVC RSA 2-II. Tonica's main office is located at 208 Allen Street, Tonica, Illinois 61370. The principal business of Marseilles is the provision of telecommunications services.

Alltel Communications, LLC ("Alltel") holds a 57.99 percent general partnership interest in IVC RSA 2-II. Alltel, in turn, is a wholly-owned indirect subsidiary of Cellco Partnership d/b/a Verizon Wireless ("Verizon Wireless"). Verizon Wireless is a wholly-owned subsidiary of Verizon Communications Inc. ("Verizon"), through a series of intermediate entities.

Specifically, Verizon owns 100 percent of Verizon Ventures LLC and NYNEX LLC. Verizon, Verizon Ventures LLC, and NYNEX LLC own 91.3096 percent, 1.4508 percent, and 7.2396 percent, respectively, of GTE LLC. GTE LLC owns 100 percent of GTE Wireless LLC, which holds an approximate 31 percent direct general partnership interest in Verizon Wireless. Through a separate chain of ownership, Verizon owns 100 percent of Verizon Business Global LLC, which owns 100 percent of MCI Communications Corporation, which owns 100 percent of Verizon Business Network Services Inc., which in turn owns 100 percent of MCI International, Inc. MCI International, Inc. owns 100 percent of MCI International Services, Inc., which owns 100 percent of MCI International Telecommunications Corporation, which in turn owns 100 percent of Terremark Worldwide, Inc. Terremark Worldwide, Inc. owns 100 percent of MCI Broadband Solutions, Inc., which owns 100 percent of MCI Communications Services, Inc., which owns 100 percent of Bell Atlantic Mobile Systems LLC. Bell Atlantic Mobile Systems LLC holds an approximate 23 percent general partnership interest in Verizon Wireless. Through a third chain of ownership, Verizon owns 100 percent of Verizon Americas Finance 1 Inc., which in turn owns 100 percent of Verizon Americas Inc. Verizon Americas Inc., in turn, holds an approximate 36 percent general partnership interest directly in Verizon Wireless, and a 10 percent general partnership interest indirectly through its wholly-owned subsidiary GTE Wireless of the Midwest Incorporated.³ Verizon, a Delaware corporation, is located at One

³ Information regarding Verizon Wireless' ownership structure is available in the *pro forma* notification, File No. ITC-T/C-20171025-00193.

Verizon Way, Basking Ridge, New Jersey 07920. Its principal business is the provision of communications services.

No other entity or individual directly or indirectly holds a 10 percent or greater equity interest in IVC RSA 2-II.

ANSWER TO QUESTION 13

Description of the Transaction

Prior to January 1, 2017, IVC RSA 2-II had five general partners: (1) Tonica held a 6.67 percent interest; (2) Lenore Cellular, Inc. (“Lenore”) held an 8.71 percent interest; (3) Cencomm, Inc. (“Cencomm”) held a 22.31 percent interest; (4) Marseilles held a 22.31 percent interest; and (5) Alltel held a 40 percent interest.⁴

On January 1, 2017, Lenore and Cencomm withdrew from the IVC RSA 2-II partnership. Proportionate ownership interests held by Marseilles, Tonica, and Alltel increased pro rata to reflect the withdrawal. As a result, Marseilles’ interest increased from 22.31 percent to 32.34 percent; Tonica’s interest increased from 6.67 percent to 9.67 percent; and Alltel’s interest increased from 40 percent to 57.99 percent.

IVC RSA 2-II was prior to the transfer and continues to be managed and controlled by Marseilles, which serves as the Operational Partner and Network Partner of the partnership. In these roles, Marseille continues to control the daily operations of and carry out the day-to-day policy decisions for IVC RSA 2-II, control the financial obligations associated with operating IVC RSA 2-II, control personnel decisions, control the use of IVC RSA 2-II’s facilities and equipment, and receive monies and profits from the operation of the facilities.⁵ This demonstrates that Marseilles has *de facto* control over IVC RSA 2-II.

Although the transfer of the minority ownership interests in this case resulted in an increase in the remaining partners’ interests (including Alltel’s increase to 57.99 percent), the transfer is properly classified as *pro forma* because it did not “cause a ‘substantial change in ownership or control’ of the licensee.”⁶ It is well established that in the case of a partnership, *de*

⁴ Alltel is a wholly-owned subsidiary of Cellco Partnership d/b/a Verizon Wireless (“Verizon Wireless”). Robert E. Boone, Jr. (“Boone”) serves as Voting Trustee for Alltel’s voting rights in IVC RSA 2-II under a Voting Trust Agreement between Boone and Alltel. On February 5, 2009, the Commission was notified of the *pro forma* transfer of Alltel’s voting rights in IVC RSA 2-II to the trustee, in connection with the acquisition of ALLTEL Corporation by Verizon Wireless. See ULS File No. 0003728249.

⁵ See *Intermountain Microwave*, 24 Rad. Reg. (P&F) 983 (1963), *Application of Ellis Thompson Corp.*, 9 FCC Rcd 7138 (1994).

⁶ *Federal Communications Bar Association’s Petition for Forbearance from Section 310(d) of the Communications Act*, 13 FCC Rcd 6293, 6297 (1998) (“*FCBA Forbearance Order*”).

jure control is evidenced by the holding of general partnership interests.⁷ Accordingly, the remaining partners of IVC RSA 2-II (including Alltel) previously had and continue to have *de jure* control of IVC RSA 2-II. Moreover, the Commission has long held that a transaction is *pro forma* if less than 50 percent interest in a licensee is changing hands, and more than 50 percent interest remains in the hands of persons who have already been passed upon by the Commission.⁸ In this case, well under 50 percent of the partnership interests were transferred to the remaining partners, all of whom have been previously passed upon by the Commission. In addition, as described above, Marseilles had and continues to have *de facto* control of IVC RSA 2-II.

IVC RSA 2-II is a longstanding FCC licensee, operating state of the art digital wireless networks in eight counties running from the Indiana State line to south of Chicago, to near Peoria, Illinois and then on towards the Iowa state line. It has concentrated on building towers that serve the needs of the local communities and the rural farming community. IVC RSA 2-II holds several licenses in good standing and provides commercial mobile wireless service in furtherance of the public interest. The transfer did not change or impact the operations of IVC RSA 2-II, including its customers.

WAIVER REQUEST

IVC RSA 2-II hereby requests a waiver of Section 63.24(f)(2) of the Commission's rules,⁹ which provides that notifications of *pro forma* transactions involving international Section 214 authorizations be filed within 30 days after the transaction.

The Commission may waive its rules based upon a showing of good cause,¹⁰ and it may exercise its discretion to waive a rule where the facts of a particular case support a conclusion that strict enforcement of the rule would not be in the public interest.¹¹

As explained above, on January 1, 2017, as a result of two partners withdrawing from the IVC RSA 2-II partnership, the ownership interests of the remaining partners increased proportionately. The transfer was *pro forma* and thus, pursuant to Section 63.24(f)(2), was subject to notification by January 31, 2017. Since control of IVC RSA 2-II did not change, IVC

⁷ See, e.g., *Updating Part 1 Competitive Bidding Rules*, 30 FCC Rcd 7493, 7507 (2015); 47 C.F.R. § 22.22(b)(2).

⁸ See *FCBA Forbearance Order*, 13 FCC Rcd at 6297-98; *Barnes Enterprises, Inc.*, 55 F.C.C.2d 721 (1975); *Clay Broadcasters, Inc.*, 40 F.C.C.2d 1239 (1971).

⁹ 47 C.F.R. § 1.948(c)(1)(iii).

¹⁰ 47 C.F.R. § 1.3.

¹¹ See *Northeast Cellular Telephone Co. v. FCC*, 897 F.2d 1164, 1166 (D.C. Cir. 1990) ("*Northeast Cellular*") (citing *WAIT Radio v. FCC*, 418 F.2d 1153, 1159 (D.C. Cir. 1969) ("*WAIT Radio*"), *cert. denied*, 409 U.S. 1027 (1972)).

RSA 2-II's management did not realize that the transfer would require notice to the Commission. It was not until recent consultation with regulatory counsel that the management determined that notice should have been provided.

Grant of a waiver to permit a late filing of the notice of the *pro forma* transfer would not undermine the primary purpose of Section 63.24(f)(2), because there was no substantial change in control with respect to the partnership. The transfer did not affect IVC RSA 2-II's management or day-to-day operations. Nor did the delay have a negative impact on customers, other service providers, or the market generally. Once IVC RSA 2-II became aware that it was required to notify the Commission, it promptly prepared and filed the instant notification. IVC RSA 2-II has otherwise operated in compliance with the Commission's rules. Granting the waiver request serves the public interest by enabling IVC RSA 2-II to update the Commission's ownership records and ensuring its ability to continue to provide enhanced wireless telecommunications services in much needed rural areas is not adversely affected.