

APPENDIX D MARKET-SPECIFIC ANALYSIS

Set forth below is a detailed examination of the markets in which we found that the public interest would not be served by the transfer of control of AT&T Wireless to Cingular and would likely lead to anticompetitive harms that require a remedy.

The market share and HHI information appearing herein are derived from our analysis of two sets of data: (1) billing data submitted by certain carriers in response to our information request in this proceeding, and (2) data compiled in our Numbering Resource Utilization / Forecast (NRUF) database, which tracks phone number usage by all telecommunications carriers, including wireless carriers, in the United States. Using both of these sets of data to cross-check against each other, we find that they essentially corroborate each other. Although the figures derived from these two sources give different results in some cases (expressed in the ranges given below), our analysis does not rely solely on market shares to determine which markets are likely to experience competitive harm as a result of this transaction. In combination with the other factors in our multi-factor, market-specific analysis, which draws competitive conclusions based on the totality of the circumstances present in a given market, we are confident that these ranges are a reliable basis for our determinations herein.

Oklahoma City, Oklahoma (CMA 045)

We examined both the Oklahoma City, Oklahoma CEA and the Oklahoma City, Oklahoma CMA. Most of the potential anticompetitive harms in the Oklahoma City CEA would occur in the Oklahoma City CMA, and if conditions were imposed to mitigate the harms in the CMA, the harms would also be sufficiently mitigated in the CEA. We therefore focus our discussion on the Oklahoma City CMA.

In the Oklahoma City CMA, Cingular has [REDACTED] while AT&T Wireless currently has [REDACTED] of the subscribers, which would lead to a post-merger share of [REDACTED]. The other carriers offering service in Oklahoma City are Sprint (with [REDACTED] of the subscribers), T-Mobile ([REDACTED]), and Nextel ([REDACTED]). There are no other service providers with subscribers in the Oklahoma City CMA (although USCC has launched in the Oklahoma City CMA and has [REDACTED] of the subscribers in the larger Oklahoma City CEA).

The post-merger HHI in the Oklahoma City CMA would be 4,889-5,338, and the change in HHI would be [REDACTED]. These numbers reflect a major change in the character of competition before and after the merger. In Oklahoma City, AT&T Wireless and Cingular are the cellular providers (with 35 MHz and 25 MHz of spectrum, respectively), and the merger would give them a total of 60 MHz of spectrum throughout the CMA. By contrast, T-Mobile has 40 MHz, Sprint has 30 MHz, and USCC has 10 MHz.¹ In addition, 30 MHz of unused spectrum

¹ Throughout this analysis, we do not report spectrum holdings for Nextel. Nextel's spectrum has been licensed in a fashion different than that for the other firms considered here, its spectrum holdings are significantly more difficult to identify for individual local areas, and its holdings may be changing in the relatively near future as a result of other regulatory proceedings. Nationwide, Nextel holds an average of almost 20 MHz of bandwidth. For large markets, we presume that Nextel's capacity is 20 MHz. For smaller markets, we judge Nextel's potential competitive influence by reviewing coverage maps and current market shares.

formerly held by NextWave will be auctioned in Auction No. 58, in three 10-MHz blocks. All of the carriers providing service have launched service in all counties (except that USCC has not launched in two counties).

Oklahoma City CMA is one of the top 50 CMAs, with a population of over 1 million according to the United States 2000 Census. The merger would lead to the combination of the [REDACTED] and [REDACTED] largest providers, and give Cingular over [REDACTED] of the subscribers in the CMA. Where currently Cingular faces [REDACTED] competitors of some size, after the merger, it would only face [REDACTED]. Moreover, the merged firm would be [REDACTED] times as large as its two nearest competitors. In addition, USCC may not have sufficient spectrum to be a significant competitive force in this market. We have serious doubts whether the firms other than the applicants would be able to expand sufficiently in the Oklahoma City CMA to make it unprofitable for Cingular to raise prices or lower quality to its customers.

In sum, we conclude that in the Oklahoma City CMA, there is a strong likelihood that the merger would leave Cingular with market power to raise the price or lower the quality of wireless service. The merger, by combining the [REDACTED] players in the market, runs a high risk of turning a large competitive market into one in which one player is allowed to achieve a substantial advantage over the others unrelated to its competitive success. We conclude on the basis of the current record that there is a substantial risk that the transaction, without conditions, would lead to anticompetitive harms in the Oklahoma City CMA.

Sherman-Denison, Texas (CMA292)

We examined both the Sherman-Denison, Texas CEA and the Sherman-Denison, Texas CMA. Most of the potential anticompetitive harms in the Sherman-Denison CEA would occur in the Sherman-Denison CMA, and if conditions were imposed to mitigate the harms in the CMA, the harms would also be sufficiently mitigated in the CEA. We therefore focus our discussion on the Sherman-Denison CMA.

In the Sherman-Denison CMA, Cingular has [REDACTED] while AT&T Wireless currently has [REDACTED] of the subscribers, which would lead to a post-merger share of [REDACTED]. The other carriers offering service in Sherman-Denison are Sprint (with [REDACTED] of the subscribers), Verizon Wireless ([REDACTED]), T-Mobile ([REDACTED]), Nextel ([REDACTED]), and Choice Wireless ([REDACTED]).

The post-merger HHI in the Sherman-Denison CMA would be 4,971-5,071, and the change in HHI would be [REDACTED]. These numbers reflect a major change in the character of competition before and after the merger. In Sherman-Denison, both AT&T Wireless and Cingular are the cellular providers (with 35 MHz and 25 MHz of spectrum, respectively), and the merger would give them a total of 60 MHz of spectrum throughout the CMA. By contrast, Choice Wireless has 40 MHz, Sprint and Verizon Wireless have 30 MHz, and T-Mobile has 10 MHz. This is a single county CMA, and there are no unlaunched licensees in this CMA.

Sherman-Denison CMA has a population of over 110,000 according to the United States 2000 Census. The merger would lead to the combination of the [REDACTED] and [REDACTED] largest providers, and give Cingular over [REDACTED] of the subscribers in the CMA. Where currently Cingular faces [REDACTED] competitors of some size, after the merger it would only face [REDACTED]. Moreover, the merged firm would be [REDACTED] as large

as its two nearest competitors. T-Mobile may not have sufficient spectrum to be able to expand to absorb Cingular's customers if they chose to leave due to an increase in price or decrease in quality. We have serious doubts whether the other firms would be able to expand sufficiently in the Sherman-Denison CMA to make it unprofitable for Cingular to raise prices or lower quality to its customers.

In sum, we conclude that in the Sherman-Denison CMA, there is a strong likelihood that the merger would leave Cingular with market power to raise the price or lower the quality of wireless service. The merger, by combining the [REDACTED] players in the market, runs a high risk of turning a competitive market into one in which one player is allowed to achieve a substantial advantage over the others unrelated to its competitive success. We conclude on the basis of the current record that there is a substantial risk that the transaction, without conditions, would lead to anticompetitive harms in the Sherman-Denison CMA.

Owensboro, Kentucky (CMA 293)

We examined both the Owensboro, Kentucky CEA and the Owensboro, Kentucky CMA. Most of the potential anticompetitive harms in the Owensboro CEA would occur in the Owensboro CMA, and if conditions were imposed to mitigate the harms in the CMA, the harms would also be sufficiently mitigated in the CEA. We therefore focus our discussion on the Owensboro CMA.

In the Owensboro CMA, Cingular currently has [REDACTED] of the subscribers and AT&T Wireless has [REDACTED], leading to a post-merger share of [REDACTED]. The other carriers serving subscribers in the Owensboro CMA are Sprint (with [REDACTED] of the subscribers), Verizon Wireless ([REDACTED]), Nextel ([REDACTED]), and T-Mobile ([REDACTED]).

The post-merger HHI in the Owensboro CMA would be 7,207-7,357 and the change in HHI [REDACTED]. The numbers reflect a major change in the character of competition before and after the merger. In the Owensboro CMA, AT&T Wireless has 45 MHz and Cingular 25 MHz and the merger would give them a total of 70 MHz of spectrum throughout the CMA. By contrast, Sprint has 30 MHz, Verizon Wireless has 25 MHz, T-Mobile has 20 MHz, Bluegrass Cellular has 15 MHz and Leap has 10 MHz. This is a single county CMA, therefore all of the carriers with market share have launched service within this CMA.

The Owensboro CMA has a population of over 90,000 according to the United States 2000 Census. The merger would consolidate the [REDACTED] and [REDACTED] largest providers in the Owensboro market making Cingular approximately [REDACTED] times as large as its nearest competitors. With [REDACTED] of the subscribers in the Owensboro CMA, we find it is highly likely that Cingular would be able to profitably raise prices or lower quality of wireless service.

In sum, the merger would allow Cingular, which already has more than [REDACTED] of the subscribers, to further add to its dominance of the Owensboro market by eliminating its [REDACTED] competitor. We conclude on the basis of the current record that there is a substantial risk that the transaction, without conditions, would lead to anticompetitive harms in the Owensboro CMA.

Little Rock-North Little Rock, Arkansas CEA and Jonesboro, Arkansas CEA

We examined both the Little Rock-North Little Rock, Arkansas CEA and the Jonesboro, Arkansas CEA and several of the CMAs that make up these CEAs. Most of the potential anticompetitive harms in both the Little Rock-North Little Rock, Arkansas CEA and the Jonesboro, Arkansas CEA would occur in five neighboring CMAs—Arkansas 3-Sharp, CMA326, Arkansas 4-Clay, Arkansas 5-Cross, CMA328, Arkansas 6-Cleburne, CMA329, and Arkansas 7-Pope, CMA330. We conclude that if conditions are imposed to mitigate the harms in these five CMAs, the harms would also be sufficiently mitigated in both CEAs.

A. Sharp, Arkansas (Arkansas 3-Sharp, CMA 326)

In the Arkansas 3 – Sharp CMA, Cingular currently has [REDACTED] of the subscribers, while AT&T Wireless has [REDACTED], which would lead to a post-merger share of [REDACTED]. The other carriers offering service in the Arkansas 3 – Sharp CMA are ALLTEL (with [REDACTED] of subscribers), Nextel ([REDACTED]), Sprint ([REDACTED]) and Verizon Wireless ([REDACTED]).

The post-merger HHI in the Arkansas 3-Sharp CMA would be 5,187-5,515, and the change in HHI would be [REDACTED]. These numbers reflect a major change in the character of competition before and after the merger. In Arkansas 3-Sharp AT&T Wireless has 30 MHz and Cingular 25 MHz, and the merger would give them a total of 55 MHz of spectrum throughout the CMA. By contrast, ALLTEL has 35 MHz, Sprint has 30 MHz, T-Mobile has 10-20 MHz, Poplar PCS has 0-20 MHz, Leap has 0-10MHz, and Verizon Wireless has 0-10 MHz in Arkansas 3-Sharp CMA.² Leap and Poplar PCS have not launched service nor does the evidence suggest that they have any subscribers in this CMA.

The Arkansas 3 – Sharp CMA has a population of over 105,000 according to the United States 2000 Census. The merger would consolidate the [REDACTED] and [REDACTED] largest providers in the Arkansas 3-Sharp market. [REDACTED]³,[REDACTED].⁴

[REDACTED], we find that there is a risk of coordinated interaction, whether tacit or explicit. We therefore conclude on the basis of the current record that there is a substantial risk that the transaction, without conditions, would lead to anticompetitive harms in the Arkansas 3-Sharp CMA.

² Spectrum holdings in individual CMAs are expressed in ranges to reflect circumstances in which the carrier holds different amounts of spectrum in specific counties in the CMA.

³ [REDACTED].

⁴ [REDACTED].

B. Clay, Arkansas (Arkansas 4-Clay, CMA 327)

Cingular currently has [REDACTED] of the subscribers in the Arkansas 4- Clay CMA, while AT&T Wireless has [REDACTED], which would lead to a post-merger share of [REDACTED]. The other carriers offering service in the Arkansas 4-Clay CMA are ALLTEL (with [REDACTED] of the subscribers), Leap Wireless ([REDACTED]), Sprint ([REDACTED]), and Nextel ([REDACTED]). There are no other carriers currently serving subscribers in the Arkansas 4-Clay CMA.

The post-merger HHI in the Arkansas 4-Clay CMA would be 4,321-4,443 and the change in HHI would be [REDACTED]. These numbers reflect a major change in the character of competition before and after the merger. In Arkansas 4-Clay, AT&T Wireless has 30-40 MHz and Cingular 25 MHz, and the merger would give them a total of 55 MHz in five counties serving 92% of the CMA population and 65 MHz in the remaining county. By contrast, ALLTEL has 25-35 MHz, Sprint has 30 MHz, T-Mobile has 10-40 MHz, Poplar PCS has 0-20 MHz, Cell South has 0-10 MHz, Leap has 0-10 MHz, and Verizon Wireless has 0-10 MHz in Arkansas 4-Clay CMA. Cell South and Poplar PCS have not launched service nor does the evidence suggest that they have any subscribers in this CMA.

The Arkansas 4-Clay CMA has a population of over 214,000 according to the United States 2000 Census. The merger would combine the [REDACTED] and [REDACTED] largest wireless providers in the Arkansas 4-Clay CMA, making Cingular the [REDACTED] largest provider, and would remove one of Cingular's [REDACTED] major competitors in the Arkansas 4-Clay CMA. While Leap Wireless has [REDACTED] of the subscribers in this CMA, they do not provide service comparable to the Applicants. Specifically, Leap subscribers cannot use their phones outside their local area (in this case, an area smaller than the CMA).

Although several wireless carriers hold spectrum in the Arkansas 4-Clay CMA, [REDACTED].

[REDACTED], we find that there is a risk of coordinated interaction, whether tacit or explicit. We therefore conclude on the basis of the current record that there is a substantial risk that the transaction, without conditions, would lead to anticompetitive harms in the Arkansas 4-Clay CMA.

C. Cross, Arkansas (Arkansas 5-Cross, CMA 328)

Cingular currently has [REDACTED] of the subscribers in the Arkansas 5-Cross CMA, while AT&T Wireless has [REDACTED], which would lead to a post-merger share of [REDACTED]. The other carriers offering service in the Arkansas 5-Cross CMA are ALLTEL (with [REDACTED] of the subscribers), Sprint ([REDACTED]), Verizon Wireless ([REDACTED]), and Nextel ([REDACTED]). There are no other carriers currently serving subscribers in the Arkansas 5-Cross CMA.

The post-merger HHI in the Arkansas 5-Cross CMA would be 4,754-4,947 and the change in HHI would be [REDACTED]. These numbers reflect a major change in the character of competition before and after the merger. In Arkansas 5-Cross AT&T Wireless has 30 MHz and Cingular 25 MHz, and the merger would give them a total of 55 MHz of spectrum throughout the CMA. By contrast, ALLTEL has 25-35 MHz, Sprint has 20-30 MHz, T-Mobile has 20-30

MHz, Leap has 15-20 MHz, Cell South has 0-15 MHz, and Verizon Wireless has 10 MHz in Arkansas 5-Cross CMA. Cell South and Leap have not launched service nor does the evidence suggest that they have any subscribers in this CMA.

The Arkansas 5-Cross CMA has a population of over 118,000 according to the United States 2000 Census. The merger would combine the [REDACTED] and [REDACTED] largest wireless providers in the Arkansas 5-Cross CMA, making Cingular the [REDACTED] largest provider, and would remove one of Cingular's [REDACTED] major competitors in the Arkansas 5-Cross CMA. The remaining service providers that have launched in this CMA hold [REDACTED] percent share of customers and evidence suggests they are not launched in every county in the Arkansas 5-Cross CMA.

Although several wireless carriers hold spectrum in the Arkansas 5-Cross CMA, [REDACTED].

[REDACTED], we find that there is a risk of coordinated interaction, whether tacit or explicit. We therefore conclude on the basis of the current record that there is a substantial risk that the transaction, without conditions, would lead to anticompetitive harms in the Arkansas 5-Cross CMA.

D. Cleburne, Arkansas (Arkansas 6-Cleburne, CMA329)

Cingular currently has [REDACTED] of the subscribers in the Arkansas 6-Cleburne CMA while AT&T Wireless has [REDACTED], which would lead to a post-merger share of [REDACTED]. The other carriers offering service in the Arkansas 6-Cleburne CMA are ALLTEL (with [REDACTED] of the subscribers), Sprint ([REDACTED]), Nextel ([REDACTED]), T-Mobile ([REDACTED]), and Verizon Wireless ([REDACTED]). There are no other carriers currently serving subscribers in the Arkansas 6-Cleburne CMA.

The post-merger HHI in the Arkansas 6-Cleburne CMA would be 5,169-5,314 and the change in HHI would be [REDACTED]. These numbers reflect a major change in the character of competition before and after the merger. In Arkansas 6-Cleburne, AT&T Wireless has 30 MHz and Cingular 25 MHz, and the merger would give them a total of 55 MHz of spectrum throughout the CMA. By contrast, ALLTEL has 35 MHz, Sprint has 30 MHz, T-Mobile has 20 MHz, Leap has 20 MHz, and Verizon Wireless has 10 MHz in Arkansas 6-Cleburne CMA. Leap has not launched service nor does the evidence suggest that it has any subscribers in this CMA.

The Arkansas 6-Cleburne CMA has a population of over 109,000 according to the United States 2000 Census. The merger would combine the [REDACTED] and [REDACTED] largest wireless providers in the Arkansas 6-Cleburne CMA, and would remove one of Cingular's [REDACTED] major competitors in the Arkansas 6-Cleburne CMA. The remaining service providers that have launched in this CMA hold [REDACTED] percent share of customers and evidence suggests they are not launched in every county in the Arkansas 6-Cleburne CMA.

Although several wireless carriers hold spectrum in the Arkansas 6-Cleburne CMA, [REDACTED].

[REDACTED], we find that there is a risk of coordinated interaction, whether tacit or explicit. We therefore conclude on the basis of the current record that there is a substantial risk

that the transaction, without conditions, would lead to anticompetitive harms in the Arkansas 6-Cleburne CMA.

E. Pope, Arkansas (Arkansas 7-Pope, CMA 330)

Cingular currently has [REDACTED] of the subscribers in the Arkansas 7-Pope CMA while AT&T Wireless has [REDACTED], which would lead to a post-merger share of [REDACTED]. The other carriers offering service in the Arkansas 7-Pope CMA are ALLTEL (with [REDACTED] of the subscribers), Sprint ([REDACTED]), Nextel ([REDACTED]), T-Mobile ([REDACTED]), and Verizon Wireless ([REDACTED]). There are no other carriers currently serving subscribers in the Arkansas 7-Pope CMA.

The post-merger HHI in the Arkansas 7-Pope CMA would be 4,190-4,802 and the change in HHI would be [REDACTED]. These numbers reflect a major change in the character of competition before and after the merger. In Arkansas 7-Pope, AT&T Wireless has 30 MHz and Cingular 25 MHz, and the merger would give them a total of 55 MHz of spectrum throughout the CMA. By contrast, ALLTEL has 35 MHz, Sprint has 30 MHz, T-Mobile has 10-20 MHz, Leap has 15-20 MHz, Telecom Wrapup has 0-15 MHz, Poplar PCS has 0-10 MHz, and Verizon Wireless has 10 MHz in Arkansas 7-Pope CMA. Leap, Poplar PCS, and Telecom Wrapup have not launched service nor does the evidence suggest that they have any subscribers in this CMA.

The Arkansas 7-Pope CMA has a population of over 122,000 according to the United States 2000 Census. The merger would combine the [REDACTED] and [REDACTED] largest wireless providers in the Arkansas 7-Pope CMA, making Cingular the [REDACTED] largest provider, and would remove one of Cingular's [REDACTED] major competitors in the Arkansas 7-Pope CMA. The remaining service providers that have launched in this CMA hold [REDACTED] percent share of customers and evidence suggests they are not launched in every county in the Arkansas 5-Cross CMA.

Although several wireless carriers hold spectrum in the Arkansas 7-Pope CMA, [REDACTED].

[REDACTED], we find that there is a risk of coordinated interaction, whether tacit or explicit. We therefore conclude on the basis of the current record that there is a substantial risk that the transaction, without conditions, would lead to anticompetitive harms in the Arkansas 7-Pope CMA.

Litchfield, Connecticut (Connecticut 1-Litchfield, CMA357)

We examined both the New Haven-Bridgeport-Stamford-Danbury-Waterbury CEA and the Connecticut 1-Litchfield CMA. Most of the potential anticompetitive harms in the New Haven-Bridgeport-Stamford-Danbury-Waterbury CEA would occur in the Connecticut 1-Litchfield CMA, and if conditions were imposed to mitigate the harms in the CMA, the harms would also be sufficiently mitigated in the CEA. We therefore focus our discussion on the Connecticut 1-Litchfield CMA.

Cingular currently has [REDACTED] of the subscribers in the Connecticut 1-Litchfield CMA while AT&T Wireless has [REDACTED], which would lead to a post-merger share of

[REDACTED]. The other carriers offering service in the Connecticut 1-Litchfield CMA are Nextel (with [REDACTED] of the subscribers), Sprint ([REDACTED]), and T-Mobile ([REDACTED]). Verizon has also recently launched in this market. No other carrier currently serves subscribers in the CMA.

The post-merger HHI would be 5,299-6,875 and the change in HHI would be [REDACTED]. These numbers reflect a major change in the character of competition before and after the merger. In Connecticut 1-Litchfield, AT&T Wireless and Cingular are the cellular providers (with 45 MHz and 35 MHz of spectrum, respectively), and the merger would give them a total of 80 MHz of spectrum throughout the CMA. By contrast, Sprint has 30 MHz, T-Mobile has 20 MHz and Verizon Wireless has 10 MHz. In addition, 30 MHz of unused spectrum formerly held by NextWave will be auctioned in Auction No. 58, in three 10-MHz blocks.

The Connecticut 1-Litchfield CMA has a population of over 182,000 according to the United States 2000 Census. The merger would lead to the combination of the [REDACTED] and [REDACTED] largest providers, and give Cingular over [REDACTED] of the subscribers in the CMA. Where currently Cingular faces [REDACTED] competitors of some size, after the merger it would only face [REDACTED] based on current market share data. While we note that Verizon Wireless has recently launched in this market, it only has 10 MHz and is therefore not positioned to be as strong a disciplining force as we might otherwise expect it to be.

With over [REDACTED] of the subscribers in Litchfield, we find it is highly likely that Cingular would be able to profitably raise prices or lower quality of wireless service. Cingular's rivals would not be able to expand their output sufficiently to absorb disaffected Cingular customers and provide a competitive check on Cingular's actions. In sum, the merger would allow Cingular to eliminate its [REDACTED] rival in Litchfield and further add to its dominance. We conclude on the basis of the current record that there is a substantial risk that the transaction, without conditions, would lead to anticompetitive harms in the Litchfield CMA.

Fulton, Kentucky (Kentucky 1-Fulton, CMA443)

We examined the Paducah, Kentucky CEA and several of the CMAs that make up this CEA. Most of the potential anticompetitive harms in the Paducah, Kentucky CEA would occur in the Kentucky 1-Fulton CMA (six of the eight Kentucky 1-Fulton CMA counties are in the Paducah CEA and the remaining two counties are in the Memphis, Tennessee, CEA). We conclude that if conditions are imposed to mitigate the harms in the Kentucky 1-Fulton CMA, the harms would also be sufficiently mitigated in the Paducah, Kentucky CEA.

Cingular currently serves [REDACTED] of the subscribers in the Kentucky 1-Fulton CMA, while AT&T Wireless serves [REDACTED], which would lead to a post-merger share of [REDACTED]. The other carriers offering service in the Kentucky 1-Fulton CMA are Verizon Wireless (with [REDACTED] of the subscribers), Sprint ([REDACTED]), Nextel ([REDACTED]) and T-Mobile ([REDACTED]). No other carrier serves subscribers in this CMA.

The post-merger HHI would be 6,169-7,010 and the change in HHI would be [REDACTED]. These numbers reflect the major change in the character of competition before and after the merger. In Kentucky 1-Fulton, AT&T Wireless has 30 MHz and Cingular 25-35 MHz, and the merger would give them a total of 55 MHz of spectrum in seven of eight counties

servicing 96% of the CMA population, and 65 MHz in the remaining county, Fulton, Kentucky. By contrast, Verizon Wireless has 35 MHz (25 MHz in Fulton County), Sprint has 30 MHz (10 MHz in Fulton County), T-Mobile has 20 MHz (30 MHz in Fulton County), NorthStar has 10 MHz (except in Fulton County), Purchase Communications has 10 MHz (except in Fulton County), Lewis and Clark has 15 MHz (only in Fulton County), NTCH has 15 MHz (only in Fulton County), and Cell South has 10 MHz (only in Fulton County).

The Kentucky 1-Fulton CMA has a population of over 193,000 according to the United States 2000 Census. The merger would combine two of the [REDACTED] largest competitors in the Kentucky 1-Fulton CMA. Cingular would be [REDACTED] times as large as its nearest competitor and [REDACTED] times as large as all of its other competitors combined.

With [REDACTED] of the subscribers in the Kentucky 1-Fulton CMA, we find it is highly likely that Cingular would be able to profitably raise prices or lower quality of wireless service. Cingular's rivals would not be able to expand their output sufficiently to absorb disaffected Cingular customers and provide a competitive check on Cingular's actions. In sum, the merger would allow Cingular to eliminate its [REDACTED] rival in the Kentucky 1-Fulton CMA and further add to its dominance. We conclude on the basis of the current record that there is a substantial risk that the transaction, without conditions, would lead to anticompetitive harms in the Kentucky 1-Fulton CMA.

Tupelo, Mississippi CEA

We examined the Tupelo, Mississippi CEA and several of the CMAs that make up this CEA. Most of the potential anticompetitive harms in the Tupelo, Mississippi CEA would occur in the Mississippi 2-Benton CMA and the Mississippi 4-Yalobusha CMA (five of the six counties in the Mississippi 4-Yalobusha CMA are in the Tupelo, Mississippi CEA and the remaining county is in the Memphis, Tennessee CEA). We conclude that if conditions are imposed to mitigate the harms in the Mississippi 2-Benton CMA and the Mississippi 4-Yalobusha CMA, the harms would also be sufficiently mitigated in the Tupelo, Mississippi CEA.

A. Benton, Mississippi (Mississippi 2-Benton, CMA 494)

Cingular currently serves [REDACTED] of the subscribers in the Mississippi 2 – Benton CMAs, while AT&T Wireless serves [REDACTED], which would lead to a post-merger share of [REDACTED]. The other carriers offering service in the Mississippi 2-Benton CMA are ALLTEL (with [REDACTED] of the subscribers), Cellular South ([REDACTED]), Sprint ([REDACTED]), Nextel ([REDACTED]), T-Mobile ([REDACTED]), and Verizon Wireless ([REDACTED]). No other carrier serves subscribers in this CMA.

The post-merger HHI in this CMA would be 6,124-6,137 and the change in the HHI would be [REDACTED]. These numbers reflect a major change in the character of competition before and after the merger. In the Mississippi 2-Benton CMA, AT&T Wireless has 30 MHz and Cingular 25-35 MHz, and the merger would give them a total of 55 MHz of spectrum throughout the CMA. By contrast, ALLTEL currently has 25-35 MHz, RCC has 0-30 MHz, T-Mobile has 30 MHz, Cellular South has 15-20 MHz, Sprint has 10-20 MHz, and Leap has 0-15 MHz.

The Mississippi 2-Benton CMA has a population of over 258,000 according to the United States 2000 Census. The merger would combine the [REDACTED] and [REDACTED] largest carriers in the Mississippi 2-Benton CMA. Cingular would be over [REDACTED] times as large as its nearest rivals and [REDACTED] times as large as all of the other carriers combined.

With [REDACTED] of the subscribers in the Mississippi 2-Benton CMA, we find it is highly likely that Cingular would be able to profitably raise prices or lower quality of wireless service. Cingular's rivals would not be able to expand their output sufficiently to absorb disaffected Cingular customers and provide a competitive check on Cingular's actions. In sum, the merger would allow Cingular to eliminate a rival in the Mississippi 2-Benton CMA and further add to its dominance. We conclude on the basis of the current record that there is a substantial risk that the transaction, without conditions, would lead to anticompetitive harms in the Mississippi 2-Benton CMA.

B. Yalobusha, Mississippi (Mississippi 4-Yalobusha, CMA 496)

Cingular currently serves [REDACTED] of the subscribers in the Mississippi 4 – Yalobusha CMA, while AT&T Wireless serves [REDACTED], which would lead to a post-merger share of [REDACTED]. The other carriers offering service in the Mississippi 4 – Yalobusha CMA are Cellular South (with [REDACTED] of the subscribers), RCC ([REDACTED]), Sprint ([REDACTED]), Nextel ([REDACTED]), and T-Mobile ([REDACTED]). No other carrier serves subscribers in this CMA.

The post-merger HHI would be 6,182-6,630 and the change in HHI would be [REDACTED]. These numbers reflect a major change in the character of competition before and after the merger. In the Mississippi 2-Yalobusha CMA, AT&T Wireless has 10-30 MHz and Cingular 25-40 MHz, and the merger would give them a total of 55 MHz of spectrum in five counties and 50 MHz in one county. By contrast, T-Mobile has 30-45 MHz, RCC has 25-55 MHz, Cellular South has 10-20 MHz, and Sprint has 10-20 MHz.

The Mississippi 4-Yalobusha CMA has a population of over 130,000 according to the United States 2000 Census. The merger would combine the [REDACTED] and [REDACTED] largest wireless carriers in the Mississippi 4-Yalobusha CMA. Cingular would be over [REDACTED] times as large as its closest competitor, and [REDACTED] times as large as all of the other competitors combined.

With [REDACTED] of the subscribers in the Mississippi 4-Yalobusha CMA, we find it is highly likely that Cingular would be able to profitably raise prices or lower quality of wireless service. Cingular's rivals would not be able to expand their output sufficiently to absorb disaffected Cingular customers and provide a competitive check on Cingular's actions.

In sum, the merger would allow Cingular to eliminate a rival in the Mississippi 4-Yalobusha CMA and further add to its dominance. We conclude on the basis of the current record that there is a substantial risk that the transaction, without conditions, would lead to anticompetitive harms in the Mississippi 4-Yalobusha CMA. We therefore conclude on the basis of the current record that there is a substantial risk that the transaction, without conditions, would lead to anticompetitive harms in the Mississippi 4-Yalobusha CMA.

Barton, Missouri (Missouri 14-Barton, CMA517)

AT&T Wireless currently serves [REDACTED] of the subscribers in the Missouri 14 – Barton CMA, while Cingular serves [REDACTED], which would lead to a post-merger share of [REDACTED]. The other carriers offering service in the Missouri 14 – Barton CMA are ALLTEL (with [REDACTED] of the subscribers), Sprint ([REDACTED]), Nextel ([REDACTED]), T-Mobile ([REDACTED]), and Verizon Wireless ([REDACTED]). No other carrier serves subscribers in this CMA.

The post-merger HHI would be 4,596-5,706 and the change in HHI would be [REDACTED]. These numbers reflect a major change in the character of competition before and after the merger. In the Missouri 14-Barton CMA, AT&T Wireless has 35 MHz and Cingular 20 MHz, and the merger would give them a total of 55 MHz of spectrum throughout the CMA. By contrast, ALLTEL has 25-35 MHz, Sprint has 30 MHz, T-Mobile has 10-30 MHz, USCC has 0-20 MHz, and Verizon Wireless has 0-10 MHz. In addition, 20 MHz of unused spectrum formerly held by NextWave will be auctioned in Auction No. 58, in two 10-MHz blocks.

The Missouri 14-Barton CMA has a population of over 111,000 according to the United States 2000 Census. The merger would combine the [REDACTED] and [REDACTED] largest wireless carriers in the Missouri 14-Barton CMA, and would remove one of Cingular's [REDACTED] major competitors in the Missouri 14-Barton CMA. The remaining service providers that have launched in this CMA hold [REDACTED] percent share of customers and evidence suggests they are not launched in every county in the Missouri 14-Barton CMA.

Although several wireless carriers hold spectrum in the Missouri 14-Barton CMA, only Cingular, AT&T Wireless and ALLTEL currently have complete operating footprints. [REDACTED].

Grant, Oklahoma (Oklahoma 3-Grant, CMA 598)

We examined the Tulsa, Oklahoma CEA and several of the CMAs that make up this CEA. Most of the potential anticompetitive harms in the Tulsa, Oklahoma CEA would occur in the Oklahoma 3-Grant CMA (four of the seven Oklahoma 3-Grant CMA counties are in the Tulsa, Oklahoma CEA, two counties are in the Oklahoma City, Oklahoma CEA, and 1 county is in the Enid, Oklahoma CEA). We conclude that if conditions are imposed to mitigate the harms in the Oklahoma 3-Grant CMA, the harms would also be sufficiently mitigated in the Tulsa, Oklahoma CEA.

AT&T Wireless currently serves [REDACTED] of the subscribers in the Oklahoma 3 – Grant CMA and Cingular currently serves [REDACTED], which would lead to a post-merger share of [REDACTED]. We note that the individual market shares calculated for the Applicants are different between our two data sets but that, because their relative sizes are transposed in the two sets, both sets deliver essentially the same post-merger market share for Cingular. It is reasonable for us to rely on this post-merger market share because both data sets give essentially the same market shares for the other carriers offering service in the Oklahoma 3-Grant CMA: Sprint (with [REDACTED] of the subscribers), T-Mobile ([REDACTED]), Cross Telephone ([REDACTED]), Pioneer Enid ([REDACTED]), Nextel ([REDACTED]), USCC ([REDACTED]), and Verizon Wireless ([REDACTED]).

The post-merger HHI would be 6,616-6,688 and the change in HHI would be [REDACTED]. These numbers reflect a major change in the character of competition before and after the merger. In Oklahoma 3-Grant, AT&T Wireless and Cingular are the two cellular carriers in six of the seven counties. AT&T Wireless has 35-45 MHz and Cingular 25-55 MHz, and the merger would give them a total of 55 MHz of spectrum in one county, and 60 MHz in five counties, and 90 MHz in one county that represents 8% of the Oklahoma 3-Grant CMA population. By contrast, T-Mobile has 25-40 MHz, Sprint 30 MHz, USCC has 10-30 MHz, Cross Telephone has 0-30 MHz, Pioneer Enid has 0-25 MHz, NextWave has 0-10 MHz, and Verizon Wireless has 0-10 MHz. In addition, 30 MHz of unused spectrum formerly held by NextWave will be auctioned in Auction No. 58, in three 10-MHz blocks in two of the seven counties in this CMA.

The Oklahoma 3-Grant CMA has a population of over 215,000 according to the United States 2000 Census. The merger would combine the [REDACTED] and [REDACTED] largest wireless carriers in the Oklahoma 3-Grant CMA. Cingular would be [REDACTED] times as large as its nearest rival and [REDACTED] times as large as all of its rivals combined.

Whereas currently AT&T and Cingular are [REDACTED] in the Oklahoma 3-Grant CMA, and are [REDACTED], that competition would be lost after the merger. We conclude that Cingular would be able to dominate the competition in the Grant CMA after the merger. We find it highly likely that Cingular, with approximately [REDACTED] of the subscribers in the CMA, would be able to profitably raise prices or lower quality of wireless service. Cingular's rivals likely would not be able to expand their output sufficiently to absorb disaffected Cingular customers and provide a competitive check on Cingular's actions. We also doubt whether the local carriers (Cross Telephone and Pioneer Enid) would be able to offer comparable products to attract Cingular's customers; we therefore discount their presence as a competitive check.

Thus, on the basis of the above factors, we conclude that there is a substantial risk that the transaction, without divestiture conditions, would lead to net anticompetitive harms in the Oklahoma 3-Grant CMA.

Jack, Texas (Texas 6 – Jack, CMA 657)

We examined the Fort Worth-Arlington CEA (CEA 2800), as well as the Texas 6-Jack CMA, much of which is located in this CEA. Most of the remaining potential harms in the CEAs would occur in the Texas 6-Jack CMA, and if conditions were imposed to mitigate the harms there, the harms would also be sufficiently mitigated in the CEA. We therefore focus on the Texas 6-Jack CMA.

Cingular currently serves [REDACTED] of the subscribers in this CMA, and AT&T Wireless serves [REDACTED], which would lead to a post-merger subscriber share of [REDACTED]. The other carriers offering service in the Texas 6-Jack CMA are Sprint ([REDACTED]), Verizon Wireless ([REDACTED]), T-Mobile ([REDACTED]) and Nextel ([REDACTED]).

The post-merger HHI would be 5,384-6,660 and the change in HHI levels would be [REDACTED]. These numbers reflect a major change in the character of competition before and after the merger. In Texas 6-Jack AT&T Wireless and Cingular are the cellular providers (with 45 MHz and 25-35 MHz of spectrum, respectively), and the merger would give them a total of

70-80 MHz of spectrum throughout the CMA. Following the merger, Cingular would hold 80 MHz of spectrum in 2 counties and 70 MHz of spectrum in the other 2 counties comprising the Texas 6-Jack CMA. By contrast Sprint has 30 MHz, Verizon Wireless has 30 MHz, T-Mobile has 10-30 MHz, and Choice Wireless has 0-30 MHz.

The Texas 6-Jack CMA has a population of over 91,000 according to the United States 2000 Census. The merger would combine the [REDACTED] and [REDACTED] largest competitors in the Texas 6 – Jack CMA. Cingular would be almost [REDACTED] times the size of its closest competitor and [REDACTED] times as large as all of its rivals combined.

We find it highly likely that Cingular, with [REDACTED] of the subscribers in the Texas 6-Jack CMA, would be able profitably to raise prices or lower the quality or reduce the features of wireless service plans. Cingular's rivals would likely not be able to expand their output sufficiently to absorb departing Cingular customers and provide a competitive check on Cingular's actions.

We therefore conclude on the basis of the current record that there is a substantial risk that the transaction, without conditions, would lead to competitive harm in the Texas 6 – Jack CMA.

Cherokee, Texas (Texas 11-Cherokee, CMA 662)

We examined the Lufkin, Texas CEA and the Texas 11-Cherokee CMA that makes up this CEA. We conclude that if conditions are imposed to mitigate the harms in the Texas 11-Cherokee CMA, the harms would also be sufficiently mitigated in the Lufkin, TX CEA.

Cingular currently serves [REDACTED] of subscribers in this CMA and AT&T Wireless serves [REDACTED] which would lead to a post-merger subscriber share of [REDACTED]. The other carriers offering service in this CMA are ALLTEL (with [REDACTED] of the subscribers), Sprint ([REDACTED]), Verizon Wireless ([REDACTED]), Nextel [REDACTED]) and T-Mobile ([REDACTED]). No other carrier offers service to subscribers in the Texas 11-Cherokee CMA.

The post-merger HHI in the Texas 11-Cherokee CMA would be 5,108-5,384 and the change in the HHI concentration level would be [REDACTED]. These numbers reflect a major change in the character of competition before and after the merger. In Texas 11-Cherokee AT&T Wireless and Cingular are the cellular providers in five out of eight counties (with 35-80 MHz and 20-45 MHz of spectrum, respectively), and the merger would give them a total of 55-120 MHz of spectrum in the CMA (120 MHz of spectrum in one county, 90 MHz in three counties, 80 MHz in one county, and 55 MHz in three counties). In the remaining counties the combined entity would hold 55 MHz of spectrum. By contrast, T-Mobile has 30 MHz, Sprint has 10-30 MHz, Verizon Wireless has 10-30 MHz, ALLTEL has 0-25 MHz, Leap has 0-10 MHz, and Von Donop has 0-10 MHz in Texas 11-Cherokee CMA.

The Texas 11-Cherokee CMA has a population of over 300,000 according to the United States 2000 Census. The merger would involve the combination of the [REDACTED] and [REDACTED] largest wireless carriers in the CMA. With [REDACTED] of the subscribers in the CMA, Cingular would be well over [REDACTED] times larger than its nearest rival, [REDACTED], and [REDACTED] times the size of the its next largest rival in this CMA.

We find it highly likely that Cingular, with [REDACTED] of the subscribers in the Texas 11-Cherokee CMA, would be able profitably to raise prices or lower the quality or reduce the features of wireless service plans. With limited spectrum, Cingular's rivals would likely not be able to expand their output sufficiently to absorb departing Cingular customers and provide a competitive check on Cingular's actions.

In sum, the merger would turn a market of fairly evenly balanced competitors into one in which one carrier has achieved a dominant size for reasons unrelated to its competitive superiority. On the basis of the above factors, we conclude that there is a substantial risk that the transaction, without divestiture conditions, would lead to net anticompetitive harms in the Texas 11-Cherokee CMA.

Dallas, Texas (CMA 009)

We examined both the Dallas CEA and the Dallas CMA. Most of the potential anticompetitive harms in the Dallas CEA would occur in the Dallas CMA, and if conditions were imposed to mitigate the harms in the CMA, the harms would also be sufficiently mitigated in the CEA. We therefore focus our discussion on the Dallas CMA.

In the Dallas CMA, Cingular currently has [REDACTED] of the subscribers and 35 MHz of spectrum, while AT&T Wireless has [REDACTED] market share and 45 MHz of spectrum, leading to a post-merger share of [REDACTED] and a total of 80 MHz of spectrum. The other wireless carriers offering service in the Dallas CMA are Sprint (with [REDACTED] of the subscribers), T-Mobile ([REDACTED]), Verizon Wireless ([REDACTED]), and Nextel ([REDACTED]). There are no other carriers serving the CMA, and all of the carriers have fully deployed across the CMA.

The post-merger HHI in the Dallas CMA would be 3,014-3,196, and the change in HHI would be [REDACTED]. In the Dallas CMA, AT&T Wireless and Cingular are the cellular licensees. In the Dallas CMA, the other carriers (except for Nextel) have 30 MHz each.

Dallas is one of the five largest CMAs in the country, and prior to the proposed merger, reflects fairly balanced competition among the major carriers in terms of subscribers and spectrum. The merger would combine the [REDACTED] and [REDACTED] largest providers, and give Cingular roughly [REDACTED] of the subscribers in the market. In addition, Cingular would control almost three times the spectrum as its closest rival. We find that in a market the size of Dallas, and with its population density of 598 people per square mile, the demands on carriers' spectrum resources are likely to be particularly acute given the frequency re-use patterns built into the architecture of cellular phone systems. Given the characteristics of this large and dense market, we find that, although all the other nationwide carriers will be present in the market post-merger, and that Cingular's post-merger market share will be lower than in other markets in which we impose a divestiture condition, Cingular's rivals collectively would have difficulty expanding to absorb a sufficient number of additional customers to impose competitive discipline on Cingular. We therefore conclude on the basis of the current record that there is a substantial risk that the transaction, without a divestiture condition, would lead to net anticompetitive harm in the Dallas CMA.

Detroit, Michigan (BTA 112)

We examined both the Detroit CEA and the Ann Arbor CEA as well as the related CMAs. Most of the potential anticompetitive harms in these areas would occur in the Detroit BTA, and if conditions were imposed to mitigate the harms in the BTA, the harms would also be sufficiently mitigated in the Detroit and Ann Arbor CEAs. We therefore focus our discussion on the Detroit BTA.

In the Detroit BTA, Cingular currently has [REDACTED] of the subscribers and 10-35 MHz of spectrum, while AT&T Wireless has [REDACTED] market share and 40 MHz of spectrum, leading to a post-merger share of [REDACTED] and a total of 50-75 MHz of spectrum. The other wireless carriers offering service in the Detroit BTA are Verizon Wireless (with [REDACTED] of the subscribers), Sprint ([REDACTED]), T-Mobile ([REDACTED]), Nextel ([REDACTED]), and ALLTEL, Dobson and Thumb Cellular each with [REDACTED] share. AT&T Wireless, Cingular, Nextel, Sprint, T-Mobile, and Verizon Wireless have fully deployed across the BTA. ALLTEL, Dobson, and Thumb Cellular have deployed in the single county in which they are licensed in this BTA.

The post-merger HHI in the Detroit BTA would be 2366, and the change in HHI would be [REDACTED]. In the Detroit BTA, Cingular holds a cellular license in seven counties and has a 15% ownership interest in a cellular license in one county (ALLTEL holds the remaining 85% interest). The merger would give them a total of 75 MHz of spectrum in almost all of the Detroit BTA (eight counties, with 99% of the population) and 50 MHz elsewhere (one county with 1% of the population). In the 99% of Detroit where Cingular would have 75 MHz, Sprint and T-Mobile have 30 MHz each, Verizon Wireless has 25 MHz, and NextWave has 10 MHz. ALLTEL controls 25 MHz of spectrum in one county and Dobson and Thumb Cellular each hold a 25 MHz license in the county that makes up 1% of the BTA population.

Detroit is one of the eight largest BTAs in the country, and prior to the proposed merger reflects fairly balanced competition among the major carriers in terms of subscribers and spectrum. The merger would combine the [REDACTED] and [REDACTED] largest providers, and give Cingular roughly [REDACTED] of the subscribers in the market. In addition, Cingular would control almost three times the spectrum as its closest rival. We find that in a market the size of the Detroit BTA, and with its population density of 793 people per square mile, the demands on carriers' spectrum resources are likely to be particularly acute given the frequency re-use patterns built into the architecture of cellular phone systems. Given the characteristics of this large and dense market, we find that, although all the other nationwide carriers will be present in the market post-merger, and that Cingular's post-merger market share will be lower than in other markets in which we impose a divestiture condition, Cingular's rivals collectively would have difficulty expanding to absorb a sufficient number of additional customers to impose competitive discipline on Cingular. We therefore conclude on the basis of the current record that there is a substantial risk that the transaction, without divestiture conditions, would lead to net anticompetitive harms in the Detroit BTA.

Shreveport-Bossier City, Louisiana (CEA 7680)

We examined the Shreveport-Bossier City CEA, as well as the Shreveport, Louisiana CMA (which is entirely contained within the CEA) and the Louisiana 1-Clairborne CMA (which is partially contained in the CEA). Most of the potential anticompetitive harms in the Shreveport-

Bossier City CEA would occur in the Shreveport and Louisiana 1-Clairborne CMAs, and, if conditions were imposed to mitigate the harms in these CMAs, the harms would also be sufficiently mitigated in the CEA. We therefore focus our discussion on the Shreveport CMA and the Louisiana 1-Clairborne CMA.

A. Shreveport, Louisiana (CMA 100)

In the Shreveport CMA, AT&T Wireless currently serves [REDACTED] of the subscribers, while Cingular serves [REDACTED]; in addition, Cingular holds a [REDACTED] non-passive, minority interest in the license held by ALLTEL, which serves [REDACTED] of the subscribers. Thus, post-merger, Cingular would have an interest in licenses serving [REDACTED] of the subscribers in the Shreveport CMA. The other carriers serving subscribers in Shreveport are Sprint (serving [REDACTED] of the subscribers), Verizon Wireless ([REDACTED]), Nextel ([REDACTED]), and T-Mobile ([REDACTED]).

In Shreveport, AT&T Wireless and ALLTEL are the cellular providers. AT&T Wireless holds 35 MHz of spectrum while Cingular holds 20 MHz directly, and ALLTEL, in which Cingular has an interest, holds 25 MHz. Thus, after the merger, Cingular would have an interest in a total of 80 MHz of spectrum. In the Shreveport CMA, Sprint has 30 MHz of spectrum, Verizon Wireless has 30 MHz, and T-Mobile has 30 MHz.

The merger would lead to the combination of the [REDACTED] and [REDACTED] largest providers in Shreveport, with the combined firm having an interest in the [REDACTED] largest provider, thus giving Cingular an interest in over [REDACTED] of the subscribers in the CMA. If Cingular and ALLTEL were to coordinate their activities, they would be over [REDACTED] times as large as their nearest competitor. We doubt that the remaining firms would be able to expand sufficiently to make it unprofitable for Cingular and ALLTEL to raise prices or lower quality to their customers.

In sum, we conclude that, in the Shreveport CMA, there is a strong likelihood that the merger would leave Cingular with market power to raise the price or lower the quality of wireless service. We conclude on the basis of the current record that there is a substantial risk that the transaction, without conditions, would lead to anticompetitive harms in the Shreveport CMA.

B. Clairborne, Louisiana (Louisiana 1- Clairborne, CMA 454)

In the Louisiana 1 – Clairborne CMA, AT&T Wireless currently serves [REDACTED] of the subscribers, while Cingular serves [REDACTED]. In addition, Cingular holds a [REDACTED] non-passive, minority interest in the license held by ALLTEL, which serves [REDACTED] of the subscribers. We note that the individual market shares for these three carriers are different between our two data sets. However, the potential for competitive harm in this market relates to Cingular's interest in ALLTEL, and when we combine the market shares of all three of these carriers, our two data sets give essentially the same post-merger market share for the merged entity: [REDACTED]. It is reasonable for us to rely on this post-merger market share because both data sets give essentially the same market shares for the other carriers serving subscribers in Clairborne: Sprint (serving [REDACTED] of the subscribers), Verizon Wireless ([REDACTED]), Nextel ([REDACTED]), and T-Mobile ([REDACTED]).

In the Louisiana 1-Clairborne CMA, AT&T Wireless and ALLTEL are the cellular providers. AT&T Wireless holds 35 MHz of spectrum (40 MHz in one county) while Cingular holds 20 MHz, for a total of 55 MHz of spectrum post-merger. In addition, ALLTEL, in which Cingular has an interest, holds 25 MHz, which would give Cingular an interest in a total of 80 MHz in this CMA after the merger. Sprint has 30 MHz of spectrum in the Louisiana 1-Clairborne CMA (40 MHz in one county), Verizon Wireless has 30 MHz, and T-Mobile has 30 MHz (15 MHz in one county).

The merger would lead to the combination of the [REDACTED] and [REDACTED] largest providers in Louisiana 1-Clairborne, with the combined firm having an interest in the largest provider, giving Cingular an interest in almost [REDACTED] of the subscribers in the CMA. If Cingular and ALLTEL were to coordinate their activities, they would be over [REDACTED] times as large as their nearest competitor. We doubt that the remaining firms would be able to expand sufficiently to make it unprofitable for Cingular and ALLTEL to raise prices or lower quality to their customers.

In sum, we conclude that, in the Louisiana 1-Clairborne CMA, there is a strong likelihood that the merger would leave Cingular with market power to raise the price or lower the quality of wireless service. We conclude on the basis of the current record that there is a substantial risk that the transaction, without conditions, would lead to anticompetitive harms in the Louisiana 1-Clairborne CMA.

Pittsfield, Massachusetts (CMA 213)

In the Pittsfield CMA, AT&T Wireless has an [REDACTED] non-passive, minority interest in the license held by Verizon Wireless. Verizon Wireless serves [REDACTED] of the subscribers in the CMA, while Cingular serves [REDACTED] and AT&T Wireless serves [REDACTED], thus giving Cingular a post-merger share of [REDACTED]. The other carriers serving the CMA are Sprint, which serves [REDACTED] of the subscribers, and T-Mobile, which serves [REDACTED], and Nextel, [REDACTED]. In Pittsfield, Cingular holds 25 MHz of spectrum and AT&T Wireless directly holds 30 MHz, in addition to its interest in Verizon Wireless, which holds 35 MHz. Thus, after the merger, Cingular would have an interest in a total of 90 MHz of spectrum. The other carriers hold only 70 MHz combined: Sprint 30 MHz, and T-Mobile 40 MHz.

The merger would leave Cingular with an interest in carriers holding over half of the spectrum and serving [REDACTED] of the customers in the Pittsfield CMA. It would leave the Pittsfield CMA with only [REDACTED] independent wireless carriers with any significant presence. [REDACTED] We therefore conclude on the basis of the current record that there is a substantial risk that the transaction, without conditions, would lead to anticompetitive harms in the Pittsfield CMA.

St. Joseph, Missouri (CMA 275)

In the St. Joseph CMA, Cingular currently serves [REDACTED] of the subscribers, while AT&T Wireless holds an [REDACTED] non-passive, minority interest in the license held by Verizon Wireless, which serves [REDACTED], giving Cingular a post-merger attributable share of [REDACTED]. (AT&T Wireless also serves [REDACTED] of the subscribers directly.) The other carriers serving subscribers in the St. Joseph CMA are Sprint (serving [REDACTED] of the subscribers), T-Mobile ([REDACTED]), Nextel ([REDACTED]), and U.S. Cellular ([REDACTED]).

In the St. Joseph CMA, Cingular and Verizon Wireless are the cellular providers, holding 25 MHz of spectrum each, and AT&T Wireless holds 20 MHz of spectrum. After the merger, Cingular would have an interest in a total of 70 MHz. In addition, Sprint holds 30 MHz of spectrum, T-Mobile 30 MHz, and U.S. Cellular 10 MHz.

Counting the Verizon Wireless subscribers, the merger would lead to the combination of the [REDACTED] and [REDACTED] largest providers in the St. Joseph CMA, giving Cingular an interest in [REDACTED] of the subscribers in the CMA. If Cingular and Verizon Wireless were to coordinate their activities, they would be over [REDACTED] times as large as their nearest competitor, and [REDACTED] as large as the other firms combined. We doubt that the remaining firms would be able to expand sufficiently to make it unprofitable for Cingular and Verizon Wireless to raise prices or lower quality to their customers.

In sum, we conclude that, in the St. Joseph CMA, there is a strong likelihood that the merger would leave Cingular with market power to raise the price or lower the quality of wireless service. We conclude on the basis of the current record that there is a substantial risk that the transaction, without conditions, would lead to anticompetitive harms in the St. Joseph CMA.