NEWS

Federal Communications Commission
445 12th Street, S.W.
Washington, D. C. 20554

News Media Information 202 / 418-0500
Internet: http://www.fcc.gov
TTY: 1-888-835-5322

FOR IMMEDIATE RELEASE:
November 15, 2007

NEWS MEDIA CONTACT:
Chelsea Fallon: (202) 418-7991

FCC CONSENTS WITH CONDITIONS TO AT&T ACQUISITION OF DOBSON COMMUNICATIONS LICENSES AND AUTHORIZATIONS

Washington, D.C. – Today, the Federal Communications Commission (FCC) consented to the applications filed in connection with the proposed acquisition of Dobson Communications Corporation (Dobson) by AT&T Inc. (AT&T), subject to certain conditions.

With today's action, the FCC approved with conditions the transfer of control of licenses, authorizations, and spectrum leases held by Dobson and its subsidiaries to AT&T. These licenses and authorizations include Cellular licenses, Broadband Personal Communications Service (PCS) licenses, Advanced Wireless Services licenses, Common Carrier Fixed Point-to-Point Microwave licenses, and three international section 214 authorizations.

In analyzing AT&T's proposed acquisition of Dobson, the FCC examined the market for mobile telephony services and concluded that the companies had demonstrated that the merger, with the conditions described below, will serve the public interest, convenience, and necessity. Further, the FCC concluded that the likely public interest benefits of the merger outweigh any potential public interest harms and that competitive harm is unlikely in most mobile telephony markets involved in the proposed transaction. In four Cellular Market Areas, however, listed below, the FCC's case-by-case analysis indicates that likely competitive harm will result.

Cellular Market Area	Name
CMA448	Kentucky 6 - Madison
CMA450	Kentucky 8 - Mason
CMA600	Oklahoma 5 - Rogers Mills
CMA661	Texas 10 - Navarro

In these areas, the FCC imposed conditions that will effectively remedy the potential for these particular harms. The merger applicants are required to divest the licenses and related operational and network assets – including certain employees, retail sites, and subscribers – of one of the two companies in the above four markets, using the procedures described below, in order to complete their merger.

The U.S. Department of Justice (DOJ) also reviewed the AT&T-Dobson transaction and agreed to allow the merger to proceed subject to certain conditions, which vary slightly from the conditions imposed by the FCC in today's Order. Under the terms of a settlement between the merger applicants and DOJ, AT&T has agreed to divest the cellular licenses and related operational and network assets in CMAs 448, 450, and 600; to divest its minority interests in Mid-Tex Cellular, Ltd. covering CMA 660, and in Northwest Missouri Cellular Limited partnership, covering CMA 504 (Missouri RSA-1); and to divest Dobson's interests in Cellular One in CMA 616 (Pennsylvania RSA-5) and CMA 662 (Texas RSA-11).

AT&T is also subject to a condition to have an interim cap on its high-cost, competitive Eligible Telecommunications Carrier (ETC) support. This cap, like the cap established as a condition of the ALLTEL-Atlantis transaction, is based on AT&T and Dobson's level of competitive ETC support as of June 2007.

The FCC also adopted a limited exception from the application of the interim cap condition to AT&T. Specifically, AT&T will not be subject to the interim cap condition to the extent that it (1) files cost data showing its own per-line costs of providing service in a supported service area upon which its high cost universal service support would be based, and (2) demonstrates that its network is in compliance with section 20.18(h) of the FCC's rules specifying E911 location accuracy as measured at a geographical level defined by the coverage area of each Public Safety Answering Point (PSAP).

Divestiture Procedures

A Management Trustee approved by the FCC, shall be appointed to serve as manager of the licenses and related operational and network assets for the four markets listed in the table above ("the Divestiture Assets") until such assets are sold to third party purchasers or transferred to a Divestiture Trustee, who may be the same person as the Management Trustee. During the period in which the Management Trustee is in day-to-day control of the Divestiture Assets, AT&T shall retain *de jure* control and shall have the sole power to market and dispose of the Divestiture Assets to third-party buyers, subject to the FCC's regulatory powers and process with respect to license transfers and assignments and the terms of the DOJ settlement.

On November 13, 2007, AT&T filed applications with the FCC to enter into a short-term *de facto* transfer spectrum leasing arrangement in order to transfer the Divestiture Assets for three of the four markets into the trust with the Management Trustee. These applications, which have been approved, included a request to approve the identity of the Management Trustee and the terms of the trust agreement ("Management Trustee Agreement"). The FCC required that the Divestiture Assets in those three markets be transferred to the trust no later than upon consummation of this transaction. For the fourth market (CMA661), the FCC required AT&T and Dobson to file an application to enter into the necessary short-term *de facto* spectrum leasing arrangement within three business days after the adoption of this order, and to transfer the Divestiture Assets to the Management Trustee within five business days.

From the date of release of the Order adopted today, and until the divestitures ordered herein have been consummated, AT&T, Dobson, and the Management Trustee shall preserve, maintain, and continue to support the Divestiture Assets and shall take all steps to manage them in a way as to permit prompt divestiture. AT&T, Dobson, and the Management Trustee must abide by the same provisions relating to the duties of the Management Trustee and the preservation of the Divestiture Assets as those contained in the DOJ settlement agreement.

AT&T and Dobson will be allowed 120 days from the closing of their transaction or five days after notice of entry of the Final Judgment, whichever is later (the "Management Period"), to divest the Divestiture Assets prior to the second stage of the divestiture procedures becoming operative. Upon application by the Applicants to the Wireless Telecommunications Bureau, the Bureau may grant one or more extensions to the Management Period not to exceed 60 days in the aggregate to allow the Applicants further time to dispose of the Divestiture Assets.

Upon expiration of the Management Period, any Divestiture Assets that remain owned by the Applicants shall be irrevocably transferred to a Divestiture Trustee, who shall be solely responsible for accomplishing disposal of the Divestiture Assets. The Divestiture Trustee shall use its best efforts to sell the Divestiture Assets within six months of appointment, subject to the FCC's regulatory powers and process with respect to license transfers and assignments.

To the extent that the Divestiture Assets are included within the DOJ settlement, we will allow the Applicants to proceed to divest such assets in accordance with the terms of the agreements that are contained in those documents. To the extent that this Order requires divestitures in any market that are more extensive than those required by DOJ, we require that the Applicants comply with this Order and completely dispose of the Divestiture Assets included in such markets. To the extent that we are requiring divestitures in additional markets than required by DOJ, we will require the Applicants, prior to closing their transaction, to provide the Commission with documentation substantially similar to that provided to DOJ with respect to the additional divestitures that we require herein.

Action by the Commission, and effective upon adoption, November 15, 2007, by Memorandum Opinion and Order (FCC 07-196). Chairman Martin, Commissioners Tate and McDowell, with Commissioner Copps concurring in part and dissenting in part, and Commissioner Adelstein approving in part and dissenting in part. Separate statement issued by Commissioners Copps, Adelstein, and McDowell.

For additional information, contact Erin McGrath at (202) 418-2042 or Erin.McGrath@fcc.gov; or Susan Singer at (202) 418-1340 or Susan.Singer@fcc.gov.

WT Docket No. 07-153

– FCC –