



NEWS

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See MCI v. FCC, 515 F 2d 385 (D.C. Circ 1974).

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FCC APPROVES, WITH CONDITIONS, VERIZON WIRELESS-ALLTEL TRANSACTION

**Merger Will Help Empower Consumers to Use Wireless Devices and Applications of their
Choice on Open Network**

Washington, D.C. – The Federal Communications Commission today approved, with conditions, the transfer of control of licenses and other authorizations held by subsidiaries and partnerships of ALLTEL from Atlantis Holdings to Verizon Wireless. The transaction will allow Verizon to provide a more robust and truly national wireless service to its customers.

In analyzing Verizon Wireless' proposed acquisition of ALLTEL, the Commission examined the market for mobile telephony/broadband services and concluded that the companies have demonstrated that the transaction, subject to the conditions described below, is likely to result in public interest benefits.

Based on a case-by-case analysis that found a potential for competitive harm in five markets, the Commission is requiring that one of the two companies divest the licenses and related operational and network assets in those markets. The Commission also conditioned its approval of the proposed transaction on Verizon Wireless' voluntary divestitures in 100 markets. The voluntary divestitures imposed as conditions, together with the additional divestitures required, will prevent consolidation in individual markets from advancing to a point at which it would threaten competition and potentially harm consumers.

In its analysis, the Commission revised the spectrum aggregation portion of the Commission's initial competitive screen replacing the previous nationwide screen with a market-specific spectrum screen. To the extent that Advanced Wireless Services (AWS) and certain Broadband Radio Service (BRS) spectrum is available in a particular market, such spectrum is included – along with Cellular, Specialized Mobile Radio (SMR), broadband Personal Communications Services (PCS), and 700 MHz spectrum – in the particular initial spectrum screen applied to that market. This change more accurately reflects the current availability of spectrum in each particular market and will continue to promote competition in the marketplace.

Further, the Commission conditioned its approval of this transaction on roaming commitments made by Verizon Wireless. The Commission also conditioned its approval of this transaction on Verizon Wireless's commitments to accept a phase down of competitive ETC high cost support, for any properties which Verizon Wireless retains, over a five year period

following closing of the transaction, and to use counties for measuring compliance with the Commission's wireless E911 location accuracy rules governing handset-based technologies.

The licenses, spectrum leasing agreements, and authorizations to be transferred in this transaction include Cellular licenses, broadband PCS licenses, Local Multipoint Distribution Service licenses, Local Television Transmission Service licenses, Common Carrier Fixed Point-to-Point Microwave licenses, and international and domestic section 214 authorizations.

The Commission also found that the public interest would be served by extending the current foreign ownership ruling under section 310(b)(4) to permit Verizon Wireless to acquire up to and including 100 percent of the equity and voting interests in ALLTEL, its subsidiaries, and the partnerships in which ALLTEL holds a controlling ownership interest subject to the terms and conditions of the ruling issued in the *Vodafone-Bell Atlantic Order*. The Commission conditioned its approval of the transfer of ALLTEL's non-controlling partnership interests in three partnerships on Verizon Wireless's commitment to place its voting rights in these partnerships in a voting trust, with terms satisfactory to the Commission, with a U.S. citizen, or U.S. entity that is controlled by U.S. citizens.

Action by the Commission, and effective upon adoption, November 4, 2008, by Memorandum Opinion and Order and Declaratory Ruling (FCC 08-258). Chairman Martin and Commissioners Tate with Commissioner Copps and Adelstein concurring and dissenting in part; and Commissioner McDowell approving and concurring in part. Separate statements issued by Chairman Martin, Commissioners Copps, Adelstein, Tate 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. 08-95.

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