

**STATEMENT OF
COMMISSIONER JONATHAN S. ADELSTEIN
APPROVING IN PART, DISSENTING IN PART**

Re: Applications of AT&T Inc. and Dobson Communications Corporation for Consent to Transfer Control of Licenses and Authorizations, WT Docket No. 07-153.

I generally approve this merger because I believe it will expand and improve services and features that will be available to rural customers. The combined entity will be able to offer the latest wireless technologies and services to traditionally underserved customers in rural America - benefits already available to many urban consumers. I am pleased that Dobson's rural customers will be able to take advantage of Wi-Fi and GPS-enabled handsets, new innovative service features, rate plans and an expanded geographic coverage.

Of course, a merger like this requires a thorough public interest review to ensure that we do not inadvertently disadvantage the very communities we are trying to protect. An unchecked merger could harm the competitive environment in some communities in ways that the market is unlikely to overcome. So while I appreciate the Commission staff's analysis of the markets affected by the merger and fully support our decision to require divestiture in the markets identified in our Memorandum Opinion and Order, I am concerned that some markets have fallen through the cracks.

In addition, I am very troubled that this item includes, as part of its evaluation of the input market for spectrum and the potential competitive harms, the 80 MHz of the 698-806 MHz spectrum band ("700 MHz") in the total amount of spectrum suitable for mobile telephony nationwide. The majority concludes that the timing of nationwide availability of the 700 MHz spectrum falls within the two-year time frame set out in the Merger Guidelines for when a significant market impact from entry must result.¹ Hence, the Order determines that this additional spectrum should be considered a component of the input market for spectrum for evaluating this transaction. This determination results in a 25 percent increase in the spectrum aggregation screen to 95 percent – a notable change which raises concerns regarding increased likelihood of competitive harm in certain overlapping markets. Significantly, we do not know what the complete impact of the 700 MHz auction will be, how that spectrum will be distributed and whether any single party, including the acquiring party in this proceeding, might get a disproportionate share of the spectrum. For these reasons, I am unable to fully support this aspect of the item.

With regard to AT&T's voluntary commitment to an interim cap on its high-cost, competitive eligible telecommunications carrier support, I must also reiterate that my support for this transfer of control does not prejudice my consideration of the broad policy issues regarding whether an interim cap on universal service support is the appropriate vehicle to address the growth of the high cost fund. And while the interim cap included in this Order is voluntary, it is an issue that I continue to believe should be resolved in the relevant proceeding.

For these reasons, I approve and dissent in part in my decision today.

¹ Horizontal Merger Guidelines, U.S. Department of Justice and Federal Trade Commission, § 3.2 "Timeliness of Entry."