

EXHIBIT A
DESCRIPTION OF TRANSACTION AND
PUBLIC INTEREST STATEMENT

By this application and a series of related applications, AT&T Wireless Services, Inc. (“AWS”) and Cingular Wireless LLC (“Cingular”) seek FCC approval to implement a joint venture—GSM Corridor, LLC (“GSM-C”)—to build infrastructure using GSM technology. GSM-C will provide service to the joint venture partners along approximately 4,000 **miles** of select major highways in rural parts of the country.¹ Licenses to be controlled by GSM-C will consist of portions of licenses currently held by AWS or its subsidiaries, licenses acquired from third **parties**, and a license held by a subsidiary of Cingular. The venture will result in the expansion of service to areas that might otherwise go unserved by GSM technology. Thus, these applications are manifestly in **the public interest**. The parties accordingly seek expeditious Commission approval of the assignment and transfer of control applications necessary to implement GSM-C.

I. Description of GSM Corridor, LLC Operations

GSM-C is to be formed to enable AWS and Cingular to: (1) provide infrastructure along rural portions of major highways; (2) make it feasible for AWS and Cingular to extend GSM coverage to serve their respective subscribers and technically compatible roamers in these areas; and (3) share the cost of investing in the infrastructure, which is sufficiently high as to be uneconomical for a single carrier alone. AWS and Cingular will compete at all times with each other on an arm’s length basis in GSM-C’s service area. GSM-C will not initially have any ordinary “retail” operations, inasmuch as the coverage areas served by GSM-C are not residential in nature, but rather are typically areas frequented by transitory wireless customers.

The legal structure of GSM-C, before and after formation, is shown respectively in Figure 1 and Figure 2 below.² Subsequent to formation, GSM-C will be the direct parent of two license-holding subsidiaries, AT&T Wireless Roadrunner License Sub, LLC (“SUB-A”) and Roadrunner Cingular License Sub, LLC (“SUB-C”). GSM-C will be the sole member of each of the license holding subsidiaries and will therefore hold 100 percent of the voting and equity interests in each subsidiary. In addition, SUB-C will be the parent of Cingular New England License Sub LLC (“SUB-NE”). GSM-C itself is a limited liability company with two members—AT&T Wireless Roadrunner, LLC (“AWR”), a wholly owned subsidiary of AWS, and Cingular Wireless Roadrunner LLC (“CING-R”), a wholly owned subsidiary of Cingular. Post-formation, each of AWR and CINGR will hold a 50 percent voting interest in GSM-C and, accordingly, indirect negative *de jure* control will reside with both AWS and Cingular.

¹ The attached maps labeled Attachment A-National (East) and Attachment A-National (West) geographically describe the extent of the joint venture described herein.

² For purposes of clarity, Figures 1 and 2 show only subsidiaries related to the licensing process.

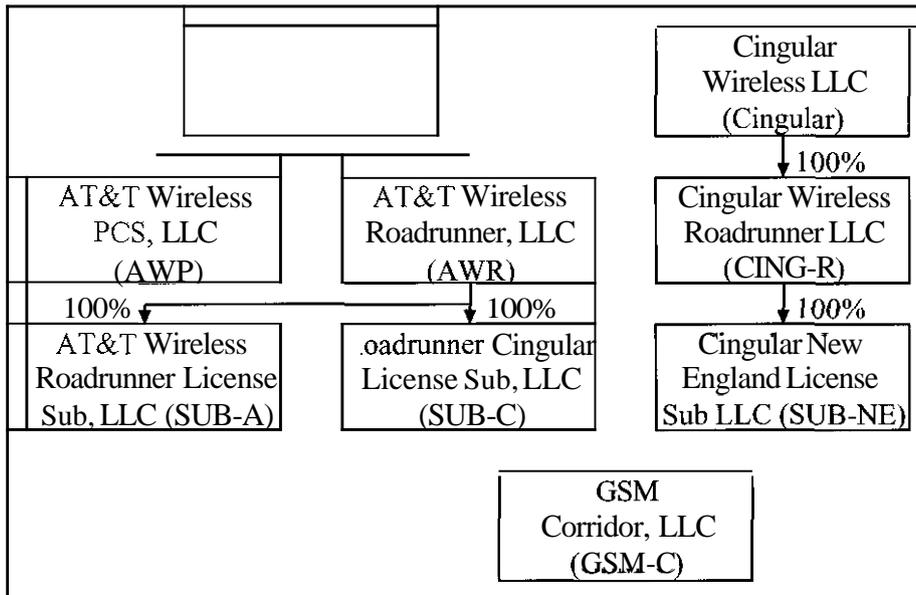


Figure 1: Legal Structure Pre-Transaction

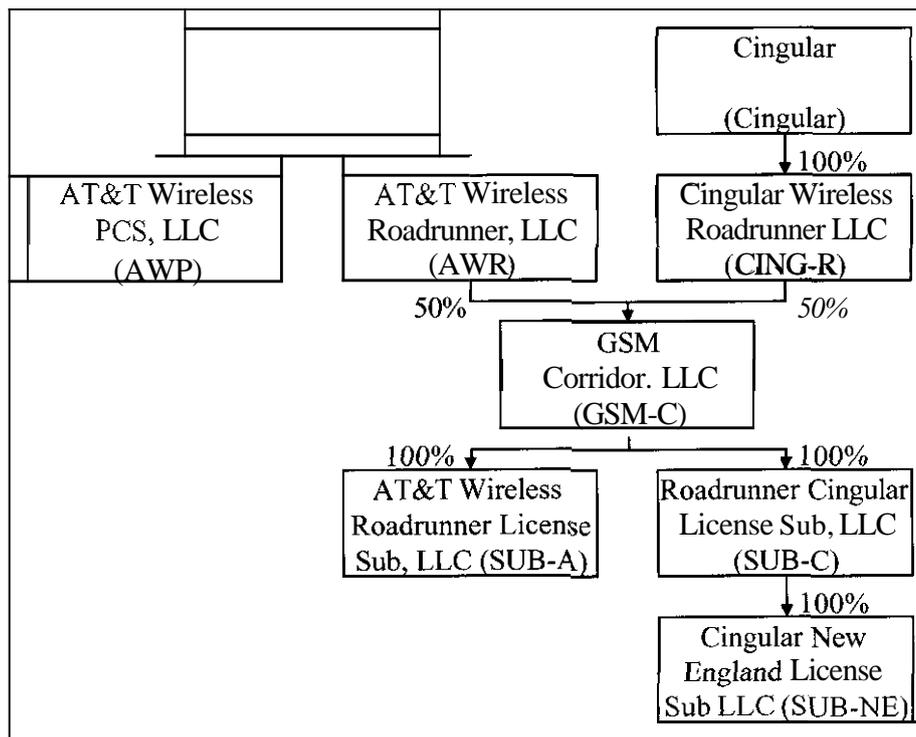


Figure 2: Legal Structure Post-Transaction

Operationally, GSM-C will be a stand-alone venture controlled by a four person management committee. Under the GSM-C operating agreement, each of AWR and CING-R will have the right to appoint two managers to the management committee and each of AWS and Cingular will have indirect negative control over the management committee. The management committee will have complete and exclusive discretion and authority in the management and control of the business and affairs of GSM-C, including the right to make and control all ordinary and usual decisions concerning the business and affairs of GSM-C.

Some extraordinary actions of GSM-C, however, require member approval. In such cases, the approval of both AWS and Cingular is required. These actions are typical investor protections, including changes to member interests, rights, or capital call obligations; modifications to the operating agreement or business plan of GSM-C; major transactions and mergers; limited types of transactions beyond stated financial limits, with affiliated entities, or outside the normal course of business; restrictions on filings related to bankruptcy, regulatory positions, and judicial proceedings; changing banks or accountants or financial arrangements with banks or accountants; making any investment in third parties other than GSM-C or its subsidiaries; or entering into contracts to do any of the foregoing items. Given that these investor protection provisions have previously been deemed not to cause a transfer of control,³ and given that the issues will ultimately be decided by the same companies, whether through their manager appointees or through member actions, no *de facto* control issues arise from these provisions.

In order to effectuate the build-out of the highway systems, GSM-C will enter into construction agreements with both AWS and Cingular. The construction agreements explicitly are subject to GSM-C's oversight, review, ultimate control and approval. The tasks delegated to AWS and Cingular, respectively, under these agreements have been negotiated at arm's length and are typical of construction and management agreements in the telecommunications industry. The tasks delegated include: site acquisition, physical design, and construction; engineering, maintenance, and repair; administrative, accounting, insurance, purchasing, and clerical support; and such other reasonable assistance as is necessary to perform the construction and operation services.

Under the terms of the joint venture, AWS will construct, build out and manage the areas shown in Table 1 and Cingular will construct, build out and manage the areas shown in Table 2. Each table is sorted by highway partition, and some BTAs will involve more than one major highway. The actual market area assigned will comprise the highway itself and an area approximately five miles wide on either side of the highway in the relevant BTA. As discussed further in Section II of this Exhibit, the partition of a BTA comprising the highway and immediately adjacent area to be served by GSM-C has been designated "HWYXXX, where the "XXX" is the three digit

³ See, e.g., *implementation of Section 309(j) of the Communications Act – Competitive Bidding, Fifth Memorandum Opinion and Order*, 10 FCC Rcd 403,448 ¶ 81 (1994).

BTA market number.⁴ In those cases where different highways in the same BTA are being built by AWS and Cingular, the highway partitions are described as “HWAXXX” or “HWCXXX”, where the “A” or “C” before the market number refers to, respectively, AWS or Cingular.

Market	HWYXXX Partition	Served Highway
Albuquerque, NM	HWA008	I-25, I-40
Denver, CO	HWA110	I-76
Fargo, ND	HWY138	I-94
Fergus Falls, NM	HWY142	I-94
Flagstaff, AZ	HWY144	I-40
Gallup, NM	HWY162	I-40
Grand Junction, CO	HWY168	I-70
Greeley, CO	HWY172	I-76
Las Vegas, NV	HWY245	I-15, I-40
North Platte, NE	HWA325	I-76
Phoenix, AZ	HWY347	I-40
Prescott, AZ	HWY362	I-40
Provo-Orem, UT	HWY365	I-15
Pueblo, CO	HWY366	I-25
St. Cloud, MN	HWY391	I-94
St. George, UT	HWY392	I-15
Salt Lake City-Ogden, UT	HWY399	I-15, I-70
Santa Fe, NM	HWA407	I-25

Table 1: AWS Build Areas

Market	HWYXXX Partition	Served Highway
Abilene, TX	HWY003	I-20
Albuquerque, NM	HWC008	I-40
Amarillo, TX	HWY013	I-40
Big Spring, TX	HWY040	I-20
Denver, CO	HWC110	I-70
Grand Island-Kearney, NE	HWY167	I-80
Hays, KS	HWY187	I-70
Keene, NH	HWY227	I-91, NH101, VT9
Las Cruces, NM	HWY244	I-10
Lebanon-Claremont, NH	HWY249	US-4, I-89, I-91, I-93
Lincoln, NE	HWY256	I-80
Manchester-Nashua-Concord, NH	HWY274	I-89, I-93, NH101, VT9
Manhattan-Junction City, KS	HWY275	I-70

⁴ Each BTA has a defined “non-highway” partition that is the remainder of the BTA after partitioning of an HWYXXX region. The non-highway partition is defined as “NHWXXX,” where “XXX” represents the BTA market number. While the NHWXXX partitions are only used in these applications in limited instances, *see* Section II(D), the parties understand that ULS will soon be transitioned so that partitioned licenses will display territory actually encompassed by a license, rather than the current system of showing a market region “excluding” a partitioned area. Under such circumstances, the use of the NHWXXX partitions will be necessary.

Market	HWYXXX Partition	Served Highway
Midland, TX	HWY296	I-20
North Platte, NE	HWC325	I-80
Oklahoma City, OK	HWY329	I-40
Salina, KS	HWY396	I-70
San Angelo, TX	HWY400	I-10
San Antonio, TX	HWY401	I-10
Santa Fe, NM	HWC407	I-40
Scottsbluff, NE	HWY411	I-80
Sierra Vista-Douglas, AZ	HWY420	I-10
Topeka, KS	HWY445	I-70
Tucson, AZ	HWY447	I-10
Burlington, VT	HWY063	I-89, I-91, I-93, VT7
Plattsburgh, NY	HWY352	I-87
Rutland-Bennington, VT	HWY388	US-4, VT7, VT9

Table 2: Cingular Build Areas

GSM-C initially will obtain operating revenues through roaming payments GSM-C receives from affiliates of AWS and Cingular. Under the joint venture agreement, GSM wireless customers of AWS and Cingular will be able to enjoy seamless high quality GSM services when calling from, or being called while within, regions served by GSM-C. GSM-C will also serve subscribers of third party carriers in one of two ways. First, because AWS and Cingular have roaming agreements with a large number of otherwise unaffiliated third-party carriers, technically compatible subscribers of those third party carriers will be able to take advantage of GSM-C services indirectly through AWS or Cingular. Second, in accordance with the Commission's rules,⁵ any GSM compatible subscriber will also be able to obtain manual roaming service while in GSM-C's operating area.

Because the parties recognize, and the transaction documents explicitly contemplate, that AWS and Cingular will compete with each other in the GSM-C territories, and may in the future compete with GSM-C if it ever engages in retail operations, special precautions have been taken to ensure competitive activity is not limited. As an initial matter, the operating agreement explicitly provides that there shall be no limitation or restriction on the freedom or right of either AWS or Cingular, or their respective affiliates, to compete, directly or indirectly, with GSM-C or to exploit or otherwise deal with any business opportunity, including opportunities involving arrangements similar to GSM-C's business, whether or not relating to GSM-C. In addition, the agreement provides that the managers designated by AWR and CING-R shall not serve on the management committee, board of directors or other similar governing body of any entity that competes, directly or indirectly, with GSM-C, and further specifies that managers shall have no

⁵ 41 C.F.R. §20.12(c); see also *Automatic and Manual Roaming Obligations Pertaining to Commercial Mobile Radio Services*, WT Docket No. 00-193, *Notice of Proposed Rulemaking*, 15 FCC Rcd 21628 (2000) (considering a sunset for the manual roaming requirement).

involvement with the retail operations of AWS or Cingular and shall not have access to pricing or marketing information of the other member.

II. Description of the Transaction

As previously noted, this series of applications has been filed to implement a joint venture between Cingular and AWS. As discussed in greater detail below, the proposed transactions involve four main phases:

- Phase I – the substantive assignment of certain authorizations from third parties to AT&T Wireless PCS, LLC (“AWP”), a wholly owned subsidiary of AWS;
- Phase II – the pre-contribution *pro forma* partitioning and disaggregation or partitioning of licenses into BTA-specific 10MHz authorizations for the designated highways and adjacent areas to be served that are to be assigned (i) from AWP to one of two wholly-owned subsidiaries of AWS, *i.e.*, SUB-A or SUB-C (Phase IIA), or, (ii) from Cingular to SUB-NE (Phase IIB);
- Phase III – the substantive transfer of control of SUB-NE, SUB-A and SUB-C to allow those companies to become wholly-owned subsidiaries of GSM-C, a joint venture entity directly owned 50/50 by AWR and CING-R; and,
- Phase IV – the substantive assignment of certain nonhighway portions of the 10 MHz BTA licenses to Southwestern Bell Wireless, LLC (“SWBWL”), an indirect wholly-owned subsidiary of Cingular.

Thus, upon consummation of the proposed transactions, GSM-C will be negatively controlled by both AWS and Cingular; GSM-C will have three wholly-owned license-holding subsidiaries, SUB-A, SUB-C and SUB-NE; each of SUB-A, SUB-C, and SUB-NE will hold 10 MHz licenses for the highway areas (a corridor consisting of the highway itself and an area approximately five miles on either side) in specific BTAs; and SWBWL will hold the 10 MHz portion of certain BTA licenses remaining after the partition and, in some cases, disaggregation of the highway portion. Each phase of the transaction is discussed in further detail below.

A. Phase I – Assignments of Licenses from Third Parties to AWS

In order to implement the GSM-C joint venture, AWS has agreed to acquire licenses from Lewis and Clark Communications, L.L.C. (“L&C”); Royal Wireless, L.L.C. (“RWL”); and Southwest

Wireless, L.L.C. (“SWW”). The licenses to be acquired from each entity are shown in Tables 3 through 5 below.⁶

Call Sign	Market	Mkt No.	Block
KNLF929	Abilene, TX	BTA003	F
KNLG907	Big Spring, TX	BTA040	F
KNLG926	Midland, TX	BTA296	F
KNLH231	Fargo, ND	BTA138	F

Table 3: Phase I ULS Assignments of Licenses from L&C to AWP

Call Sign	Market	Mkt No.	Block
KNLG715	Manhattan-Junction City, KS	BTA275	F

Table 4: Phase I ULS Assignment of License from RWL to AWP

Call Sign	Market	Mkt No.	Block
KNLF766	San Angelo, TX	BTA400	C1
KNLG207	Albuquerque, NM	BTA008	F
KNLH386	Santa Fe, NM	BTA407	F
KNLH387	Sierra Vista-Douglas, AZ	BTA420	F
WPOJ751	Amarillo, TX	BTA013	C

WP

Because L&C, RWL, and SWW are not controlled by AWS, substantive ULS applications for each proposed assignee are being filed electronically to assign the licenses to AWP.

Notably, all of the authorizations were originally obtained in auctions as designated entity licenses. The respective licensees, however, have filed their five-year build-out certifications for each of these authorizations,⁷ and thus no bar exists to assignment of the licenses from the designated entity to AWP.⁸ Except for WPOJ751 (see Table 5), an Auction No. 22 license, all of the other listed authorizations are subject to installment payment obligations. AWS recognizes that any debt obligations to the FCC associated with such licenses will be required to be repaid immediately prior to closing.⁹ In addition, because WPOJ751 was issued less than five years

⁶ These licenses are also the subject of pending applications requesting authority to transfer control. See ULS File Nos. 000974206, 0000974951, and 000974976.

⁷ See ULS File Nos. 0000886682 (KNLF929); 0000993293 (KNLG907); 0000838507 (KNLH231); 0000975269 (KNLG926); 0000842855 (KNLG715); 0000838485 (KNLG207); 0000947245 (WPOJ751); 0000603295 (KNLF766); 0000870868 (KNLH386); and 0000840436 (KNLH387).

⁸ See 47 C.F.R. § 24.839(a)(6)

⁹ See 47 C.F.R. § 1.2111(c)

ago, that authorization is subject to the repayment of 50 percent of the 25 percent bidding credit, plus interest, at closing."

B. Phase II – Pre-Transaction *Pro Forma* Partitioning and Disaggregation

Following the Phase I assignment of licenses from third parties to AWP, the parties will engage in certain *pro forma* transactions to partition and disaggregate licenses to create the highway partitions. In Phase IIA, AWP will partition and disaggregate or partition certain licenses to two different wholly-owned subsidiaries, SUB-A and SUB-C. Despite its name, SUB-C is, in fact, a wholly-owned subsidiary of AWS and will remain so at the time Phase IIA is consummated. Accordingly, because AWS will retain ultimate control over the spectrum to be partitioned and disaggregated or partitioned at all times during Phase II, all of the Phase IIA applications should properly be considered *pro forma*.¹¹

The Phase II partitions and disaggregations are shown in Tables 6 through 9 below. Notably, the licenses shown in Tables 7 and 9 are the licenses involved in Phase I. Because those licenses are not shown as belonging to AWP in the ULS database, those applications have been separated into separate tables and each has been filed on paper with a request for a waiver of the ULS electronic filing requirement.

¹⁰ WPOJ751 is the sole authorization involved in this transaction subject to repayment of a bidding credit

¹¹ See 47 C.F.R. § 1.948(c)(1); *Petition for Forbearance Regarding Non-Substantial Assignments of Wireless Licenses and Transfers of Control*, Memorandum Opinion and Order, 13 FCC Red 6293, 6298-99 (1998) ("*Forbearance Order*").

The Phase IIA *pro forma* partial assignments to SUB-A are shown in Tables 6 (ULS) and 7 (non-ULS):

Call Sign	Market	Orig. Mkt	Partition	Block	Disagg?	Spectrum (MHz)
KNLF216	(Keene, NH)	MTA00B	HWY227	A3	Y	1850-1855/1930-1935
KNLF253	Flagstaff, AZ	MTA027	HWY144	A5	Y	1860-1865/1940-1945
KNLF253	Phoenix, AZ	MTA027	HWY347	A4	Y	1855-1860/1935-1940
KNLF253	Prescott, AZ	MTA027	HWY362	A5	Y	1860-1865/1940-1945
KNLF253	Tucson, AZ	MTA027	HWY447	A3	Y	1850-1855/1930-1935
KNLF278	Gallup, NM	MTA039	HWY162	B5	Y	1880-1885/1960-1965
KNLF278	Las Cruces, NM	MTA039	HWY244	B3	Y	1870-1875/1950-1955
KNLF289	Grand Island-Kearney, NE	MTA045	HWY167	A3	Y	1850-1855/1930-1935
KNLF289	Lincoln, NE	MTA045	HWY256	A3	Y	1850-1855/1930-1935
KNLF289	North Platte, NE	MTA045	HWA325	A5	Y	1860-1865/1940-1945
KNLF289	North Platte, NE	MTA045	HWC325	A3	Y	1850-1855/1930-1935
KNLG411	Denver, CO	BTA110	HWA110	D		
KNLG411	Denver, CO	BTA110	HWC110	D		
KNLG428	Fergus Falls, MN	BTA142	HWY142	D		
KNLG437	Grand Junction, CO	BTA168	HWY168	D		
KNLG464	Las Vegas, NV	BTA245	HWY245	D		
KNLG505	Oklahoma City, OK	BTA329	HWY329	E		
KNLG521	Provo-Orem, UT	BTA365	HWY365	D		
KNLG522	Pueblo, CO	BTA366	HWY366	D		
KNLG534	St. George, UT	BTA392	HWY392	D		
KNLG538	Salt Lake City-Ogden, UT	BTA399	HWY399	D		
KNLG540	San Antonio, TX	BTA401	HWY401	E		
KNLG545	Scottsbluff, NE	BTA411	HWY411	E		
KNLG564	Topeka, KS	BTA445	HWY445	E		
KNLH670	Greeley, CO	BTA172	HWY172	D		
KNLH694	St. Cloud, MN	BTA391	HWY391	E		
KNLH721	Lebanon-Claremont, NH	BTA249	HWY249	D		
WPOI214	Manchester-Nashua-Concord, NH	MTA008	HWY274	A3	Y	1850-1855/1930-1935

Table 6: Phase IIA ULS Pro Forma Partial Assignments from AWS to SUB-A

Call Sign	Market	Orig. Mkt	Partition	Block
KNLF929	Abilene, TX	BTA003	HWY003	F
KNLG207	Albuquerque, NM	BTA008	HWA008	F
KNLG207	Albuquerque, NM	BTA008	HWC008	F
KNLH231	Fargo, ND	BTA138	HWY138	F
KNLH386	Santa Fe, NM	BTA407	HWA407	F
KNLH386	Santa Fe, NM	BTA407	HWC407	F

Table 7: Phase IIA Non-ULS Pro Forma Partitions from AWS to SUB-A

The Phase IIA *proforma* partitions and disaggregations to SUB-C are shown in Tables 8 (ULS) and 9 (non-ULS):

Call Sign	Market	Orig. Mkt	Partition	Block	Disagg?	Spectrum (MHz)
KNLF291	Hays, KS	MTA046	HWY187	A5	Y	1860-1865/1940-1945
KNLF291	Salina, KS	MTA046	HWY396	A5	Y	1860-1865/1940-1945

Table 8: Phase IIA ULS Pro Forma Partial Assignments from A WS to SUB-C

Call Sign	Market	Orig. Mkt	Partition	Block	Disagg?	Spectrum (MHz)
KNLF766	San Angelo, TX	BTA400	HWY400	CC ¹²	Y	1902.5-1907.5/1982.5-1987.5
KNLG715	Manhattan-Junction City, KS	BTA275	HWY275	F		
KNLG907	Big Spring, TX	BTA040	HWY040	F		
KNLG926	Midland, TX	BTA296	HWY296	F		
KNLH387	Sierra Vista-Douglas, AZ	BTA420	HWY420	F		
WPOJ751	Amarillo, TX	BTA013	HWY013	C3	Y	1895-1900/1975-1980

Table 9: Phase IIA Non-ULS Pro Forma Partial Assignments from AWS to SUB-C

In addition, in Phase IIB, an authorization held by Pacific Telesis Mobile Services, LLC (“PTMS”), an indirect wholly-owned subsidiary of Cingular, will be partitioned to SUB-NE. Because SUB-NE is, and will remain until Phase III, an indirect wholly-owned subsidiary of Cingular, the Phase IIB transactions are appropriately classified as *proforma*.¹³ The Phase IIB partition to SUB-NE is shown in Table 10 below:

Call Sign	Market	Orig. Mkt	Partition	Block
WPSL626	Burlington, VT	MTA001	HWY063	A3
WPSL626	Plattsburgh, NY	MTA001	HWY352	A3
WPSL626	Rutland-Bennington, VT	MTA001	HWY388	A3

Each of the new partitioned licenses involved in Phase II will generally be the result of the partitioning (and, in some cases, the disaggregation) of 10 MHz of spectrum covering a portion of a highway designated “HWYXXX,” where “HWY” represents the “highway portion” being partitioned and “XXX” represents the three digit BTA number for the BTA in which the highway is located.¹⁴ In a few cases, two partitions exist within the same BTA because there is more than one major highway in the BTA and the build plan calls for the two highways to be

¹² The proposed 10 MHz disaggregation associated with this reconfigured 15 MHz C Block license in San Angelo, TX, does not conform to the standard 10 MHz C3, C4, or C5 disaggregations used by convention. Accordingly, for ease of reference, the parties have abbreviated the disaggregated spectrum as “CC,” standing for “custom” C Block disaggregation.

¹³ See 47 C.F.R. § 1.948(c)(1); *Forbearance Order*, 13 FCC Rcd at 6298-99.

¹⁴ In some areas, A or B block MTA spectrum is being used. However, the BTA within the MTA that is involved in the partition is being used to make it easier to identify the geographic area involved.

constructed by either AWS or Cingular. In such cases, the highway partitions have been labeled HWXXXX, corresponding to the partition being built by AWS, and HWCXXX, corresponding to the partition being built by Cingular. The HWYXXX regions are graphically shown in the Attachments A1-A15 hereto, and comprise corridors approximately ten miles wide centered along one or more highways in the BTA.¹⁵

Due to the complexity of the partitions involved with the GSM-C transactions, AWS and Cingular have coordinated with the FCC staff and provided MapInfo data specifying the HWYXXX highway partitions and the corresponding NHWXXX nonhighway partitions in each relevant BTA. While graphical representations of the partitions have been provided in the attachments to **these** applications, AWS and Cingular are requesting a waiver of Section 24.714(b)(1) because it is technically infeasible to specify the partitioned areas by geographic coordinates. Because the partitions will be created as electronic database entries in the ULS electronic filing system based upon the MapInfo data supplied by the parties (and, in any event, are graphically shown in the attachments), the regions to be partitioned will be available to all parties for review and inspection and the definition of the regions will be far more accurate than attempting to define, with limited resolution, the regions by specifying latitude and longitude. Under these circumstances, a waiver of Section 24.714(b)(1) is fully justified.¹⁶

In situations involving either the partitioning of a 10 MHz D, E or F Block PCS license or the combined partitioning and disaggregation of 10 MHz from a reconfigured 15 MHz C Block license, the parties certify that **the** five-year construction obligations have been satisfied and no future build-out obligations are applicable.” The parties have chosen Option 2 in response to Question 6 (and, in the case of a reconfigured 15 MHz C Block license, Option 1 in response to Question 7) of the Schedule B to represent this scenario.

¹⁵ In general, the geographic area surrounding the highway is precisely five miles **on** either side of the highway. In certain cases, however, where the creation of such a partition would leave only a thin sliver of territory (e.g., a highway near a BTA boundary or gradually approaching a BTA boundary) or would create an orphaned island between highways, additional land area have been included in the HWYXXX partition.

¹⁶ See 47 C.F.R. § 1.3 (waiver justified where good cause is shown): § 1.925(b)(3)(ii) (waiver appropriate where unique circumstances render application of the rule unduly burdensome or applicant has **no** reasonable alternative).

¹⁷ See 47 C.F.R. §§ 24.203(b), 24.714(f)(1). This is the case for stations KNLF766, KNLF929, KNLG207, KNLG411, KNLG428, KNLG437, KNLG464, KNLG505, KNLG521, KNLG522, KNLG534, KNLG538, KNLG540, KNLG545, KNLG564, KNLG715, KNLG907, KNLG926, KNLH231, KNLH386, KNLH387, KNLH670, KNLH694, and KNLH721. See ULS File Nos. 0000603295 (KNLF766); 0000886682 (KNLF929); 0000838485 (KNLG207); 0000732531 (KNLG411); 0000830285 (KNLG428); 0000732542 (KNLG437); 0000734705 (KNLG464); 0000857723 (KNLG505); 0000732567 (KNLG521); 0000857740 (KNLG522); 0000855155 (KNLG534); 0000732571 (KNLG538); 0000885209 (KNLG540); 0000857744 (KNLG545); 0000852889 (KNLG564); 0000842855 (KNLG715); 0000993293 (KNLG907); 0000975269 (KNLG926); 0000838507 (KNLH231); 0000870868 (KNLH386); 0000840436 (KNLH387); 0000732545 (KNLH670); 0000830303 (KNLH694); and 0000868719 (KNLH721).

In situations involving the combined partitioning and disaggregation of 10 MHz from an originally issued 30 MHz A, B or C Block PCS license, the parties certify that ~~the~~ five-year construction obligations have been satisfied and that the partitionee/disaggregatee will be responsible for meeting the ten year construction benchmark for the partitionedisaggregated area.¹⁸ The parties have chosen Option 1 in response to Question 6 and Option 3 in response to Question 7 of the Schedule B to represent this scenario.

In the case of the partitioning of station WPSL626, a disaggregated 10 MHz A Block PCS license, the parties certify that both the five and ten-year build-out requirements have been met and no further construction obligations are applicable.” The parties have chosen Option 2 in response to Question 6 for this scenario.

C. Phase III – Substantive Transfers of Control of Licensed Subsidiaries to GSM-C

Phase III of the proposed transactions will result in the two AWS subsidiaries, **SUB-A** and **SUB-C**, becoming direct subsidiaries of GSM-C and the Cingular subsidiary, **SUB-NE**, becoming an indirect subsidiary of GSM-C. Because GSM-C is a 50/50 joint venture between AWS and Cingular, the transfer of control of the subsidiaries from AWS to GSM-C is a substantive transfer of control because the subsidiaries will transition from AWS, which has sole positive control, to both AWS and Cingular each having negative control. Similarly, the transfer of control of **SUB-NE** will be substantive in that Cingular is the sole controlling party of **SUB-NE**, and both Cingular and AWS will ultimately have negative control over the licensee, **SUB-NE**. Control of the GSM-C venture is further discussed in Section I, above.

Conceptually, Phase III involves three discrete transactions: (1) the transfer of control of **SUB-A** from AWS to AWS and Cingular; (2) the transfer of control of **SUB-C** from AWS to AWS and

¹⁸ See 47 C.F.R. §§ 24.203(a), 24.714(f)(1)-(2). This is the case for stations KNLF216, KNLF253, KNLF278, KNLF289, KNLF291, WPOI214, and WPOJ751. See ULS File Nos. 0000178926 (KNLF216); 0000168544 (KNLF253); 0000168541 (KNLF278); 0000168542 (KNLF289); 0000168543 (KNLF291); 0000182610 (WPOI214); and 0000947245 (WPOJ751). In this situation, the partitioner/disaggregator **thus** remains responsible for meeting the ten-year construction benchmark in the area it retains.

¹⁹ See 47 C.F.R. §§ 24.203(a), 24.714(f)(1); *see also* ULS File No. 0000011664.

Cingular; and (3) the transfer of control of SUB-NE from Cingular to AWS and Cingular. The transfer of control of **SUB-A** will involve the authorizations shown in Table 11 below:²⁰

Call Sign	Market	Mkt No.	Block
KNLF216-NEW	Keene, NH	HWY227	A3
KNLF253-NEW	Flagstaff, AZ	HWY144	A5
KNLF253-NEW	Phoenix, AZ	HWY347	A4
KNLF253-NEW	Prescott, AZ	HWY362	A5
KNLF253-NEW	Tucson, AZ	HWY447	A3
KNLF278-NEW	Gallup, NM	HWY162	B5
KNLF278-NEW	Las Cruces, NM	HWY244	B3
KNLF289-NEW	Grand Island-Kearney, NE	HWY167	A3
KNLF289-NEW	Lincoln, NE	HWY256	A3
KNLF289-NEW	North Platte, NE	HWA325	A5
KNLF289-NEW	North Platte, NE	HWC325	A3
KNLF929-NEW	Abilene, TX	HWY003	F
KNLG207-NEW	Albuquerque, NM	HWA008	F
KNLG207-NEW	Albuquerque, NM	HWC008	F
KNLG411-NEW	Denver, CO	HWA110	D
KNLG411-NEW	Denver, CO	HWC110	D
KNLG428-NEW	Fergus Falls, MN	HWY142	D
KNLG437-NEW	Grand Junction, CO	HWY168	D
KNLG464-NEW	Las Vegas, NV	HWY245	D
KNLG505-NEW	Oklahoma City, OK	HWY329	E
KNLG521-NEW	Provo-Orem, UT	HWY365	D
KNLG522-NEW	Pueblo, CO	HWY366	D
KNLG534-NEW	St. George, UT	HWY392	D
KNLG538-NEW	Salt Lake City-Ogden, UT	HWY399	D
KNLG540-NEW	San Antonio, TX	HWY401	E
KNLG545-NEW	Scottsbluff, NE	HWY411	E
KNLG564-NEW	Topeka, KS	HWY445	E
KNLH231-NEW	Fargo, ND	HWY138	F
KNLH386-NEW	Santa Fe, NM	HWA407	F
KNLH386-NEW	Santa Fe, NM	HWC407	F
KNLH670-NEW	Greeley, CO	HWY172	D
KNLH694-NEW	St. Cloud, MN	HWY391	E
KNLH721-NEW	Lebanon-Claremont, NH	HWY249	D
WPOI214-NEW	Manchester-Nashua-Concord, NH	HWY274	A3

Table 11: Phase III Transfer of Control of SUB-A

²⁰ " KNLGXXX-NEW indicates that new call signs will be assigned upon the creation of the partitions and disaggregations.

The transfer of control of SUB-C will involve the authorizations shown in Table 12 below:

Call Sign	Market	Mkt No.	Block
KNLF291-NEW	Hays, KS	HWY187	A5
KNLF291-NEW	Salina, KS	HWY396	A5
KNLF766-NEW	San Angelo, TX	HWY400	CC ²¹
KNLG715-NEW	Manhattan-Junction City, KS	HWY275	F
KNLG907-NEW	Big Spring, TX	HWY040	F
KNLG926-NEW	Midland, TX	HWY296	F
KNLH387-NEW	Sierra Vista-Douglas, AZ	HWY420	F
WPOJ751-NEW	Amarillo, TX	HWY013	C3

Table 12: Phase III Transfer of Control of SUB-C

The transfer of control of SUB-NE will involve the authorizations shown in Table 13 below:

Call Sign	Market	Mkt No.	Block
WPSL626-NEW	Burlington, VT	HWY063	A3
WPSL626-NEW	Plattsburgh, NY	HWY352	A3
WPSL626-NEW	Rutland-Bennington, VT	HWY388	A3

Because **all** of the authorizations held by SUB-NE, SUB-C and SUB-A are the result of partitions and disaggregations or partitions resulting from Phase II that have not yet occurred, the three transfer of control applications have been filed on paper with a waiver of the ULS electronic filing rules requested. In addition, new call signs will be assigned upon the creation of the partitions and disaggregations, so the call signs shown in Tables 11 through 13 are merely for informational purposes designating the originating call sign of the license.

D. Phase IV – Assignment of Authorizations to Cingular

The final phase of the proposed transaction involves the assignment of certain authorizations to SWBWL, an indirect wholly-owned subsidiary of Cingular. These authorizations are the remaining 10MHz portions of some of the BTAs corresponding with the HWYXXX partitions and disaggregations that were assigned to SUB-C in Phase II, designated NHWXXX, where “NHW” stands for the “non-highway” portion partitioned and “XXX” is the BTA number. The

²¹ *Seen. 12, supra*

specific authorizations shown in Tables 14 (non-ULS partial assignments) and 15 (non-ULS full assignments) below comprise the licenses to be assigned to SWBWL.

Call Sign	Market	Orig. Mkt	Partition	Block	Disagg?	Spectrum (MHz)
KNLF291	Hays, KS	MTA046	NHW187	A5	Y	1860-1865/1940-1945
KNLF291	Salina, KS	MTA046	NHW396	A5	Y	1860-1865/1940-1945
KNLF766	San Angelo, TX	BTA400	NHW400	CC ²²	Y	1902.5-1907.5/1982.5-1987.5
WPOJ751	Amarillo, TX	BTA013	NHW013	C3	Y	1895-1900/1975-1980

Call Sign	Market	Mkt No.	Block
KNLG715	Manhattan-Junction City, KS	BTA275	F
KNLG907	Big Spring, TX	BTA040	F
KNLG926	Midland, TX	BTA296	F
KNLH387	Sierra Vista-Douglas, AZ	BTA420	F

Table 15: Phase IV Non-ULS Full Assignments from AWP to SWBWL

Because these licenses are all involved in earlier phases of the transaction, the licenses are not available in ULS for assignment. Accordingly, these applications have been filed on paper with a request for a waiver of the ULS electronic filing requirement.

In certain cases, shown in Table 14, a second partitioning and disaggregation is required to create the 10 MHz non-highway BTA remainder. In the case of station KNLF291, the original license from which the SUB-C HWY187 and HWY396 partitions and disaggregations arose was a 30 MHz MTA license belonging to AWS, and in the case of station WPOJ751, the original license was a 30 MHz BTA license acquired by AWS. With respect to these two cases, the parties certify that the five-year construction obligations have been satisfied and that the partitionee/disaggregate will be responsible for meeting the ten-year construction benchmark for the partitioned/disaggregated area.²³ The parties have chosen Option 1 in response to Question 6 and Option 3 in response to Question 7 of the Schedule B to represent this scenario.

In the case of station KNLF766, a reconfigured 15 MHz C Block license, the parties certify that the five-year construction obligation has been satisfied and no further construction obligations are applicable.²⁴ The parties have chosen Option 2 in response to Question 6 and Option 1 in response to Question 7 in Schedule B to represent this scenario.

²² See n. 12, *supra*

²³ See 47 C.F.R. §§ 24.203(a), 24.714(f)(1)-(2); see also ULS File Nos. 0000168543 (KNLF291) and 0000947245 (WPOJ751).

²⁴ See ULS File No. 0000603295

In the remaining cases, the partitioning of the HWYXXX portion in Phase II should result in the original call sign being associated with the norrhighway portions of the license in the specific BTA, and no further partitioning and disaggregation should be required.

III. Public Interest Statement

Section 310(d) of the Communications Act of 1934, as amended (“the Act”), requires that the Commission determine whether the transaction presented herein is consistent with the public interest, convenience and necessity.²⁵ To make that assessment, the Commission considers four overriding questions: “(1) whether the transaction would result in the violation of the Act or any other applicable statutory provision; (2) whether the transaction would result in a violation of Commission rules; (3) whether the transaction would substantially frustrate or impair the Commission’s implementation or enforcement of the Act or interfere with the objectives of that and other statutes; and (4) whether the transaction promises to yield affirmative public interest benefits.”²⁶

The Commission has determined that transfer and assignment applications that demonstrate on their face that a transaction will yield affirmative public interest benefits and will neither violate the Act or Commission rules, nor frustrate or undermine policies and enforcement of the Act by reducing competition or otherwise, do not require extensive review and expenditures of considerable resources by the Commission.²⁷ The instant application meets this standard.”

²⁵ Section 310(d) provides that “no construction permit, or station license, or any rights thereunder, shall be transferred, assigned, or disposed of in any matter. . . to any person except upon application to the Commission and upon finding by the Commission that the public interest, convenience, and necessity will be served thereby.” 47 U.S.C. § 310(d).

²⁶ *Applications of SBC Communications Inc. and BellSouth Corp.*, 15 FCC Rcd 25459,25463-64 (WTBIB 2000) (citation omitted) (“*SBC-BellSouth Order*”?; *Applications of Ameritech Corp. and SBC Communications Inc.*, 14 FCC Rcd 14712, 14737-38 (1999) (“*Ameritech-SBC Order*”?; see also *Application of WorldCom, Inc. and MCI Communications Corp.*, 13 FCC Rcd 18025, 18030-32 (1998); *Merger of MCI Communications Corporation and British Telecommunications plc*, 12 FCC Rcd 15351, 15367-68 (1997).

²⁷ See *Applications of Tele-Communications, Inc. and AT&T Corp.*, 14 FCC Rcd 3160, 3170 (1999); *Ameritech-SBC Order*, 14 F.C.C.R at 14740-41..

²⁸ The Commission has emphasized that a detailed showing of benefits is not required for transactions where there are no anti-competitive effects. The Commission stated in *Applications of Southern New England Telecomm. Corp. and SBC Communications Inc.*, 13 FCC Rcd 21292, 21315 (1998) (“*SNET-SBC Order*”), that, in the absence of anti-competitive effects, a detailed showing of benefits is not necessary in seeking approval of a merger. Similarly, as the Commission stated in its approval of the SBC/Telesis merger, where it found that the merger would not reduce competition and that SBC possessed the requisite qualifications to control the licenses in question, “[a] demonstration that benefits will arise from the transfer is not . . . a prerequisite to our approval, provided that no foreseeable adverse consequences will result from the transfer.” *Applications of Pacific Telesis Group and SBC*

The assignments and transfers of control proposed herein will not result in any violation of the Act or any other applicable statutory provision. Moreover, the proposed transaction fully complies with all Commission rules and regulations and does not require any substantive waivers.²⁹ The transaction also does not create new or unresolved overlaps in ownership interests that implicate the spectrum cap in any of the involved wireless markets. Therefore, the transaction does not frustrate or impair the Commission's implementation or enforcement of the Act or interfere with the objectives of the Act or other statutes.

The proposed transfer of control promises to yield affirmative public interest benefits. Grant of the applications will enable both Cingular and AWS to provide GSM service in rural parts of the country that would otherwise go unserved in the short term by GSM technology. This provides the immediate benefit of more ubiquitous service to members of the public who have GSM handsets. It also expands the availability of advanced digital mobile services more generally, by providing these rural areas with either their first digital service or an additional digital technology choice.

Because the venture is specifically designed to serve major highways, the benefits to the traveling public are manifest. The Commission has affirmed that "operators with [nationwide] footprints can achieve economies of scale and increased efficiencies compared to operators with smaller footprints" and that such efficiencies permit companies to offer national rate plans that reduce prices for consumers.³⁰

The Commission also has pointed out that current trends in the wireless industry – *i.e.*, transactions, such as this, that will result in further geographic expansion of an operator's service areas or enhancement of the services it provides – will intensify competition among nationwide providers of wireless services." By expanding the area where Cingular and AWS customers may receive GSM service, this transaction will fill out the national coverage footprints of these two GSM service providers, thereby providing customers nationwide with an enhanced choice of both technology and national service provider. In fact, the parties recognize, and the transaction documents explicitly contemplate, that AWS and Cingular will compete with each other on an

Communications Inc., 12 FCC Rcd 2624, 2626-27 (1997); *see also Comcast Cellular Holdings, Inc. and SBC Communications, Inc.*, 14 FCC Rcd 10604, 10608-09 (WTB 1999).

²⁹ As discussed above, and pursuant to discussions with FCC staff, certain limited waivers of the Commission's electronic filing and coordinate mapping requirements are requested.

"*Annual Report and Analysis of Competitive Market Conditions With Respect to Commercial Mobile Services, Seventh Report*, FCC 02-179 at 13-14 (rel. July 3, 2002).

³¹ *Id.*; *see also Applications of VoiceStream Wireless Corporation, Powertel, Inc. and Deutsche Telekom AG*, 16 FCC Rcd 9779, 9844-45 (2001); *SNET-SBC Order*, 13 FCC Rcd at 21314-15; *SBC-BellSouth Order*, 15 FCC Rcd at 25480-81; *Vanguard Cellular Systems, Inc. and Winston, Inc.*, 14 FCC Rcd 3844, 3853-54 (WTB 1999); *360 Communications Co. and ALLTEL Corp.*, 14 FCC Rcd 2005, 2025-26 (WTB 1998).

arm's-length basis at the retail level in the territories where systems are deployed by GSM-C, and may in the future compete with GSM-C. The parties have taken special precautions to ensure that the venture produces only beneficial competitive synergies and does not detract from competition. Moreover, the transfer of spectrum to Cingular in the non-highway areas will enable Cingular to bring the benefits of its nationwide service offerings to rural subscribers in these areas. Therefore, the effect of the transfers and assignments will be to increase competition and enhance the provision of innovative, high quality services to rural areas.

IV. Form 602 – Ownership Disclosure Information

For information on the ownership of GSM-C, the transferee in Phase III, please see the Form 602 filed contemporaneously herewith. As for the assignees identified in Phases I, II, and IV, they are wholly-owned subsidiaries of either AWS, Cingular, or GSM-C. Updated Forms 602 are also being tiled contemporaneously herewith reflecting the post-transaction ownership structure for AWS and Cingular. Based on the prior guidance from the Wireless Telecommunications Bureau, the Form 602 for each of AWS, Cingular, and GSM-C satisfies the ownership reporting requirements of Sections 1.919 and 1.2112(a) of the Commission's rules for the assignees.³²

V. Conclusion

Based on the foregoing, the proposed transactions to form GSM-C are in the public interest. Accordingly, AWS and Cingular request that the applications to implement the license assignments and transfers of control be granted on an expedited basis.

³² See 47 C.F.R. §§ 1.919, 1.2112(a); see also *Public Notice*, "Wireless Telecommunications Bureau Answers Frequently Asked Questions Concerning Reporting of Ownership Information on FCC Form 602," 14 FCC Rcd 8261, 826665 (1999).