

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA,)	
)	
Plaintiff,)	
)	
v.)	Civil No.: 1:99CV01119 (EGS)
)	
BELL ATLANTIC CORPORATION,)	
GTE CORPORATION,)	
and VODAFONE AIRTOUCH PLC,)	
)	
Defendants.)	

ORDER TO MODIFY FINAL JUDGMENT

The Court having received the joint motion of plaintiff United States and defendants, GTE Corporation, Vodafone Airtouch Plc, and Bell Atlantic Corporation, which has changed its name to Verizon Communications Inc. (“Verizon”),¹ for modification of the Final Judgment entered in this case on April 18, 2000, and notice of the motion having been published in the Federal Register, The Birmingham News, The Arizona Republic, The St. Petersburg Times, The Miami-Herald, The Albuquerque Journal, The Cleveland Plain Dealer, The Columbus Dispatch, The State, The Dallas Morning News, The Wall St. Journal, and Communications Daily, and all interested parties having been given an opportunity to submit comments concerning the proposed modification of the Final Judgment, and the Court having considered all papers and comments filed in connection with this motion and plaintiff United States’s response to those comments,

¹ The Final Judgment was entered after the United States challenged, under the antitrust laws, the merger between GTE and Bell Atlantic and Bell Atlantic’s agreement to partner with Vodafone in Cellco Partnership, d/b/a Verizon Wireless.

and plaintiff United States having represented to the Court its consent to the joint motion, and the Court finding that it is in the public interest to modify the Final Judgment, it is

ORDERED, ADJUDGED, AND DECREED:

That Sections I and XI shall be modified by replacing the term "Final Judgment" with "Modified Final Judgment and the Final Judgment";

That Section III shall be modified by replacing the term "Final Judgment" with "Modified Final Judgment and the Final Judgment";

That Section III.A shall be modified by adding the following sentence to the end: "The terms of the Modified Final Judgment are also applicable to Alltel which has submitted to the jurisdiction of this Court and agreed to be bound by the terms of this Modified Final Judgment.";

That Section III.B shall be modified by replacing the term "Wireless System Assets" with "Wireless System Assets or Alltel Divestiture Assets";

That Sections II, IV, V, VI, VII, VIII, IX, and X shall be modified by replacing the terms "this Final Judgment" and "this decree" with "the Final Judgment"; and

That Section XII shall be modified and Sections XIII and XIV be added to the Final Judgement to read as follows:

XII

Further Provisions and Termination

- A. The entry of this judgment is in the public interest.
- B. With the exception of the provisions of this Modified Final Judgment that apply to the divestitures of the Alltel Divestiture Assets as defined in Section XIV, the Final Judgment shall expire April 18, 2010, unless this Court grants an extension. The provisions of the Final

Judgment and Modified Final Judgment that apply to the divestitures of the Alltel Divestiture Assets shall continue and be in effect until the tenth anniversary of the date of entry of the Modified Final Judgment.

XIII

Reacquisition

A. Notwithstanding that the original purpose of the Final Judgment was to require the divestiture of one of the two wireless businesses in each of the Overlapping Wireless Markets, due to significant changes in competitive conditions, the Final Judgment is modified to allow defendants to reacquire the divested Wireless System Assets in each of the following CMAs any time after entry of this Modified Final Judgment:

1. Arizona
 - a. Phoenix MSA (CMA 26)
 - b. Tucson MSA (CMA 77)
 - c. Arizona RSA 2 (CMA 319)
2. New Mexico
 - a. Albuquerque MSA (CMA 86)
3. South Carolina
 - a. Greenville MSA (CMA 67)
4. Texas
 - a. El Paso MSA (CMA 81)
5. Ohio
 - a. Akron MSA (CMA 52)
 - b. Canton MSA (CMA 87)
 - c. Cleveland MSA (CMA 16)
 - d. Lorain-Elyria MSA (CMA 136)
6. Florida
 - a. Tampa-St. Petersburg MSA (CMA 22)
 - b. Lakeland-Winter Haven MSA (CMA 114)
 - c. Pensacola MSA (CMA 127)
 - d. Fort Myers MSA (CMA 164)
 - e. Sarasota (CMA 167)
 - f. Bradenton MSA (CMA 211)

- g. Florida RSA 1 (CMA 360)
 - h. Florida RSA 2 (CMA 361)
 - i. Florida RSA 3 (CMA 362)
 - j. Florida RSA 4 (CMA 363)
 - k. Florida RSA 11 (CMA 370)
7. Alabama
- a. Mobile MSA (CMA 83)

B. The Final Judgment is modified to allow defendants to reacquire the divested Wireless System Assets in each of the following CMAs, provided that they shall be redivested pursuant to the terms in Section XIV, and shall be held in the interim before redivestiture pursuant to the terms of the Order and Stipulation with Respect to Modified Final Judgment and Preservation of Assets (“Order and Stipulation”):

- a. Anderson South Carolina MSA (CMA 227);
- b. Las Cruces New Mexico MSA (CMA 285); and
- c. Ohio RSA 3 (CMA 587).

XIV

Redivestiture Provisions

The following provisions apply only to the redivestiture of the Alltel Divestiture Assets pursuant to Section XIII of this Modified Final Judgment:

A. Definitions

1. “Acquirer” or “Acquirers” means the entity or entities to whom the Alltel Divestiture Assets are sold.
2. “Alltel” means a subsidiary of Atlantis Holdings LLC, Alltel Corporation, a Delaware corporation with its headquarters in Little Rock Arkansas, its successors and assigns, and its subsidiaries, divisions, groups, affiliates, partnerships and joint ventures, and their directors, officers, managers, agents, and employees. Alltel has submitted to the jurisdiction of

this Court and has agreed to be bound by the terms of this Modified Final Judgment.

3. “CMA” means cellular market area which is used by the FCC to define cellular license areas and which consists of MSAs and RSAs.

4. “Alltel Divestiture Assets” means each mobile wireless telecommunications services business to be divested under this section of the Modified Final Judgment, including all types of assets, tangible and intangible, used by Alltel in the operation of the mobile wireless telecommunications services businesses to be divested. “Alltel Divestiture Assets” shall be construed broadly to accomplish the complete divestiture of the entire business of Alltel in each of the following CMAs as required by this Modified Final Judgment and to ensure that the divested mobile wireless telecommunications services businesses remain viable, ongoing businesses:

- (1) Anderson, SC MSA (CMA 227);
- (2) Las Cruces, NM MSA (CMA 285); and
- (3) Ohio RSA 3 (CMA 587).

The Alltel Divestiture Assets shall include, without limitation, all types of real and personal property, monies and financial instruments, equipment, inventory, office furniture, fixed assets and furnishings, supplies and materials, contracts, agreements, leases, commitments, spectrum licenses issued by the FCC and all other licenses, permits and authorizations, operational support systems, cell sites, network infrastructure, switches, customer support and billing systems, interfaces with other service providers, business and customer records and information, customer contracts, customer lists, credit records, accounts, and historic and current business plans which relate primarily to the wireless businesses being divested, as well as any

patents, licenses, sub-licenses, trade secrets, know-how, drawings, blueprints, designs, technical and quality specifications and protocols, quality assurance and control procedures, manuals and other technical information Alltel supplies to its own employees, customers, suppliers, agents, or licensees, and trademarks, trade names and service marks or other intellectual property, including all intellectual property rights under third-party licenses that are capable of being transferred to an Acquirer either in their entirety, for assets described in (a) below, or through a license obtained through or from Alltel, for assets described in (b) below; provided that defendants and Alltel shall only be required to divest Multi-line Business Customer contracts if the primary business address for that customer is located within any of the license areas described herein, and, further, any subscriber who obtains mobile wireless telecommunications services through any such contract retained by defendants and Alltel and who is located within the geographic areas identified above, shall be given the option to terminate its relationship with defendants, without financial cost, at any time within one year of the closing of the Verizon/Alltel Transaction. Defendants shall provide written notice to these subscribers within 45 days after the closing of the Verizon/Alltel Transaction of the option to terminate.

The divestiture of the Alltel Divestiture Assets shall be accomplished by:

- (a) transferring to the Acquirer(s) the complete ownership and/or other rights to the assets (other than those assets used substantially in the operations of Alltel's overall wireless telecommunications services business which must be retained to continue the existing operations of the wireless properties that defendants are not required to divest, and that either are not capable of being divided between the divested wireless telecommunications services

businesses and those not divested, or are assets that the defendants and the Acquirer(s) agree, subject to the approval of plaintiff, shall not be divided); and

- (b) granting to the Acquirer(s) an option to obtain a nonexclusive, transferable license from defendants for a reasonable period, subject to the approval of plaintiff and at the election of an Acquirer, to use any of Alltel's retained assets under paragraph (a) above used in operating the mobile wireless telecommunications services businesses being divested, so as to enable the Acquirer to continue to operate the divested mobile wireless telecommunications services businesses without impairment. Defendants and Alltel shall identify in a schedule submitted to plaintiff and filed with the Court within 20 calendar days following the filing of the Joint Motion to Modify Final Judgment, and in any event prior to any divestiture and before the approval by the Court of this Modified Final Judgment, any and all intellectual property rights under third-party licenses that are used by the mobile wireless telecommunications services businesses being divested that defendants and Alltel could not transfer to an Acquirer entirely or by license without third-party consent, the specific reasons why such consent is necessary, and how such consent would be obtained for each asset.

5. "Multi-line Business Customer" means a corporate or business customer that contracts with Alltel for mobile wireless telecommunications services to provide multiple

telephones to its employees or members whose services are provided pursuant to a contract with the corporate or business customer.

6. “Verizon/Alltel Transaction” means the Agreement and Plan of Merger among Cellco Partnership, Airtouch Cellular, Abraham Merger Corporation, Alltel Corporation and Atlantis Holdings LLC, dated as of June 5, 2008.

7. “Verizon” means Verizon Communications Inc., a Delaware corporation, successor in interest to defendants Bell Atlantic and GTE, with its headquarters in New York, New York, its successors and assigns, and its subsidiaries, divisions, groups, affiliates, partnerships and joint ventures, and their directors, officers, managers, agents, and employees. The term defendants as used in this Modified Final Judgment shall include Verizon.

B. Redivestiture

The Alltel Divestiture Assets shall be divested as required by Sections IV through XIV of this Modified Final Judgment except to the extent modified below:

1. The term defendants as used in Sections IV, V, VI, VII, VIII, X, and XIV shall include Alltel, which has submitted to the jurisdiction of this Court, the term Wireless System Assets shall include the Alltel Divestiture Assets and the term “the Final Judgment” shall be replaced with the term “this Modified Final Judgment.”

2. Sections IV.A and B are replaced with the following: Defendants are ordered and directed, within 120 days after consummation of the Verizon/Alltel Transaction, to divest the Alltel Divestiture Assets in a manner consistent with this Modified Final Judgment to an Acquirer or Acquirers acceptable to the United States in its sole discretion, or, if applicable, to a Divestiture Trustee designated pursuant to Section V of this Modified Final Judgment. Plaintiff,

in its sole discretion, may agree to one or more extensions of this time period not to exceed 60 calendar days in total, and shall notify the Court in such circumstances. With respect to divestiture of the Alltel Divestiture Assets by defendants or the Divestiture Trustee, if applications have been filed with the FCC within the period permitted for divestiture seeking approval to assign or transfer licenses to the Acquirer(s) of the Alltel Divestiture Assets, but an order or other dispositive action by the FCC on such applications has not been issued before the end of the period permitted for divestiture, the period shall be extended with respect to divestiture of those Alltel Divestiture Assets for which FCC approval has not been issued until five (5) days after such approval is received. Defendants agree to use their best efforts to accomplish the divestitures set forth in this Modified Final Judgment and to seek all necessary regulatory approvals as expeditiously as possible. This Modified Final Judgment does not limit the FCC's exercise of its regulatory powers and process with respect to the Alltel Divestiture Assets. Authorization by the FCC to conduct the divestiture of the Alltel Divestiture Assets in a particular manner will not modify any of the requirements of this decree.

3. The following sentence is added at the end of Section IV.C: Notwithstanding the foregoing, the Alltel Divestiture Assets may be required to be divested jointly with other assets that will be divested under a final judgment entered in connection with any proceedings initiated by plaintiff pursuant to Section 7 of the Clayton Act, as amended, 15 U.S.C. § 18, to enjoin the Verizon/Alltel Transaction.

4. The first sentence of Section IV.D is replaced with the following: In accomplishing the divestitures ordered by this Modified Final Judgment, defendants shall promptly make known, if they have not already done so, by usual and customary means, the

availability of the Alltel Divestiture Assets.

5. Sections IV.F is replaced with the following: Defendants shall provide the Acquirer(s) and plaintiff information relating to the personnel involved in the operation, development, and sale or license of the Alltel Divestiture Assets to enable the Acquirer(s) to make offers of employment. Defendants will not interfere with any negotiations by the Acquirer(s) to employ any defendant or Alltel employee whose primary responsibility is the operation, development, or sale or license of the Alltel Divestiture Assets.

6. In Section IV.G, the term “Section II.G” is replaced with “Section XIV.A.4”.

7. The following provisions shall be added to the end of Section IV:

I. Defendants shall warrant to the Acquirer(s) that (1) the Alltel Divestiture Assets will be operational on the date of sale, and (2) every wireless spectrum license is in full force and effect on the date of sale.

J. Defendants shall not take any action that will impede in any way the permitting, licensing, operation, or divestiture of the Alltel Divestiture Assets.

K. Defendants shall warrant to the Acquirer(s) of the Alltel Divestiture Assets that there are no material defects in the environmental, zoning, licensing or other permits pertaining to the operation of each asset and that following the sale of the Alltel Divestiture Assets, defendants will not undertake, directly or indirectly, any challenges to the environmental, zoning, licensing or other permits relating to the operation of the Alltel Divestiture Assets.

M. At the option of the Acquirer(s) of the Alltel Divestiture Assets, defendants shall enter into a contract for transition services customarily provided in connection with the sale of a business providing mobile wireless telecommunications services or intellectual property

licensing sufficient to meet all or part of the needs of the Acquirer for a period of up to one year. The terms and conditions of any contractual arrangement meant to satisfy this provision must be reasonably related to market conditions.

C. Preservation of Assets

Until the divestitures required by this Modified Final Judgment have been accomplished, defendants shall take all steps necessary to comply with the Order and Stipulation entered by this Court and cease use of the Alltel Divestiture Assets during the period that the Divestiture Assets are managed by the Management Trustee. The Management Trustee appointed pursuant to the Order and Stipulation may 1) also be the Management Trustee in other proceedings either initiated by plaintiff pursuant to Section 7 of the Clayton Act, as amended, 15 U.S.C. § 18, to enjoin the Verizon/Alltel Transaction, or to modify an existing Final Judgment in connection with the Verizon/Alltel Transaction, and 2) manage the Alltel Divestiture Asset jointly with other assets that defendants are required to divest in such other proceedings. Defendants shall take no action that would jeopardize the divestitures ordered by this Court.

D. Miscellaneous

1. Defendants shall comply with the requirements set forth in Section VII, except that the date of the filing of the Motion to Modify the Final Judgment shall replace the Motion for Leave to File Supplemental Complaint.

2. The prohibition contained in Section VIII of this Modified Final Judgment shall apply to any purchase made by an acquirer pursuant to Section XIII.

Dated: _____, 2008

UNITED STATES DISTRICT JUDGE