



Department of Justice

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JUSTICE DEPARTMENT SETTLES CIVIL CONTEMPT CLAIM AGAINST ALLTEL CORPORATION

ALLTEL Agrees to Pay \$1.325 Million as Part of a Civil Settlement for Violating Two Court Orders

WASHINGTON — ALLTEL Corporation has agreed to pay \$1.325 million as part of a civil settlement with the Department of Justice and the state of Minnesota that resolves ALLTEL's alleged violations of two court orders entered in connection with ALLTEL's acquisition of Midwest Wireless Holdings LLC. The Department and Minnesota today filed a petition in the U.S. District Court in Minnesota asking it to find ALLTEL in civil contempt of a 2007 consent decree and a related court order. At the same time, the Department and Minnesota filed a settlement agreement and order, subject to court approval, that would resolve the concerns. Of the \$1.325 million payment, \$745,000 will go to the state of Minnesota to be administered by the Minnesota Attorney General's Office and the remainder will go the U.S. Treasury.

"Consent decrees entered into with the Antitrust Division are court orders that must be respected," said Thomas O. Barnett, Assistant Attorney General in charge of the Department's Antitrust Division. "This civil contempt claim and payment demonstrate that the Antitrust Division will actively enforce its settlements and ensure that defendants carry out the agreed-upon remedies as required."

Under the consent decree entered by the court earlier this year, ALLTEL was required to divest mobile wireless telecommunications businesses in four rural service areas (RSAs) in southern Minnesota. Pending divestiture, a management trustee was appointed to oversee the businesses to be divested. Under the consent decree and a related court order requiring preservation of the businesses to be divested pending their sale, ALLTEL was required to: preserve the assets to be divested in a manner that would maintain their competitive viability; provide the management trustee with detailed timely reports describing ALLTEL's plans for capital expenditures in the divestiture markets and the status of those plans; and adhere to all existing plans for maintenance and capital improvements.

According to the petition filed by the Department and the State of Minnesota, ALLTEL failed to fulfill its obligations under the two court orders. The petition alleges that ALLTEL failed to adhere to its existing plans for capital improvements, upgrades, and maintenance schedules and failed to provide relevant information about ALLTEL's capital improvement plans.

to the management trustee. ALLTEL also provided the management trustee with misleading reports about the progress of capital improvement projects scheduled by the management trustee.

Certain provisions of the order requiring the preservation of assets were adopted by the Federal Communications Commission (FCC) in its Oct. 2, 2006 order approving the merger of ALLTEL and Midwest Wireless. The Department has coordinated with Minnesota and the FCC throughout its investigation.

ALLTEL, headquartered in Little Rock, Ark., is the fifth-largest provider of mobile wireless voice and data services in the United States, serving approximately 12 million customers.

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