

TELECORP/TRITEL MERGER APPLICATIONS SUPPLEMENTAL EXHIBIT

I. Introduction

By this amendment, TeleCorp PCS, Inc. (“TPI”),¹ TeleCorp Wireless, Inc. (“TWI”), Tritel, Inc. (“Tritel”) and the other parties to these applications hereby supplement the disclosures regarding the ownership of the post-merger entity and the competitive market conditions in the companies’ respective territories.² As shown in this supplemental exhibit, the proposed merger and associated license assignments will have significant public interest benefits and will not adversely impact competition in any market. Indeed, TWI and Tritel, the principal companies involved in these transactions, operate without any significant overlap. Even taking into account related ventures of Messrs. Vento and Sullivan, the merger will not adversely impact competitive conditions for any services.

In all respects, this proposed merger should be manifestly simple for the Commission to consider and approve. Specifically:

- The merger combines the 24th and 25th largest mobile carriers by licensed, unduplicated POPs—a combined market share in customers of less than one-fifth of one percent of the U.S. mobile customers;
- As shown in the figures attached as Exhibit A (Figures 10, 11 and 12), the merger combines two contiguous territories into one regional cluster where the existing footprints overlap by only a single county—Montgomery Co., MS in the Memphis, TN BTA;

¹ As discussed in the original application, the parent entity of the TeleCorp family of companies is currently TeleCorp PCS, Inc. However, the existing TeleCorp PCS, Inc. will be renamed TeleCorp Wireless, Inc. immediately prior to the merger to permit the ultimate post-merger parent entity to assume the name “TeleCorp PCS, Inc.” and the trading symbol for the existing TeleCorp PCS, Inc. To avoid confusion, the existing TeleCorp PCS, Inc. is referred to herein as “TeleCorp Wireless, Inc.” or “TWI” and the newly created post-merger parent entity is referred to herein as “TeleCorp PCS, Inc.” or “TPI.”

² This amendment is being filed with the lead application for the transfer of control of AirCom PCS, Inc. from Tritel, Inc. to TeleCorp PCS, Inc., File No. 00000123402. The parties understand that references to this exhibit will be associated with the remaining file numbers relating to the proposed transactions, including the electronically filed File Nos. 0000117757, 0000117768, 0000117802, 0000123402, 0000123407, 0000123412, 0000123414, 0000123431, 0000123435, 0000123436, 00000123441, 0000123442, 0000117340, 0000117779, 0000123377, 00000123380, 0000123382, 0000117743, 0000117742, and 0000117772, as well as the paper filings captioned Application for the *pro forma* assignment of licenses from TeleCorp Holding Corp., Inc. to TeleCorp Holding Corp. II, L.L.C.; Application for the *pro forma* transfer of control of TeleCorp Holding Corp. II, L.L.C. from TeleCorp Wireless, Inc. to TeleCorp PCS, Inc.; Application for the transfer of control of Tritel License—Florida, Inc. from Tritel, Inc. to TeleCorp PCS, Inc.; and Application for the transfer of control of Tritel License—Georgia, Inc. from Tritel, Inc. to TeleCorp PCS, Inc.

- The merger is *fully consistent with the spectrum cap*, even considering the spectrum holdings of related ventures owned by the controlling principals of TWI and considering the spectrum holdings of AT&T Wireless, a non-controlling investor in TWI and Tritel;
- The *Department of Justice granted early termination of the merger Hart-Scott-Rodino review*, effectively determining that the merger on its face raised no competitive issues;
- The merged company will *compete throughout the majority of the combined footprint with significantly larger established national mobile carriers*, including BellSouth, Verizon, and others; and,
- As a merger of two PCS-only companies, *the combined company competes with at least two long-established cellular carriers—and generally several new PCS carriers—in every single market.*

Under the circumstances, the merger cannot adversely impact competition. The Commission should, accordingly, expeditiously process and grant the requested consents.

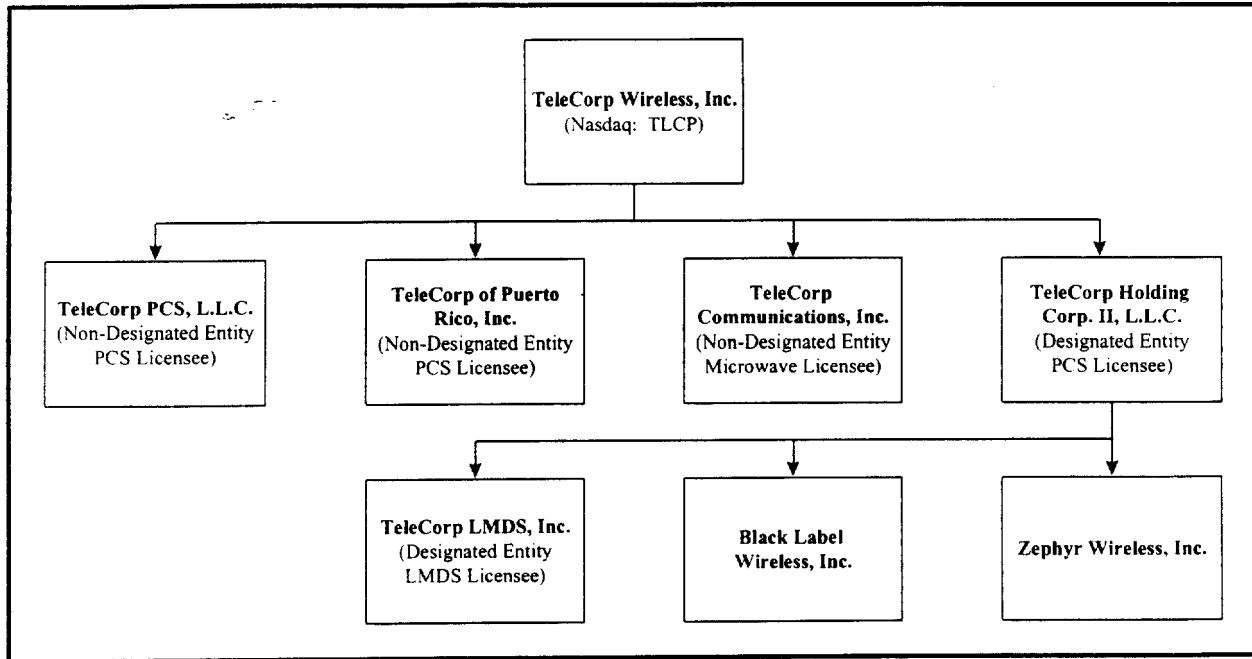
II. Pre- and Post-Merger Corporate Structure, Ownership and Control

These applications principally involve the merger of two companies, TWI and Tritel, into a new entity, TPI. The corporate structure, ownership, and control of these entities are discussed below. As shown herein, TWI is presently *de jure* and *de facto* controlled by Messrs. Vento and Sullivan. TPI will also be *de jure* and *de facto* controlled by Messrs. Vento and Sullivan. In both cases, Messrs. Vento and Sullivan control over 50% of the voting rights of the company, appoint a majority of the Board of Directors (in addition to serving themselves as Directors), and constitute the highest level executive officers of the company.

A. Pre-Merger Corporate Structure

At present, TWI is the parent entity of the TeleCorp family of companies. As shown in Figure 1 below, TWI has a number of wholly-owned subsidiaries implicated by the merger:

Figure 1: TWI Pre-Merger Corporate Structure



Notably, Figure 1 shows the corporate structure of TWI immediately prior to the merger, but after some proposed minor corporate restructuring. Specifically, TeleCorp Holding Corp. II, L.L.C. (“THC2”) will hold designated entity PCS licenses at the time of the merger, but is not now licensed. The licenses that will be held by THC2 are now held by TeleCorp Holding Corp., Inc. (“THC”). In order to achieve favorable tax treatment, THC is being converted into a limited liability company by merging with THC2, with THC2 as the surviving entity. THC2 replicates the ownership of THC in all respects except form (*i.e.*, THC2 is a limited liability company instead of a corporation).

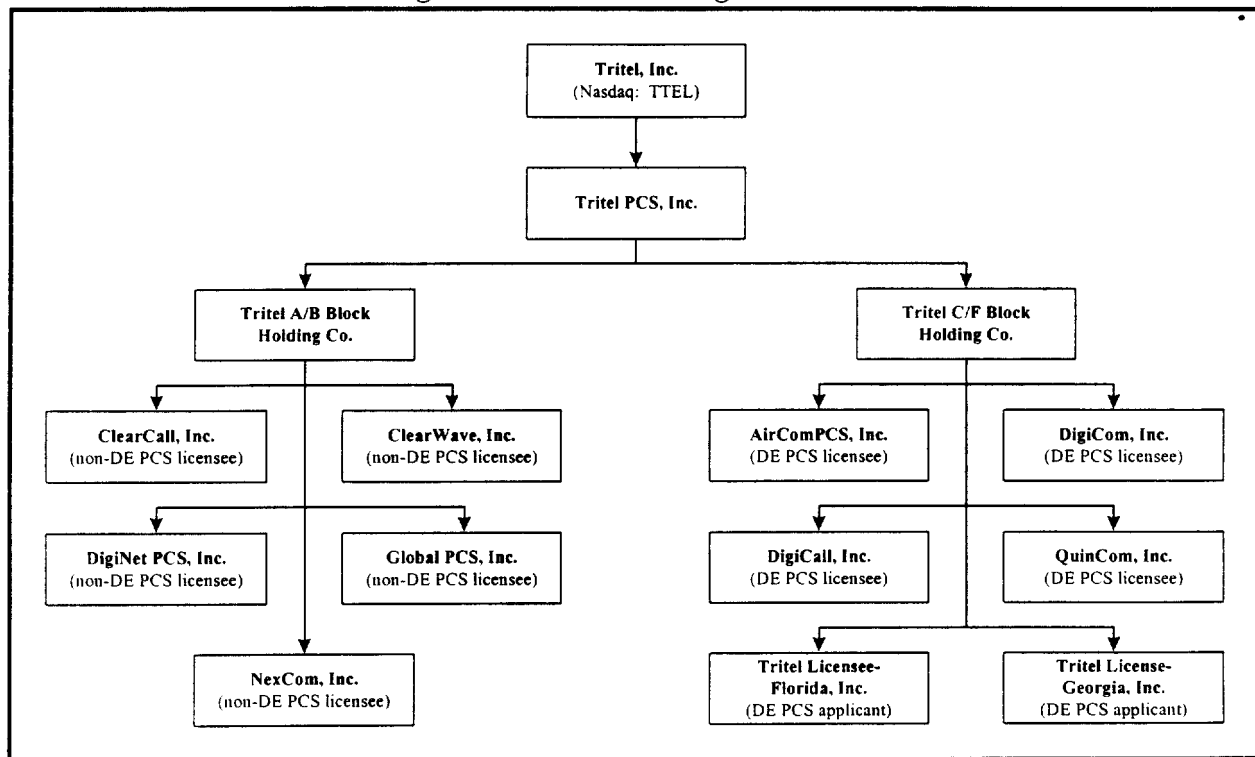
Not all of these entities will necessarily undergo transfers of control requiring prior consent to implement the merger. At present, neither Black Label Wireless, Inc. (“Black Label”) nor Zephyr Wireless, Inc. (“Zephyr”) hold any authorizations. Black Label was formed as a new merger vehicle for the Indus, Inc. (“Indus”) merger, and Zephyr is an applicant for recently auctioned 39 GHz licenses. Additionally, TeleCorp PCS, L.L.C. (“TPL”), TeleCorp of Puerto Rico, Inc. (“TPR”) and TeleCorp Communications, Inc. (“TCI”) are undergoing only *pro forma* transfers of control, do not hold designated entity licenses, and, accordingly, are subject only to post-merger notifications under Section 1.948(c)(1).

As discussed in the FCC Form 602s attached hereto as Exhibit B, the controlling principals of TWI (and the post-merger TPI) are also the controlling entities of a number of other companies that either hold FCC authorizations or have applied to hold FCC authorizations. Of most relevance, Messrs. Vento and Sullivan, and Mr. Scott Anderson, who is a director of TWI and Tritel, each hold 33.3% of ABC Wireless, L.L.C. (“ABC”). ABC is swapping certain PCS license interests it holds to THC2 in exchange for license interests ABC is receiving from

PolyCell, Inc. (“PolyCell”). Messrs. Vento and Sullivan have no relationship with PolyCell other than contractual obligations relating to the license assignments.³ For reference, the footprint of ABC is shown in Attachment A at Figure 13. None of the other companies controlled or owned by Messrs. Vento and Sullivan are implicated by this transaction.⁴

The pre-merger corporate structure of Tritel is shown as Figure 2 below. The parent entity, Tritel, is publicly traded under the TTEL symbol on the Nasdaq exchange:

Figure 2: Tritel Pre-Merger Structure



Notably, neither Tritel Licensee—Florida, Inc. (“T-FL”) nor Tritel Licensee—Georgia, Inc. (“T-GA”) are licensed at present. Both have received FCC consent to be assigned certain

³ In a wholly unrelated transaction, ABC is assigning certain authorizations to NewCom Wireless, LLC. In addition, the parties understand that PolyCell may also be assigning certain authorizations to NewCom Wireless, LLC. Those transactions are not part of this merger or the contemporaneous swap transactions. Neither NewCom Wireless, LLC nor PolyCell has any relationship whatsoever with Messrs. Vento or Sullivan, TPI, or Tritel, except the disclosed contractual agreements related to the assignment of the specified licenses.

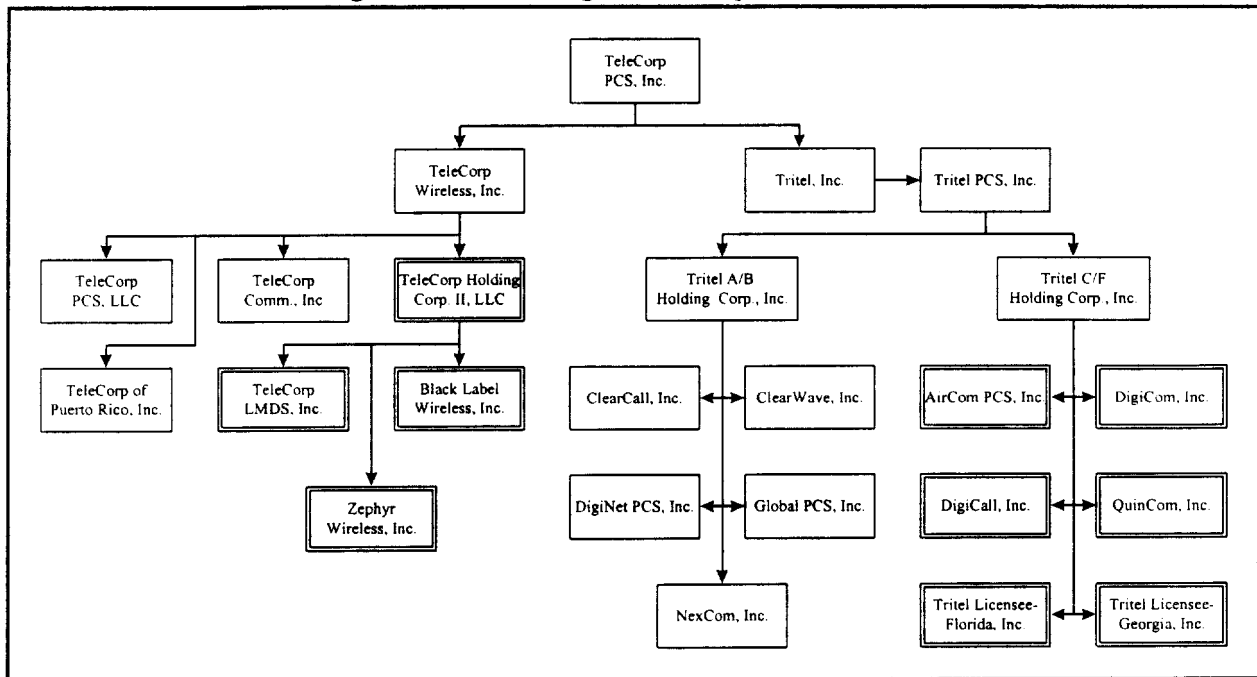
⁴ These companies include Atlantis Bidding Corp.; Royal Wireless, L.L.C.; Arnage Wireless, L.L.C.; Panther Wireless, L.L.C.; Wireless Acquisition LLC.; Indiana Acquisition, L.L.C.; Southwest Wireless, L.L.C.; Sabre Wireless, L.L.C.; Lone Star Wireless, L.L.C.; THC of Houston, Inc.; THC of Melbourne, Inc.; THC of Orlando, Inc.; THC of San Diego, Inc.; and, THC of Tampa, Inc. All of these companies are controlled jointly by Messrs. Vento and Sullivan.

authorizations from Digital PCS, Inc., but those transactions have not yet closed and may not close prior to the proposed merger.

B. Post-Merger Corporate Structure

Following the merger, the corporate structure of TPI will simply be a new parent entity, TPI, with TWI and Tritel as wholly-owned subsidiaries. The entire pre-merger structure of TWI and Tritel will be duplicated under the TPI parent, as shown in Figure 3:

Figure 3: Post-Merger TPI Corporate Structure



C. Pre-Merger Ownership and Control

The equity ownership of both the pre-merger TWI and the post-merger TPI were shown in the original application exhibits. That exhibit is hereby supplemented to include disclosures relevant to the Board of Directors, executive officers, and *de jure* and *de facto* control of these companies. As shown herein, control is vested for TWI and will be vested for TPI in Messrs. Vento and Sullivan. These individuals control, or will control, the majority of the voting stock of these companies, appoint or will appoint a majority of the Board of Directors, and actively manage these companies in their individual capacities as executive officers.

TWI is organized like most other corporations, with ultimate power residing in the voting shareholders of the company, supervisory authority under the Certificate of Incorporation delegated to the Board of Directors, and day-to-day management authority delegated to the executive officers of the company. As shown in the equity table below, reproduced from the original application, Messrs. Vento and Sullivan each hold 1,545 shares of TWI voting

preference stock. There are, in aggregate, 3,090 shares of such voting preference stock which, under the TWI Certificates of Incorporation, definitionally constitute 50.1% of the voting rights of the TWI. Moreover, pursuant to a Stockholders Agreement between Mr. Vento and Mr. Sullivan, the voting preference shares must be voted in the same manner. Because, unless otherwise required by Delaware corporate law, shareholder actions are by simple majority vote, Messrs. Vento and Sullivan hold *de jure* control over the voting stock of TWI.⁵

Shareholder	Voting		
	Preference	Common	Equity
Management Shareholders			
Gerald Vento	1,545	4,799,771	4.68%
Thomas Sullivan	1,545	2,937,910	2.86%
Other Management		4,367,350	4.26%
<i>Total Management:</i>	<i>3,090</i>	<i>12,105,031</i>	<i>11.80%</i>
Investors			
CB Capital Investors, L.P.		15,548,057	15.16%
Equity Linked Investors-II		14,835,023	14.46%
Hoak Comm. Partners, L.P.		10,974,781	10.70%
J.H. Whitney III, L.P.		9,100,865	8.87%
Media/Comm. Partners		5,923,519	5.77%
One Liberty Fund		2,606,266	2.54%
Toronto-Dominion		1,623,770	1.58%
Northwood		2,034,426	1.98%
AT&T		17,867,453	17.42%
Other (inc. Publicly Traded)		9,955,087	9.71%
<i>Total Investors:</i>	<i>0</i>	<i>90,469,247</i>	<i>88.20%</i>
Total TeleCorp Wireless, Inc.:	3,090	102,574,278	100.00%

The TWI Board currently is comprised of nine Directors. The present Board composition is as follows:

- Gerald Vento (Chairman)

⁵ This control, in fact, was illustrated in the S4 filing relating to the merger, where it noted:

Pursuant to a voting agreement with [TWI] and Tritel, *Mr. Vento and Mr. Sullivan have agreed to vote all of their shares of [TWI] capital stock, which represent a majority of the voting power of [TWI] capital stock entitled to vote at the [TWI] special meeting, in favor of the adoption of the merger agreement. Accordingly, approval of the merger agreement by [TWI] stockholders is assured.*

- Thomas Sullivan
- Scott Anderson
- Rohit Dešai
- Michael Hannon
- William Hague
- James Hoak
- William Kussell
- Michael Schwartz

Pursuant to a voting agreement, the Board composition is set forth as: (i) Messrs. Vento and Sullivan, for so long as they are involved with TWI; (ii) two directors selected by TWI's initial investors, other than AT&T Wireless PCS ("AWP"); (iii) two directors nominated by Messrs. Sullivan and Vento, but subject to the reasonable approval of a majority in interest of the TWI initial investors, other than AWP, on the one hand, and subject to the reasonable approval of AWP on the other hand; (iv) one director nominated by Messrs. Vento and Sullivan, subject to the reasonable approval of AWP; and, (v) one director nominated by Messrs. Vento and Sullivan, subject to the reasonable approval of the TWI initial investors other than AWP. Other than certain customary actions subject to extraordinary voting for minority shareholder protection, actions by the Board require a simple majority. Under the circumstances, Messrs. Vento and Sullivan are responsible for nominating the majority in interest of the Board, and therefore exercise *de jure* control over TWI.

As a final matter, Messrs. Sullivan and Vento also exercise *de facto* control over TWI. TWI has three executive officers. These positions are filled by: (i) Gerald Vento as Chief Executive Officer; (ii) Thomas Sullivan as Executive Vice President and Chief Financial Officer; and (iii) Julie Dobson as Chief Operating Officer. Messrs. Vento and Sullivan, obviously, are the controlling principals of TWI. Ms. Dobson, prior to joining TWI, was President of Bell Atlantic Corporation Mobile Systems New York/New Jersey Metro Region. She was responsible for sales, marketing, customer service and the continued expansion of that company's wireless communications network in the region. She also oversaw more than 1,500 employees and an extensive retail store network in 22 counties in New York and northern and central New Jersey. TWI's other principal officer positions include:⁶

⁶ Biographical details on TWI's individual officers may be obtained at the company's website, www.telecorpcs.com.

- William Baker, Vice President and Controller
- Randy Standard, Vice President of Marketing.
- Gregg Biren, Vice President of Financial Operations
- Raul Burgos, General Manager of the Puerto Rico Region
- Steve Chandler, General Manager of the Southcentral Region
- David Chaplain, Vice President of Product Development
- Joseph D'Orso, Vice President of Operations
- Andrew Gordon, Vice President of Information Technology
- Andy Hearn, General Manager for the New Orleans Region
- Steve Howerton, Vice President of Human Resources
- Mitch Johnson, General Manager for the New England Region
- Randy Johnson, General Manager of the Little Rock Region
- David Knutson, Vice President of Engineering and Operations
- Jim Morrissey, Vice President of Investor Relations and Corporate Development
- Michael O'Connor, Senior Vice President of Finance
- Lori Soper, Executive Director of Channel Marketing
- Scott Weismiller, Vice President of Customer Care

All of these officers report to TWI's executive officers. Accordingly, Messrs. Vento and Sullivan clearly hold *de facto* control over all aspects of TWI's day-to-day operations.

Because TWI is the direct and sole parent of all of the TeleCorp family of subsidiaries, the *de jure* and *de facto* control Messrs. Vento and Sullivan exercise over the parent also is perpetuated in their control over the subsidiaries. Accordingly, Messrs. Vento and Sullivan exercise *de jure* and *de facto* control over TPL, TPR, TCI, THC, THC2, TLI, Black Label, and Zephyr.

The subsidiaries of TWI are all legally wholly-owned and controlled, directly or indirectly, by TWI. However, TWI has issued a special class of tracking stock that is different from the normal common stock of TWI and not owned in the same proportions as the normal

common stock of TWI. Specifically, TWI has issued tracking stock that reflects separate economic ownership of THC (and will reflect separate economic ownership of THC2). As discussed in the *pro forma* transfer of control applications filed at the time TWI was originally capitalized, the tracking stock acts, for all economic purposes (except bankruptcy), as if THC (or THC2) had issued its own securities. The value of TWI's common equity does not change with alterations in the value of THC (or THC2), and the tracking stock does not change with alterations in the value of TWI itself. Rather, TWI's common equity reflects only the economic value of TWI less THC (or THC2) and the TWI tracking stock reflects only the economic value of THC (or THC2). In order to conform to the designated entity equity limits and control group minimums, the economic ownership of THC (and THC2) is thus fixed. In fact, as shown in Table 2, the tracking stock owners largely reflect the initial owners of TWI stock at the time TWI was capitalized, with very little modification:

TABLE 2: TRACKING STOCK OWNERSHIP		
	Tracking Stock	Equity
Qualifying Investors		
Gerald Vento	109,419	9.64%
Thomas Sullivan	66,857	5.89%
Subtotal:	176,276	15.53%
Other Management		
Management	10,614	0.93%
Subtotal:	10,614	0.93%
Institutional Investors		
CB Capital Investors, L.P.	230,495	20.30%
Hoak Comm. Partners, L.P.	165,906	14.61%
Equity Linked Investors-II	221,202	19.48%
J.H. Whitney III, L.P.	138,261	12.18%
Media/Comm. Partners	88,046	7.76%
One Liberty Fund	33,658	2.96%
Toronto-Dominion	25,451	2.24%
Northwood	24,441	2.15%
Subtotal:	927,460	81.70%
Non-Institutional		
AT&T	20,902	1.84%
Subtotal:	20,902	1.84%
TOTAL:	1,135,252	100.00%

As shown in Table 2, the qualifying investors (Messrs. Vento and Sullivan) hold in excess of 15%, institutional investors hold at least 10%, and no entity holds more than 25%.

D. Post-Merger Ownership and Control

The proposed merger of TWI and Tritel as new subsidiaries of TPI implicates changes to how control will be effected, but not to actual control, which will still remain with Messrs. Vento

and Sullivan. Pursuant to the merger agreement, and as shown in the original exhibits and reproduced below as Table 3, the voting preference stock of TWI will be replicated in TPI, with each of Messrs. Vento and Sullivan retaining their 1,545 shares. However, in addition, Mr. Mounger will also be issued 3 shares of voting preference stock. Under a voting agreement, Mr. Mounger's shares will be voted as are the shares of Messrs. Vento and Sullivan. Accordingly, while Messrs. Vento and Sullivan are nominally diluted jointly from 50.1% voting control to 50.052% control, they retain effective control over the full 50.1% due to the voting agreement.

TABLE 3: TPI POST-MERGER OWNERSHIP						
Shareholder	Voting Preference	TWI Common	Tritel Common	TPI Common	Voting	Equity
Management Shareholders						
Gerald Vento	1,545	4,799,771		4,799,771	25.026%	2.55%
Thomas Sullivan	1,545	2,937,910		2,937,910	25.026%	1.56%
William Mounger	3		2,434,804	1,850,451	0.049%	0.98%
E.B. Martin			2,384,544	1,812,253		0.96%
Other Management		4,367,350	11,747,601	13,295,527		7.07%
<i>Total Management:</i>	<i>3,093</i>	<i>12,105,031</i>	<i>16,566,949</i>	<i>24,695,912</i>	<i>50.100%</i>	<i>11.80%</i>
Investors						
CB Capital Investors, L.P.		15,548,057		15,548,057		8.27%
Equity Linked Investors-II		14,835,023		14,835,023		7.89%
Hoak Comm. Partners, L.P.		10,974,781		10,974,781		5.84%
J.H. Whitney III, L.P.		9,100,865		9,100,865		4.84%
Media/Comm. Partners		5,923,519		5,923,519		3.15%
One Liberty Fund		2,606,266		2,606,266		1.39%
Toronto-Dominion		1,623,770		1,623,770		0.86%
Northwood		2,034,426		2,034,426		1.08%
AT&T		17,867,453	25,881,196	46,809,902		24.90%
Conseco, Inc.			2,188,709	1,663,419		0.88%
Dresdener			11,147,761	8,472,298		4.51%
Truine PCS			9,700,186	7,372,141		3.92%
South Farm			7,814,486	5,939,009		3.16%
MF Financial			5,175,746	3,933,567		2.09%
Other (inc. Publicly Traded)		9,955,087	21,739,936	26,477,438		14.08%
<i>Total Investors:</i>	<i>0</i>	<i>90,469,247</i>	<i>83,648,020</i>	<i>163,314,482</i>		<i>88.20%</i>
Total TeleCorp PCS, Inc.:	3,093	102,574,278	100,214,969	188,010,394		100.00%

Unlike the nine member TWI Board, the TPI Board will have fourteen Directors combined from the TWI and Tritel Boards. Seven Board members currently serve on the TWI Board. While there are seven remaining directors, those seven directors have only six votes.⁷ The Board composition will be as follows:

- Gerald Vento

⁷ Messrs. Mounger III and Martin each hold a Board seat, but jointly possess only a single vote.

- Thomas Sullivan
- William Mounger, II (Chairman)
- E.B. Martin, Jr.
- Scott Anderson
- Alex Coleman
- Rohit Desai
- Michael Hannon
- William Hague
- James Hoak
- David Jones
- Tim McLaughlin
- Michael Schwartz
- Kevin Shepherd

Pursuant to a voting agreement, the Board composition is set forth as: (i) Messrs. Vento and Sullivan, for so long as they are involved with TPI; (ii) two directors selected by the TWI initial investors other than AWP; (iii) two directors selected by the Tritel initial investors other than AWP; (iv) two directors selected by AWP; and (v) six directors nominated by Messrs. Vento and Sullivan of which (x) one is reasonably acceptable to AWP; (y) two, with a half vote each, are reasonably acceptable to Messrs. Mounger II and Martin as long as they are involved with TPI, and (z) three are reasonably acceptable to each of AWP and the non-AWP initial investors in TWI and Tritel.

The executive officers of TPI following the merger will be Mr. Vento serving as Chief Executive Officer and Mr. Sullivan serving as Executive Vice-President and Chief Financial Officer. The other top level officers will include Ms. Julie Dobson serving as Chief Operating Officer of TWI, William Arnett serving as Chief Operating Officer of Tritel, and James Neeld, IV serving as Senior Vice President-General Counsel and Secretary of Tritel.

Thus, while the effectuation of the control of Messrs. Vento and Sullivan has been modified slightly, Messrs. Vento and Sullivan will be the controlling parties of the post-merger entity. Messrs. Vento and Sullivan will continue to hold a majority of the voting power of the entity, nominate a majority of the Board seats, and hold the sole executive management positions

in TPI. Accordingly, Messrs. Vento and Sullivan will hold *de jure* and *de facto* control over the post-merger TPI.

E. AT&T Branding Arrangement

As noted in its original application, both TWI and Tritel currently offer service using the AT&T Wireless brand name, marketing as a "Member, AT&T Wireless Services Network."⁸ This arrangement subsumes several agreements between AWP and each of TWI and Tritel:⁹ (i) a Network Membership License Agreement, which provides for the use of certain trademarks of AT&T subject to TWI and Tritel maintaining minimum service quality standards; (ii) an Intercarrier Roamer Service Agreement/Roaming Administration Service Agreement, which allows customers of one party to operate out-of-region on the other party's network; (iii) a Roaming Administrative Service Agreement, which allows TWI and Tritel to roam on systems for which AWP has roaming agreements, subject to the consent of third party carriers; (iv) a Resale Agreement, which would permit AWP to resell services of TWI and Tritel; and (v) a Long Distance Agreement, which provides for the purchase of interexchange services from AT&T at preferred rates, but subject to certain minimum volume commitments. These arrangements will be reformed at the time of the merger to allow TPI to operate in the manner that TWI and Tritel currently operate for an extended term.

AWP also will have an interest in TPI of slightly less than 25%, an interest in THC2 of less than 2%, and representation on the TPI Board of Directors. Due to its interest in TWI and Tritel and its Board representation, and its prospective interest in TPI, as discussed below, AWP considers and has considered spectrum held by TWI and Tritel as attributable for spectrum cap purposes. Compliance with the spectrum cap is discussed *infra*.

III. Competitive Analysis

The merger of TWI and Tritel plainly will not raise any risks to competition in the relevant wireless service product market. TWI and Tritel offer only mobile phone service and currently do not compete with each other to provide such services in any of the geographic markets affected by this merger. While TWI's controlling shareholders also control a separate venture, ABC Wireless, L.L.C. ("ABC"), whose wireless licenses overlap Tritel's operations in several markets, these minor overlaps should similarly raise no competitive concerns, especially considering ABC has neither constructed nor become operational in any of the overlap markets. As discussed below, under the *Bell Atlantic/NYNEX* analytical framework, the creation of these commonly owned overlaps will not raise any risks to competition in the relevant wireless product

⁸ Both TWI and Tritel also market under a commonly owned tradename "SunCom PCS™."

⁹ Each of these agreements is summarized in further detail in the TeleCorp-Tritel S-4 at pp. 149 *et seq.*

market. In such situations, the Commission has previously concluded that “the proposed merger is unlikely to reduce competition, or inhibit the development of competition.”¹⁰

As the Commission recently underscored in the *Fourth CMRS Competition Report*,¹¹ the wireless market, including the mobile telephony sector, continues to experience strong growth and competitive development. The merger of companies that lack market power, whose combined national market share would amount to *less than one-fifth of one percent* of the nation’s mobile telephony customers, and that face stiff competition from numerous facilities-based carriers, resellers and new entrants, will not adversely affect the competitive nature of the mobile telephony market.¹² Further, the merger will not result in the aggregation of spectrum in any market in excess of the CMRS spectrum cap,¹³ creating a presumption that competition will

¹⁰ See, e.g., *In re Applications of PacifiCorp Holdings, Inc., Transferor, and Century Telephone Enterprises, Inc., Transferee, For Consent to Transfer Control of Pacific Telecom, Inc., a Subsidiary of PacifiCorp Holdings, Inc.*, 13 FCC Rcd 8891 at ¶ 36 (1997). In that case, the Commission reasoned,

the merger is not eliminating a competitor in a relevant market. Nor is the merger likely to affect the incentives or capabilities of any firms, whether the merging parties or other potential competitors, with respect to the relevant mobile voice communications markets. In particular, the amount of spectrum available to firms that are considering entering those markets remains unchanged and, to the extent, that a firm was precluded from competing in the markets before the proposed merger due to the amount of spectrum available for use, that firm will continue to be precluded to the same extent, and no more, after the merger.

Id.

¹¹ See *Annual Report and Analysis of Competitive Market Conditions With Respect to Commercial Mobile Services*, Fourth Report (rel. June 24, 1999) (hereinafter “*Fourth CMRS Competition Report*”).

¹² As noted in the original application exhibit, for comparative purposes, at the end of 1999, TWI boasted 142,231 subscribers and Tritel had 24,600, for a total of 166,831. This is approximately 0.193% of the over 86 million estimated subscribers in the United States and, even on a combined basis, would not even rank TPI within the FCC’s list of the top 25 mobile telephone operators by subscribers for the end of 1998, much less the end of 1999. Even by unduplicated broadband POPs, without taking into account build-out status, TWI ranks only as the 24th largest mobile operator in the U.S., and Tritel, which was not listed, would rank as the 25th largest carrier. Thus, by any standard, TPI is not a significant national carrier at this time.

¹³ During the course of evaluating the spectrum cap overlaps for purposes of the merger, TWI discovered an existing spectrum cap problem within one of its market—the Beaumont-Port Arthur, TX BTA (BTA034). This cap issue is pre-existing, however, and is not exacerbated or caused by the merger. This cap issue arose when a venture of Messrs. Vento and Sullivan, Viper Wireless, Inc. (“Viper”), was merged into THC. Viper had obtained a 30 MHz C Block PCS authorization in the C, D, E and F PCS reauction for BTA034. THC already owned the F Block authorization for BTA034. When Viper was merged into THC, AWP gained an attributable interest in Viper’s authorization that was not recognized at the time by the parties. AWP also held a 10 MHz E Block PCS authorization in BTA034. Although TWI has an attributable interest in only 40 MHz, the Viper merger caused AWP’s attributable interest to go from 20 MHz to 50 MHz. Because three counties in the BTA comprise the MSA of Beaumont, TX, the Viper merger inadvertently caused AWP to exceed the cap by 5 MHz in those three counties only. THC has filed applications, unrelated to this merger, proposing among other things to partition and assign 5 MHz of F Block spectrum in those three counties to another venture of Messrs. Vento and Sullivan, ABC Wireless, (Continued...)

be unaffected.¹⁴ Accordingly, the Commission can readily and confidently conclude that the proposed transfer will not raise competitive concerns inconsistent with the public interest.

Below, TPI has discussed the following factors relevant under the *Bell Atlantic/NYNEX* merger criteria: (i) the public interest benefits of the proposed merger (Section A); (ii) the definition of the relevant product market, which should be interconnected mobile phone service (Section B); (iii) the definition of the relevant geographic market, for which TPI has used BTAs (Section C); (iv) identification of market participants (Section D); and (v) a market specific analysis of the overlap areas between TPI and ABC (Section E).

A. Public Interest Benefits of the Proposed Merger

In light of the developing trends in the telecommunications industry and consolidation in the wireless PCS market, TWI and Tritel believe the proposed merger represents a strategic opportunity to significantly expand the size and scope of their operations. TWI and Tritel believe that, following the merger, the combined company will have greater financial strength, operational efficiencies and growth potential than either company would have on its own. TWI and Tritel have also identified a number of potential benefits of the proposed merger, including the following:

- synergies relating to expanded in-network coverage and the contiguous network footprints of TWI and Tritel post-merger;
- savings realized through the sharing of outlays in future infrastructure investments;
- economies of scale that should yield enhanced purchasing power and improved marketing;
- a significantly stronger capital structure and financial resources providing greater operational flexibility;
- a larger market capitalization and size that may result in broader research coverage and increased interest by institutional investors.

(...Continued)

L.L.C. ("ABC"), an entity in which AWP has no attributable interest. At the same time, THC also intends to partition and assign 20 MHz of C Block spectrum to ABC. This will result in Messrs. Vento and Sullivan continuing to have an attributable interest of 40 MHz in the MSA counties of BTA034 (15 MHz from THC and 25 MHz from ABC) and AWP having an attributable interest of 15 MHz in the MSA counties of BTA034 (15 MHz from THC and 10 MHz from its own holdings).

¹⁴ 1998 Biennial Regulatory Review Spectrum Aggregation Limits for Wireless Telecommunications Carriers, 17 CR 404 (September 22, 1999)

The benefits of the merger, in effect, will permit TPI to compete more effectively against such national industry players as BellSouth, Verizon, Sprint Spectrum, and others.

Of the potential benefits of the merger, the enhanced in-network coverage resulting from the merger of the two contiguous footprints, deserves special attention. As shown in Exhibit 1A and 1B, at present, the major cities in the southeastern TWI footprint are New Orleans, LA; Baton Rouge, LA; Memphis, TN; and Little Rock, AR. The major cities in the contiguous Tritel footprint include Jackson and Vicksburg, MS; Nashville, TN; Knoxville, TN; Huntsville, AL; Montgomery, AL; Louisville, KY; Lexington, KY; Birmingham, AL; and Mobile, AL. Given the proliferation and success of rate plans that involve blanket rates without roaming charges, the combined companies believe that inter-company roaming payments can be significantly reduced as one potential benefit of this proposed merger. These companies believe that there is a significant amount of intercity traffic among the residents in the TWI footprint and the major cities in the Tritel footprint, and vice-versa. The ability to offer a single company footprint that spans all of the major cities in this region also offers competitive benefits in marketing and continuity of image.

For end user customers, a more efficient TPI offers significant benefits by enhancing a relatively new market entrant's ability to compete on a local basis. If TPI can realize the significant efficiencies by integrating Tritel's operations effectively and by decreasing net roaming settlements on wide area rate plans, TPI will have increased pricing flexibility and competition in local services will be enhanced. As a result, all wireless customers in the region should benefit. In addition, TPI's broader single-company regional footprint will permit TPI to develop both larger and more targeted home rate plans and extended home rate plans for customers that travel in-region.

B. Definition of Relevant Product Market

To identify the relevant product market, the Commission focuses on the products or services offered by the parties and evaluates the extent to which services offered by other communications companies compete for the business conducted by those entities.¹⁵ A product market is typically defined as a "service or group of services for which there are no close demand substitutes."¹⁶ In this case, the Commission has defined the relevant product market for companies such as TWI and Tritel as "interconnected mobile phone service," which includes "operators provid[ing] access to the public switched telephone network ("PSTN") via mobile communication devices employing radiowave technology to transmit calls."¹⁷ The Commission

¹⁵ *Pittencrieff Communications, Inc.*, 13 FCC Rcd 8935 (1997).

¹⁶ *Bell Atlantic/NYNEX Order* at 20014.

¹⁷ *Fourth CMRS Competition Report* at 7.

has recognized that this market sector includes providers offering cellular, broadband PCS and SMR services.¹⁸

At present, TWI and Tritel offer only interconnected mobile phone service and ancillary products associated with interconnected mobile phone service, such as handsets and voicemail. Both companies currently dual brand their products using the tradenames AT&T Wireless, pursuant to a branding agreement with AWP, and SunCom Wireless, a joint trade name created and owned by TWI and Tritel, among others. For uniformity, both companies currently offer national rate plans similar to AWP offerings, including the “Digital One Rate” package. Both companies, however, also retain—and actively use—local pricing flexibility to create rate plans for individual clusters that respond to local market conditions.

C. Definition of Relevant Geographic Market

The relevant geographic market is defined as the geographic area in which all customers will likely face the same competitive alternatives for a product or service.¹⁹ The interconnected mobile phone industry is a classic regional business. Services within this sector are licensed within a specific geographic region. While the size and definition of the region varies with the particular service, the Commission has usually chosen the Basic Trading Area (“BTA”) as the relevant geographic market for purposes of competitive analysis of this market sector.²⁰ Although TWI and Tritel believe the relevant geographic market should be at least Major Trading Areas or some other regional definition, the parties have used BTAs herein to retain consistency with prior rulings.

D. Identification of Market Participants

As noted above, the Commission has recognized that interconnected mobile phone service market sector currently includes providers offering cellular, broadband PCS and SMR services. In *Fourth CMRS Competition Report*, the Commission noted that there were at least five mobile telephone operators in each of the 35 largest BTAs and at least three mobile

¹⁸ *Id.* at 8 (“Currently, this sector is dominated by providers using three types of FCC licenses: cellular radiotelephone, broadband PCS, and SMR. While all three of these FCC services were created at different times and for different purposes, they are now used to offer mobile telephone services that may be interchangeable for many users. Furthermore, while providers use different marketing techniques and different technologies to differentiate themselves to the public, they are offering essentially the same product – mobile telephone services.”).

¹⁹ *Bell Atlantic/NYNEX Order* at ¶ 54.

²⁰ See Voicestream Wireless Corp. or Ominipoint Corp., Transferors, and Voicestream Wireless Holding Co., Cook Inlet/VIS GSM II PCS, LLC, or Cook Inlet/VIS GSM III PCS, LLC, Transferees, and Various Subsidiaries and Affiliates of Ominipoint Corp., Assignor, and Cook Inlet/VIS GSM II PCS, LLC or Cook Inlet/VIS GSM III PCS, LLC, Assignees, For Consent to Transfer of Control and Assignment of Licenses and Authorizations, FCC 00-53 at ¶¶ 24-25 (Feb. 15, 2000); *Fourth CMRS Competition Report* at 18-20.

telephone providers in 97 of the 100 largest BTAs in the continental United States.²¹ Since that time, many more mobile operators have come on line and competition has only continued to increase. Also not reflected in these numbers are the many resellers who operate in each market and provide substantial price competition.²²

As detailed below, in the 28 markets in which ABC's spectrum overlaps with Tritel, both companies – even when viewed collectively – plainly do not possess market power. In these markets, they compete primarily against large national or regional wireless carriers, such as BellSouth, ALLTEL, Sprint PCS, GTE Mobilnet (soon to be part of the much larger Verizon Wireless), VoiceStream/Omnipoint/Cook Inlet, and PowerTel all of whom clearly have greater market share. In fact, no part of the TWI, Tritel, or ABC spectrum is other than PCS spectrum, which means, at a minimum, that in these markets the combined post-merger entity will be competing with at least two well-established incumbent cellular carriers. Moreover, ABC has not yet constructed, much less become operational, in any of the overlap markets.

E. Market-Specific Analysis of ABC Overlaps

The Commission has previously determined that combinations that do not result in spectrum holdings in excess of the spectrum cap presumptively do not result in any impairment of competition. As discussed below, the merger of the TWI and Tritel footprints **overlaps by only 10 MHz in one county**—Montgomery Co., MS in the Memphis, TN BTA (BTA290). Yet, as discussed in Section (II)(E), the footprints of TWI and Tritel are contiguous and represent a synergy in roaming and regional operations. Nonetheless, the Tritel footprint also overlaps an unrelated venture of Messrs. Vento and Sullivan, ABC Wireless, L.L.C. (“ABC”).²³ These overlaps, however, are minor and, as discussed below, do not give rise to any impairment of competition.

Notably, these mergers will not remove competitors from the market. ABC has not constructed any of the overlap markets. Tritel and TeleCorp, for their parts, are PCS-only licensees relatively new to the market. Indeed, according to its annual report, Tritel initiated operations only in Jackson, MS (BTA210); Vicksburg, MS (BTA455); Nashville, TN (BTA314); Clarksville, TN/Hopkinsville, KY (BTA083); Knoxville, TN (BTA232); Chattanooga, TN

²¹ *Fourth CMRS Competition Report* at 6.

²² The *Fourth CMRS Competition Report* noted that as of the end of 1998, resale providers had over two million customers. MCI WorldCom, Inc., the largest reseller, was responsible for over 25 percent of these customers. *Id.* at 35 and B-22.

²³ The spectrum overlaps between AWP and TWI/Tritel and the ABC overlaps with TWI/Tritel are independent and are not additive. Because AWP has neither an ownership interest in ABC nor Board of Directors representation on ABC, the ABC spectrum is not attributable to AWP. And, similarly, Messrs. Vento and Sullivan do not have an equity interest in, or Board of Directors representation on, AWP, and therefore the AWP spectrum is not attributable to Messrs. Vento and Sullivan.

(BTA076); Cleveland, TN (BTA085); Dalton, GA (BTA102); Huntsville, AL (BTA198); Montgomery, AL (BTA305); Louisville, KY (BTA263); and Lexington, KY (BTA252). Service launches in Birmingham, AL (BTA044) and Mobile, AL (BTA302) are expected the 2nd quarter of 2000.

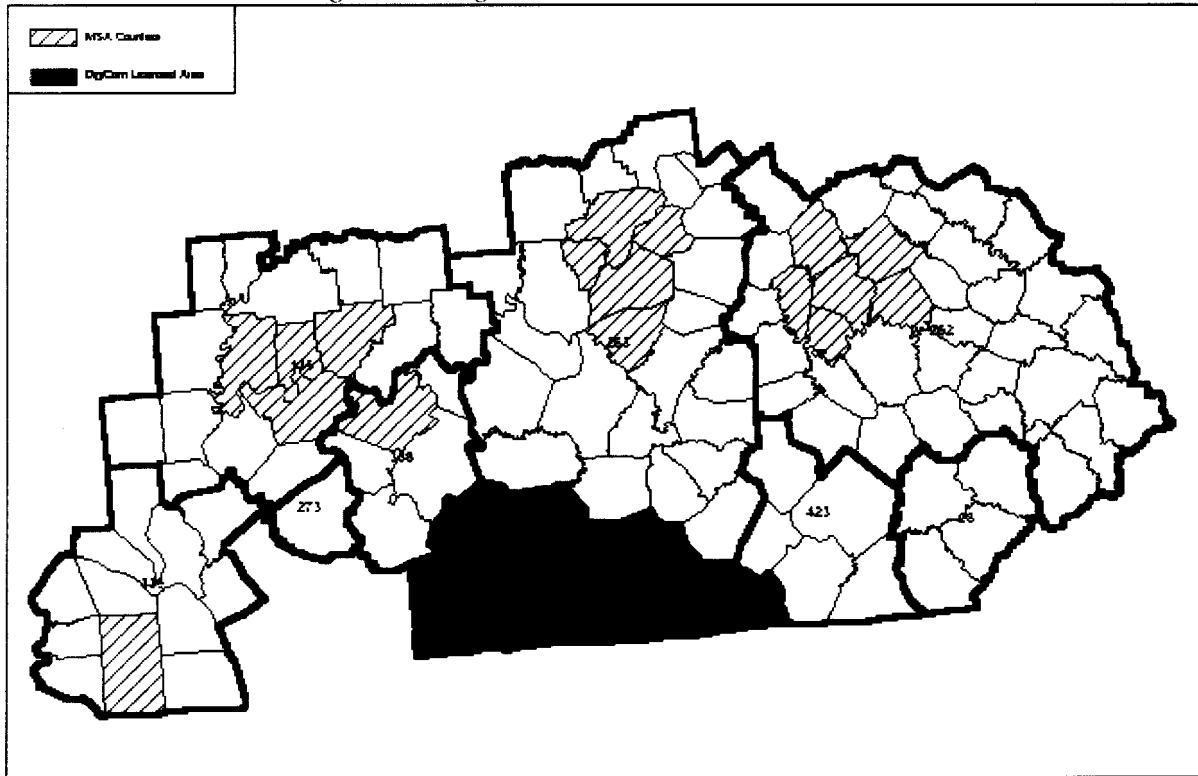
1. Bowling Green-Glasgow, KY BTA (BTA052) and Owensboro, KY BTA (BTA338)

In the Bowling Green-Glasgow, KY BTA (BTA052) and Owensboro, KY BTA (BTA338), Global holds 20 MHz of disaggregated A Block spectrum and ABC holds a 30 MHz C Block authorization. In addition, DigiCom holds a 10 MHz F Block authorization in Bowling Green-Glasgow, KY. In combination, Messrs. Vento and Sullivan have an attributable interest in 50 MHz of spectrum in the Owensboro, KY BTA and an attributable interest in 60 MHz of spectrum in the Bowling Green-Glasgow, KY BTA. The spectrum cap limits for each market are:

- The Owensboro, KY BTA includes area within both CMA293 (Owensboro, KY MSA) and CMA445 (Kentucky 3 - Meade). While CMA445 is an RSA where the spectrum cap limit is 55 MHz, CMA293 is a one county (Davies) MSA where the spectrum cap limit is only 45 MHz.
- As shown in Figure 4, the Bowling Green-Glasgow, KY BTA lies entirely within CMA445 (Kentucky 3 - Meade) and CMA447 (Kentucky 5 - Barren), both of which are RSAs where the spectrum cap limit is 55 MHz.

Thus, the attributable spectrum interests of Messrs. Sullivan and Vento nominally exceed the spectrum cap by 5 MHz in the Owensboro, KY MSA and in the Bowling Green BTA.

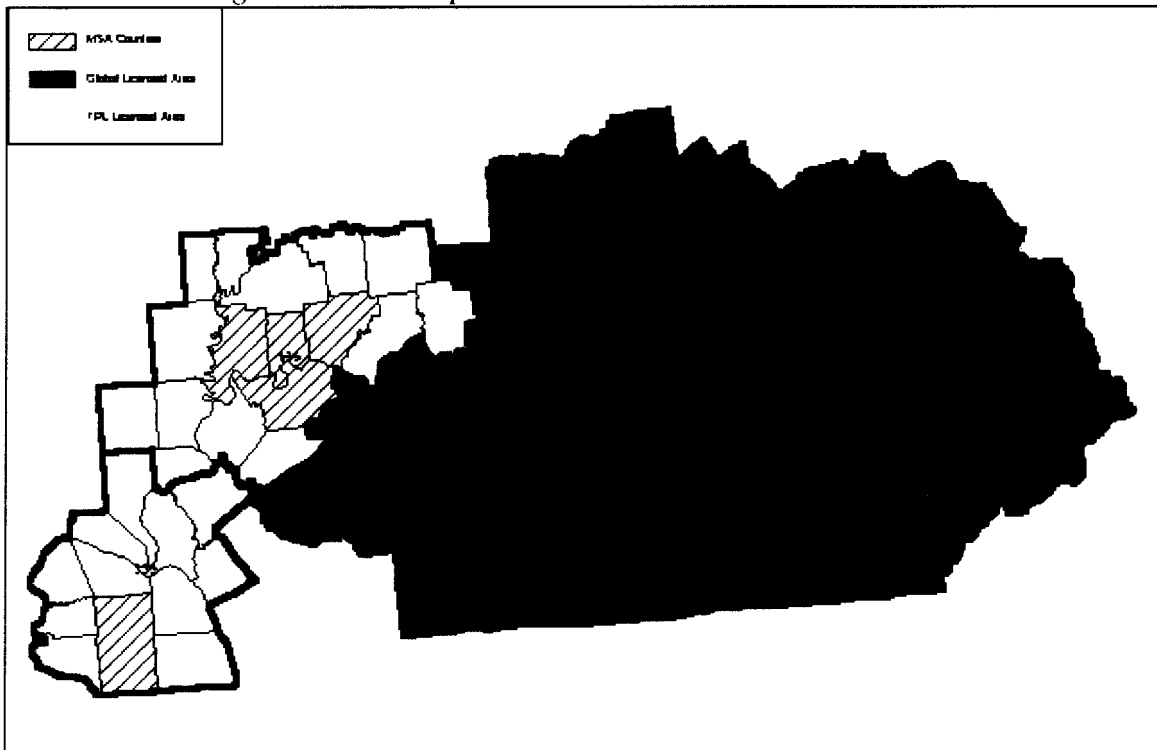
Figure 4: DigiCom Licensed Area in MTA026



However, the 1990 Census population of Daviess county, which constitutes the whole Owensboro KY, MSA, is 87,189. The Bowling Green, KY BTA has a 1990 Census population of only 222,748. Thus, the total overlap area where Messrs. Vento and Sullivan exceed the cap is 309,937. The 1990 Census population of the Global license, which covers a partitioned part of the Louisville, KY MTA (MTA026), is 2,834,707 and, accordingly, the total overlap is only 10.93% only marginally more than the 10% threshold of Section 20.6.²⁴ Moreover, as shown in Figure 5, the Global and TPL licenses are wholly distinct partitions of the Louisville-Lexington-Evansville MTA, such that the two have no overlap and, if combined, are the entire MTA.

²⁴ See, e.g., Western PCS II License Corporation Request for Waiver of Section 20.6 of the Commission's Rules in the Denver MTA, File No. CWD 96-14, 14 FCC Rcd 19,345 (1999) (stating “[i]n determining whether a significant overlap exists, we compare the population in those areas where the licensee has an attributable interest in CMRS spectrum exceeding the applicable spectrum aggregation limit (the ‘numerator’) with the population of the PCS licensed area (the ‘denominator’).”)

Figure 5: TeleCorp/Tritel Licensed Partitions in MTA026



Viewed as a single disaggregated A Block license, the population of the MTA is 3,556,648, and the overlap is 8.7%, below the relevant threshold for a “significant overlap.” Given that TPI could have held a disaggregated authorization for the entire Louisville-Lexington-Evansville MTA, it would be irrational to find that it is impermissible to hold two partitioned licenses which make up the same exact area and spectrum.

In any event, in both BTA052 and BTA338, TPI faces competition by Sprint Spectrum, PowerTel, BellSouth, Verizon and others. Sprint Spectrum and PowerTel *both* have footprints that encompass the *entire* MTA, with Sprint holding the 30 MHz Block B and PowerTel holding 20 MHz Block D and E PCS licenses. As shown in Figures 6 and 7, both BellSouth and Verizon have established cellular footprints that encompass most of the MTA, including all of the MSA counties:

Figure 6: BellSouth Licensed Footprint in MTA026

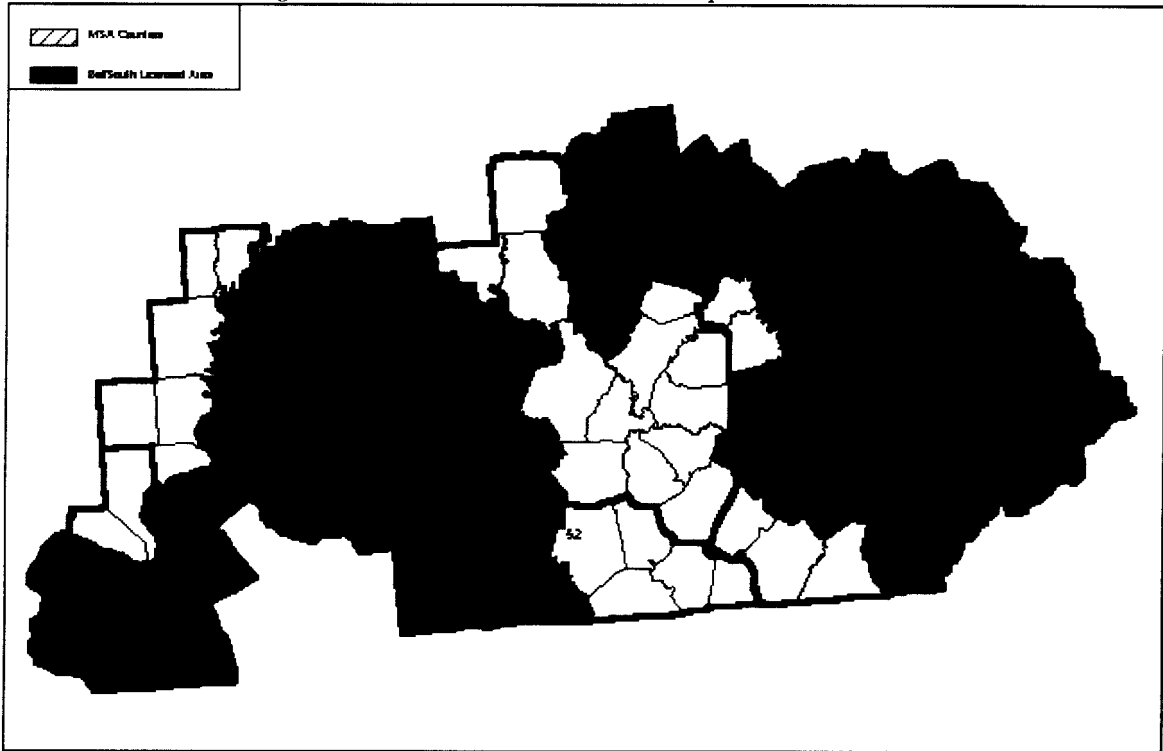
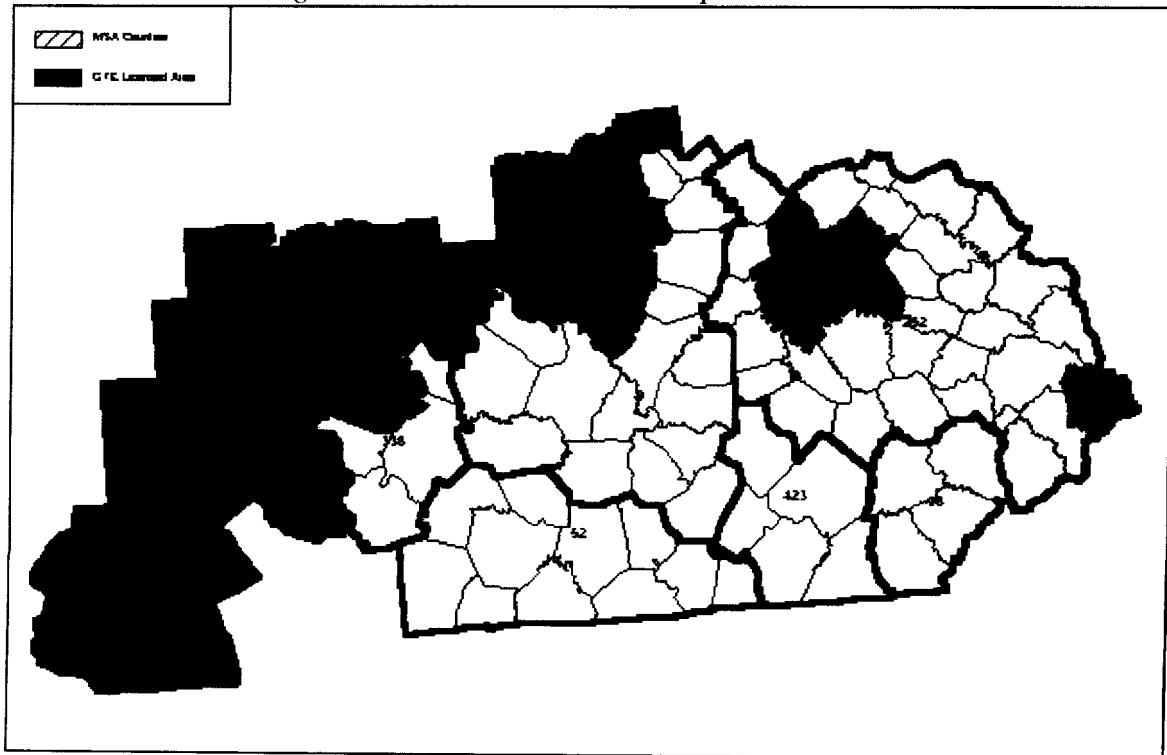


Figure 7: Verizon Licensed Footprint in MTA026



In both of the latter cases, the carrier has an established market presence, having been a provider of cellular telephone service for a considerable lead time ahead of TPI.

2. Chattanooga, TN BTA (BTA076)

In the Chattanooga, TN BTA (BTA076), NexCom holds 20 MHz of disaggregated A Block spectrum and ABC holds a 15 MHz C Block authorization. In combination, Messrs. Vento and Sullivan have an attributable interest in 35 MHz of spectrum. ABC's spectrum is not presently operational, and ABC intends eventually to assign its spectrum to TPI. In this market, TPI competes against:

- (i) BellSouth, which has an established 25 MHz cellular network in operation throughout the BTA except for one county (Grundy, TN) in the TN2-Cannon RSA (CMA644);
- (ii) ALLTEL, which has an established cellular network in the Chattanooga MSA, covering 84.8% of the POPs in the BTA, as well as a 10 MHz Block E PCS authorization throughout the BTA;
- (iii) PowerTel, which has 30 MHz of PCS Block B spectrum throughout the much larger Atlanta MTA (MTA011);
- (iv) Sprint Spectrum, which has a 10 MHz D Block PCS authorization; and
- (v) LEAP Wireless, which has the 15 MHz C1 Block PCS spectrum.

3. Clarksville, TN-Hopkinsville, KY BTA (BTA083)

In the Clarksville, TN-Hopkinsville, KY BTA (BTA083), ABC has a 15 MHz C Block license and DigiNet has 20 MHz of disaggregated B Block spectrum. In combination, Messrs. Vento and Sullivan have an attributable interest in 35 MHz of spectrum. ABC's spectrum is not presently operational, and ABC intends eventually to assign its spectrum to TPI. In this market, TPI competes against:

- (i) BellSouth, which has an established 25 MHz cellular system throughout the BTA;
- (ii) Verizon, which has an established 25 MHz cellular system in the Clarksville MSA as well as in KY2-Union and TN1-Lake RSAs (comprising all of the BTA with the exception of one county in KY3-Meade).
- (iii) Sprint, which has a 30 MHz Block A PCS authorization throughout the much larger Nashville MTA (MTA043); and
- (iv) PowerTel, which has 20 MHz of D and E Block PCS spectrum throughout the BTA; and

- (v) LEAP Wireless, which has 15 MHz of C1 Block PCS spectrum throughout the BTA.

4. Columbus-Starkville, MS BTA (BTA094)

In the Columbus-Starkville, MS BTA (BTA094), ClearWave holds 20 MHz of disaggregated B Block spectrum and ABC holds a 15 MHz C Block authorization. In combination, Messrs. Vento and Sullivan have an attributable interest in 35 MHz of spectrum. ABC's spectrum is not presently operational, and ABC intends eventually to assign its spectrum to TPI. In this market, TPI competes against:

- (i) BellSouth, which operates an established 25 MHz cellular system throughout the BTA and, additionally, holds a 10 MHz E Block PCS authorization;
- (ii) CenturyTel, which operates an established 25 MHz cellular system throughout 5 of the 7 counties in the BTA;
- (iii) PowerTel, which holds a 30 MHz A Block PCS license throughout the much larger Memphis-Jackson MTA (MTA028); and
- (iv) Sprint Spectrum, which holds a 10 MHz D Block authorization throughout the BTA.

5. Cookeville, TN BTA (BTA096)

In the Cookeville, TN BTA (BTA096), ABC has a 15 MHz C Block license and DigiNet has 20 MHz of disaggregated B Block spectrum. In combination, Messrs. Vento and Sullivan have an attributable interest in 35 MHz of spectrum. ABC's spectrum is not presently operational, and ABC intends eventually to assign its spectrum to TPI. In this market, TPI competes against:

- (i) Verizon, which has an established 25 MHz cellular system throughout the BTA;
- (ii) Rural telephone company-affiliated cellular carriers that have established 25 MHz cellular systems throughout the BTA;
- (iii) Sprint, which has a 30 MHz Block A PCS authorization throughout the much larger Nashville MTA (MTA043); and
- (iv) PowerTel, which has 20 MHz of D and E Block PCS spectrum throughout the BTA; and
- (v) LEAP Wireless, which has 15 MHz of C1 Block PCS spectrum throughout the BTA.

6. Corbin, KY BTA (BTA098)

In the Corbin, KY BTA (BTA098), Global holds 20 MHz of disaggregated A Block spectrum and ABC holds a 15 MHz C Block authorization. In combination, Messrs. Vento and Sullivan have an attributable interest in 35 MHz of spectrum. Although ABC's spectrum is not presently operational, ABC intends eventually to assign its spectrum to TeleCorp. In this market, TPI competes against:

- (i) BellSouth and U S Cellular, both of which have established 25 MHz cellular systems throughout the BTA;
- (ii) Sprint Spectrum, which has a 30 MHz B Block PCS license throughout the much larger St. Louis MTA (MTA019); and
- (iii) PowerTel, which has 20 MHz of D and E Block PCS spectrum throughout the BTA.

7. Dalton, GA BTA (BTA102)

In the Dalton, GA BTA (BTA102), NexCom holds 20 MHz of disaggregated A Block spectrum and ABC holds a 30 MHz C Block authorization. In combination, Messrs. Vento and Sullivan have an attributable interest in 50 MHz of spectrum in BTA102. BTA102 lies entirely within CMA371 (Georgia 1 - Whitfield), which is an RSA where the spectrum cap limit is 55 MHz. ABC's spectrum is not presently operational, and ABC intends eventually to assign its spectrum to TPI. In this market, TPI competes against:

- (i) BellSouth, which has an established 25 MHz cellular network in operation throughout the BTA;
- (ii) Litchfield County Cellular, Inc., which has an established 25 MHz cellular system throughout 3 of the 4 counties in the BTA;
- (iii) ALLTEL, which has an established 25 MHz cellular network in operation throughout the BTA, as well as a 10 MHz E Block PCS license;
- (iv) PowerTel, which has 30 MHz of PCS Block B spectrum throughout the much larger Atlanta MTA (MTA011); and
- (v) Sprint Spectrum, which has a 10 MHz D Block PCS authorization.

8. Greenville-Greenwood, MS BTA (BTA175)

In the Greenville-Greenwood, MS BTA (BTA175), ClearWave holds 20 MHz of disaggregated B Block spectrum and ABC holds a 15 MHz C Block authorization. In combination, Messrs. Vento and Sullivan have an attributable interest in 35 MHz of spectrum.

ABC's spectrum is not presently operational, and ABC intends eventually to assign its spectrum to TPI. In this market, TPI competes against:

- (i) BellSouth, which has an established 25 MHz cellular system throughout the BTA, except for one county in AR12-Ouachita, but which also has a 10 MHz E Block PCS authorization for the entire BTA;
- (ii) ALLTEL, which has an established 25 MHz cellular system throughout the BTA, except for one county in AR12-Ouachita;
- (iii) PowerTel, which holds a 30 MHz A Block PCS license throughout the much larger Memphis-Jackson MTA (MTA028); and
- (iv) Sprint Spectrum, which holds a 10 MHz D Block authorization throughout the BTA.

9. La Grange, GA BTA (BTA237)

In the La Grange, GA BTA (BTA237), NexCom holds 20 MHz of disaggregated A Block spectrum and ABC holds a 15 MHz C Block authorization. In combination, Messrs. Vento and Sullivan have an attributable interest in 35 MHz of spectrum. ABC's spectrum is not presently operational, and ABC intends eventually to assign its spectrum to TPI. In this market, TPI competes against:

- (i) BellSouth, which has an established 25 MHz cellular network in operation throughout the BTA, as well as a 10 MHz Block E PCS authorization throughout the BTA;
- (ii) Verizon, which has an established 25 MHz cellular network in operation throughout the BTA;
- (iii) PowerTel, which has 30 MHz of PCS Block B spectrum throughout the much larger Atlanta MTA (MTA011); and
- (iv) Sprint Spectrum, which has a 10 MHz D Block PCS authorization.

10. McComb-Brookhaven, MS BTA (BTA269)

In the McComb-Brookhaven, MS BTA (BTA269), DigiCall holds 10 MHz of F Block spectrum and ABC holds a 30 MHz C Block authorization. In combination, Messrs. Vento and Sullivan have an attributable interest in 40 MHz of spectrum in BTA269. ABC's spectrum is not presently operational, and ABC intends eventually to assign its spectrum to TPI. In this market, TPI competes against:

- (i) BellSouth, which has an established 25 MHz cellular network in operation throughout the BTA, as well as a 10 MHz E Block PCS authorization;
- (ii) Centennial Cellular, which has an established 25 MHz cellular network in operation throughout the BTA;
- (iii) PRIMECO, which has a 30 MHz B Block authorization for the New Orleans-Baton Rouge MTA (MTA017);
- (iv) Sprint Spectrum, which has a 30 MHz A Block authorization for the much larger New Orleans-Baton Rouge MTA (MTA017); and,
- (v) ALLTEL, which has a 10 MHz D Block authorization throughout the BTA.

11. Madisonville, KY BTA (BTA273)

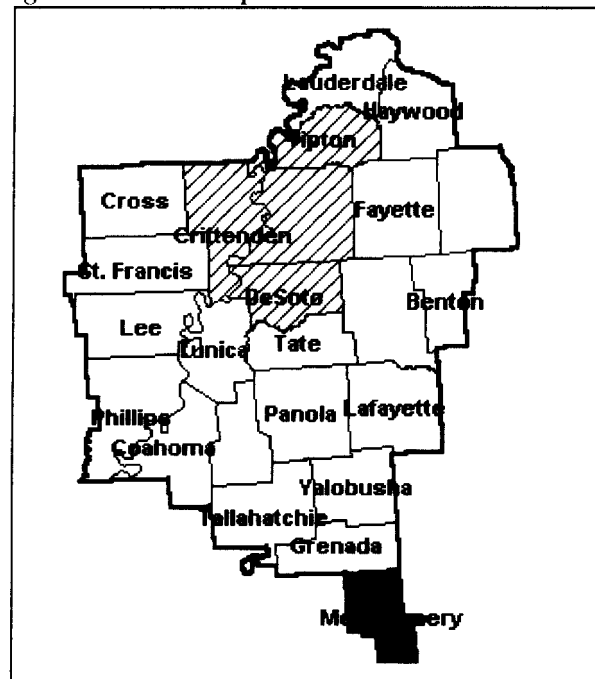
In the Madisonville, KY BTA (BTA273) Global holds 20 MHz of disaggregated A Block spectrum and ABC holds a 30 MHz C Block authorization. In combination, Messrs. Vento and Sullivan have an attributable interest in 50 MHz of spectrum. BTA273 lies entirely within CMA444 (KY2-Union), which is an RSA where the spectrum cap limit is 55 MHz. ABC's spectrum is not presently operational, and ABC intends eventually to assign its spectrum to TPI. In this market, TPI competes against:

- (i) Verizon and BellSouth, which both have established 25 MHz cellular systems throughout the BTA;
- (ii) Sprint Spectrum, which has a 30 MHz B Block PCS authorization that covers the substantially larger Louisville-Lexington-Evansville MTA;
- (iii) PowerTel, which holds 20 MHz of D and E Block PCS spectrum throughout the BTA; and
- (iv) Verizon, which operates an established 25 MHz cellular system throughout the BTA.

12. Memphis, TN BTA (BTA290)

In the Memphis, TN BTA (BTA290), THC holds a 10 MHz F Block license and both ClearWave and TPL hold 20 MHz of partitioned, disaggregated B Block spectrum. However, as shown in Figure 8, the ClearWave and TPL partitions do not overlap:

Figure 8: TeleCorp/Tritel Partitions in BTA290



Accordingly, TPI has no more than 30 MHz of attributable spectrum in any area. In this market TPI competes against:

- (i) BellSouth, which has an established 25 MHz cellular system in the Memphis MSA, as well as the MS1-Tunica, MS2-Benton, MS3-Bolivar, MS4-Yalobusha, MS6-Montgomery, TN1-Lake, and TN5-Fayette RSAs (collectively, these markets provide coverage of the entire BTA with the exception of five counties in AR5-Cross);
- (ii) PowerTel, which holds a 30 MHz A Block PCS license throughout the much larger Memphis-Jackson MTA (MTA028);
- (iii) ALLTEL, which holds a 10 MHz E Block PCS license for the entire BTA, as well as a 25 MHz cellular license for the AR5-Cross RSA;
- (iv) LEAP Wireless, which holds 15 MHz C1 Block of PCS spectrum throughout the BTA; and,
- (v) Sprint Spectrum, which holds a 10 MHz D Block authorization throughout the BTA.

13. Meridian, TN BTA (BTA292)

In the Meridian, TN BTA (BTA292), ClearWave holds 20 MHz of partitioned B Block spectrum and ABC holds a 15 MHz C Block authorization. In combination, Messrs. Vento and

Sullivan have an attributable interest in only 35 MHz of spectrum. ABC's spectrum is not presently operational, and ABC intends eventually to assign its spectrum to TPI. In this market, TPI competes against:

- (i) BellSouth, which has an established 25 MHz cellular system throughout the BTA;
- (ii) CenturyTel, which has an established 25 MHz cellular system throughout half of the BTA counties;
- (iii) PowerTel, which holds a 30 MHz A Block PCS license throughout the much larger Memphis-Jackson MTA (MTA028);
- (iv) Sprint Spectrum, which holds a 10 MHz D Block authorization throughout the BTA.

14. Montgomery, AL BTA (BTA305)

In the Montgomery, AL BTA (BTA305), QuinCom holds a 10 MHz F Block license, ABC holds a 15 MHz C Block authorization, and AirCom holds a 15 MHz C Block authorization. In combination, Messrs. Vento and Sullivan have an attributable interest in 40 MHz of spectrum in BTA305. ABC's spectrum is not presently operational, and ABC intends eventually to assign its spectrum to TPI. In this market, TPI competes against:

- (i) ALLTEL, which has an established 25 MHz cellular system throughout the BTA as well as a 10 MHz D Block PCS license;
- (ii) Price Cellular, which has an established 25 MHz cellular system throughout the Montgomery, AL MSA;
- (iii) Sprint Spectrum, which holds a 30 MHz A Block PCS license throughout the much larger Birmingham MTA (MTA029);
- (iv) PowerTel, which holds a 30 MHz B Block PCS license throughout the much larger Birmingham MTA (MTA029); and
- (v) BellSouth, which has a 10 MHz E Block PCS license throughout the BTA.

15. Nashville, TN BTA (BTA314)

In the Nashville, TN BTA (BTA314), ABC has a 15 MHz C Block license and DigiNet has 20 MHz of disaggregated B Block spectrum. In combination, Messrs. Vento and Sullivan have an attributable interest in 35 MHz of spectrum. ABC's spectrum is not presently operational, and ABC intends eventually to assign its spectrum to TPI. In this market, TPI competes against:

- (i) Verizon, which has an established 25 MHz cellular system throughout the BTA;
- (ii) BellSouth, which has an established 25 MHz cellular system in the Nashville MSA as well as the TN1-Lake, TN5-Fayette, TN6-Giles, and TN9-Maury RSAs (comprising all of the BTA with the exception of counties in the TN2-Cannon and TN3-Macon RSAs);
- (iii) Sprint, which has a 30 MHz Block A PCS authorization throughout the much larger Nashville MTA (MTA043); and
- (iv) PowerTel, which has 20 MHz of D and E Block PCS spectrum throughout the BTA;
- (v) LEAP Wireless, which has 15 MHz of C1 Block PCS spectrum throughout the BTA; and
- (vi) VoiceStream, which has 10 MHz of F Block PCS spectrum throughout the BTA.

16. Natchez, MS BTA (BTA315)

In the Natchez, MS BTA (BTA315), ClearWave holds 20 MHz of disaggregated A Block spectrum and ABC holds a 30 MHz C Block authorization. In combination, Messrs. Vento and Sullivan have an attributable interest in 50 MHz of spectrum in these markets. BTA315 lies entirely within CMA457 (Louisiana 4 - Caldwell) and CMA500 (Mississippi 8 - Claiborne), which are both RSAs where the spectrum cap limit is 55 MHz. ABC's spectrum is not presently operational, and ABC intends eventually to assign its spectrum to TPI. In this market, TPI competes against:

- (i) Centennial Cellular, which has an established 25 MHz cellular system throughout the BTA;
- (ii) Rural telephone company-affiliated cellular carriers with established 25 MHz cellular systems throughout the BTA;
- (iii) PowerTel, which holds a 30 MHz A Block PCS license throughout the much larger Memphis-Jackson MTA (MTA028);
- (iv) BellSouth, which holds a 10 MHz E Block authorization throughout the BTA; and
- (v) Sprint Spectrum, which holds a 10 MHz D Block authorization throughout the BTA.

17. Opelika, GA BTA (BTA334)

In the Opelika, GA BTA (BTA334), NexCom holds 20 MHz of disaggregated A Block spectrum and ABC holds a 15 MHz C Block authorization. In combination, Messrs. Vento and Sullivan have an attributable interest in 35 MHz of spectrum. ABC's spectrum is not presently operational, and ABC intends eventually to assign its spectrum to TPI. In this market, TPI competes against:

- (i) BellSouth, which has an established 25 MHz cellular network in operation in all but one county of the BTA, as well as a 10 MHz Block E PCS authorization throughout the BTA;
- (ii) ALLTEL, which has an established 25 MHz cellular system covering the entire BTA;
- (iii) PowerTel, which has 30 MHz of PCS Block B spectrum throughout the much larger Atlanta MTA (MTA011); and
- (iv) Sprint Spectrum, which has a 10 MHz D Block PCS authorization.

18. Quincy-Hannibal, MS BTA (BTA367)

In the Quincy-Hannibal, MS BTA (BTA367), PolyCell holds 10 MHz F Block license and TPL holds 20 MHz of disaggregated A Block spectrum. In combination, Messrs. Vento and Sullivan have an attributable interest in 30 MHz of spectrum. In this market, TPI competes against:

- (i) US Cellular, which has an established 25 MHz cellular system throughout the BTA;
- (ii) Other LEC-affiliated cellular carriers, including SBC and ALLTEL, which operate established cellular systems throughout the BTA;
- (iii) Sprint Spectrum, which has a 30 MHz B Block PCS license throughout the much larger St. Louis MTA (MTA019); and
- (iv) VoiceStream, which has 20 MHz of D and E Block PCS spectrum throughout the BTA.

In this regard, we note that AWS also acquired Dobson Communications, which has a 25 MHz cellular authorization that overlaps the Quincy BTA in Shelby, MO county only. AWS also has 10 MHz of PCS Block A spectrum throughout the St. Louis MTA. Because the overlap of Shelby, MO county is only 3.9% of the BTA, however, the 25 MHz Dobson license is not an relevant for spectrum cap purposes, and AWS has only an attributable interest in 40 MHz

throughout this BTA, which consists on only RSAs (IL4-Adams, CMA397; MO3-Schyler, CMA506; and MO5-Linn, CMA508) where the spectrum cap is 55 MHz.

19. Rome, GA BTA (BTA384)

In the Rome, GA BTA (BTA384), NexCom holds 20 MHz of disaggregated A Block spectrum and ABC holds a 30 MHz C Block authorization. In combination, Messrs. Vento and Sullivan have an attributable interest in 50 MHz of spectrum in BTA384. BTA384 lies entirely within CMA373 (Georgia 3 - Chattooga), which is an RSA where the spectrum cap limit is 55 MHz. ABC's spectrum is not presently operational, and ABC intends eventually to assign its spectrum to TPI. In this market, TPI competes against:

- (i) BellSouth, which has an established 25 MHz cellular network in operation throughout the BTA;
- (ii) AirTouch, which has an established 25 MHz cellular network in operation throughout the BTA;
- (iii) PowerTel, which has 30 MHz of PCS Block B spectrum throughout the much larger Atlanta MTA (MTA011);
- (iv) ALLTEL, which has a 10 MHz E Block PCS license; and
- (v) Sprint Spectrum, which has a 10 MHz D Block PCS authorization.

20. Somerset, KY BTA (BTA423)

In the Somerset, KY BTA (BTA423), Global holds 20 MHz of disaggregated A Block spectrum and ABC holds a 30 MHz C Block authorization. In combination, Messrs. Vento and Sullivan have an attributable interest in 50 MHz of spectrum. BTA423 lies entirely within CMA447 (Kentucky 5 - Barren) and CMA448 (Kentucky 6 - Madison), which are both RSAs where the spectrum cap limit is 55 MHz. ABC's spectrum is not presently operational, and ABC intends eventually to assign its spectrum to TPI. In this market, TPI competes against:

- (i) Sprint Spectrum, which has a 30 MHz B Block PCS authorization that covers the substantially larger Louisville-Lexington-Evansville MTA;
- (ii) PowerTel, which holds 20 MHz of D and E Block PCS spectrum throughout the BTA; and
- (iii) American Cellular, which operates an existing 25 MHz cellular system throughout the entire BTA.

21. Tupelo-Corinth, MS BTA (BTA449)

In the Tupelo-Corinth, MS BTA (BTA449), ClearWave holds 20 MHz of disaggregated A Block spectrum and ABC holds a 30 MHz C Block authorization. In combination, Messrs. Vento and Sullivan have an attributable interest in 50 MHz of spectrum in these markets. BTA449 lies entirely within CMA494 (Mississippi 2 - Benton) and CMA496 (Mississippi 4 - Yalobusha), which are both RSAs where the spectrum cap limit is 55 MHz. ABC's spectrum is not presently operational, and ABC intends eventually to assign its spectrum to TPI. In this market, TPI competes against:

- (i) BellSouth and CenturyTel, both of which have established 25 MHz cellular systems throughout the BTA;
- (ii) PowerTel, which holds a 30 MHz A Block PCS license throughout the much larger Memphis-Jackson MTA (MTA028); and
- (iii) Sprint Spectrum, which holds a 10 MHz D Block authorization throughout the BTA.

22. Valdosta, GA BTA (BTA454)

In the Valdosta, GA BTA (BTA454), ABC has a 30 MHz C Block license and T-GA has received consent to be assigned a 10 MHz F Block license. If the assignment is consummated, Messrs. Vento and Sullivan would have an attributable interest in 40 MHz of spectrum in BTA454. No operations exist on either of the spectrum blocks at this time. If operations were initiated, TPI would compete against:

- (i) Both ALLTEL and US Cellular, which have established 25 MHz cellular systems throughout the BTA;
- (ii) PowerTel and PRIMECO, each of which has 30 MHz of A or B Block PCS spectrum throughout the much larger Jacksonville MTA (MTA037); and
- (iii) BellSouth and Sprint, each of which has a 10 MHz D or E Block PCS license throughout the BTA.

23. Waycross, GA BTA (BTA467)

In the Waycross, GA BTA (BTA467), ABC has a 30 MHz C Block license and T-GA has received consent to be assigned a 10 MHz F Block license. If the assignment is consummated, Messrs. Vento and Sullivan would have an attributable interest in 40 MHz of spectrum in BTA454. No operations exist on either of the spectrum blocks at this time. If operations were initiated, TPI would compete against:

- (i) ALLTEL, which has an established 25 MHz cellular system throughout the BTA;

- (ii) PowerTel and PRIMECO, each of which has 30 MHz of A or B Block PCS spectrum throughout the much larger Jacksonville MTA (MTA037); and
- (iii) BellSouth and Sprint, each of which has a 10 MHz D or E Block PCS license throughout the BTA.

24. Other Markets

In addition, there are four markets where Messrs. Vento and Sullivan, if the deal is consummated, would have an attributable interest in 25 MHz of PCS spectrum. These markets are Florence, AL BTA (BTA146), Brunswick, GA BTA (BTA058), Panama City, FL BTA (BTA340), and Tallahassee, FL BTA (BTA439). Given that these markets each have two established cellular carriers, and that the total attributable spectrum is equivalent to a single cellular license, the individual competitors in the market have not been separately identified.

IV. Analysis of AWP Overlaps

The applicants also note that both TWI and Tritel, as well as the post-merger TPI, operate as exclusive name brand franchisees of AT&T Wireless ("AWP"). For obvious business reasons, the brand name franchise areas of both TWI and Tritel were defined in a manner that did not overlap. It is also worthwhile to note that AWP has always treated its interests in TWI and Tritel as attributable for spectrum cap purposes. As discussed below, the overlaps between AWP and the combined TPI footprint are competitively insignificant.

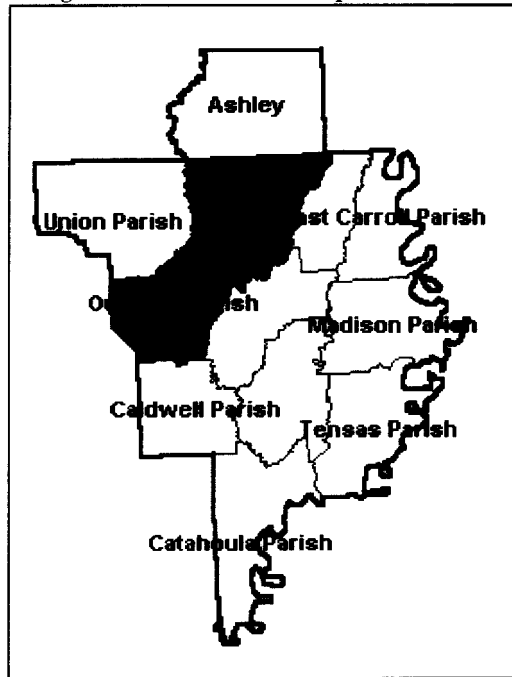
Aside from *de minimis* ownership interests or overlaps, interests held under previously approved insulating trusts, and spectrum that is likely to be used for Project Angel,²⁵ AWP's license interests overlap the post-merger footprint of TPI only in the following respects:

- As shown in Figure 9, AWP owns Monroe Cellular, which holds the cellular licenses for the Monroe, LA MSA (CMA219) and the A2 partition of the LA2 RSA, as well as Louisiana 1 Joint Venture, which holds the cellular license for the A1 partition of the LA1 RSA. Collectively, these licenses substantially overlap the Monroe, LA BTA (BTA304). THC also holds a 15 MHz C Block PCS authorization in the Monroe, LA

²⁵ AWP has reserved 10 MHz of spectrum from the MTA licenses partitioned and disaggregated to TWI and Tritel. In addition, AWS has 10 MHz D or E Block authorizations overlapping TPI's footprint in Alexandria, LA BTA (BTA009); Baton Rouge, LA BTA (BTA032); Beaumont-Port Arthur, TX BTA (BTA034); Birmingham, AL BTA (BTA044); Cape Girardeau-Sikeston, MO BTA (BTA066); Carbondale-Marion, IL BTA (BTA067); Decatur, AL BTA (BTA108); Des Moines, IA BTA (BTA111); Eau Claire, WI BTA (BTA123); Florence, AL BTA (BTA146); Hammond, LA BTA (BTA180); Huntsville, AL BTA (BTA198); Janesville-Beloit, WI BTA (BTA216); Lafayette-New Iberia, LA BTA (BTA236); Laurel, MS BTA (BTA246); Marinette, WI-Menominee, MI BTA (BTA279); Milwaukee, WI BTA (BTA297); Mobile, AL BTA (BTA302); New Orleans, LA BTA (BTA320); Tuscaloosa, AL BTA (BTA450). With the exception of only the Cape Girardeau-Sikeston, MO BTA and the Carbondale-Marion, IL BTA, all of the identified AWP 10 MHz licenses are held in areas where AWP has no additional spectrum.

BTA. In combination, AWP has an attributable interest in Monroe of 40 MHz, consistent with the spectrum cap.

Figure 9: AWP Overlap in BTA304



- AWP holds an attributable interest in American Cellular's cellular KY4-Spencer (CMA446), KY5-Barren (CMA447), KY6-Madison (CMA448) and KY8-Mason (CMA450) RSAs in the Louisville MTA (MTA026). AWP also holds a disaggregated 10 MHz authorization in that MTA with Global and TPL holding the remaining 20 MHz. In combination, AWP holds an attributable interest in 55 MHz in these RSAs, consistent with the spectrum cap.
- AWP holds a 10 MHz D Block PCS license in Cape Girardeau-Sikeston, MO BTA (BTA066), as well as 10 MHz of retained A Block spectrum in the St. Louis MTA. AWP partitioned the remaining 20 MHz of the MTA to TPL, and thus has an attributable interest in 40 MHz of spectrum in Cape Girardeau, consistent with the cap.
- AWP holds a 10 MHz D Block PCS license in Carbondale-Marion, IL BTA (BTA067), as well as 10 MHz of retained A Block spectrum in the St. Louis MTA. AWP partitioned the remaining 20 MHz of the MTA to TPL, and thus has an attributable interest in 40 MHz of spectrum in Carbondale, consistent with the cap.

V. Modifications

The parties note that since the original application exhibit was drafted, several changes have been made that impact the transaction description. First, during the filing of the

applications, the parties determined that the described assignments from Tritel Licensee—Florida, Inc. (“T-FL”) and Tritel Licensee—Georgia, Inc. (“T-GA”) to Panther Wireless, L.L.C. (“Panther”) would not be filed. Instead, the parties are seeking a transfer of control of each of T-FL and T-GA. As described in those transfer of control filings, the T-FL and T-GA authorizations are the subject of currently pending transactions, which have been consented to by the FCC but which the parties have not yet closed, seeking the assignment of those licenses to T-FL and T-GA from Digital PCS, LLC (File No. 0000043606). Because the parties anticipate that the underlying transaction will be consummated by the time the TPI/Tritel merger closes, the parties are seeking consent for this follow on transaction as a transfer of control. Accordingly, Panther is no longer a party to the merger and related swap transactions.

Second, the parties have filed amendments to two applications for assignment to redirect the license for Quincy, IL-Hannibal, MS BTA (BTA367) from ABC to THC2. Previously, the parties had filed an application to assign PolyCell’s F Block license for BTA367 to ABC. Instead, the parties now wish to assign the license to THC2.

VI. CONCLUSION

As demonstrated herein, the proposed TWI/TeleCorp merger has significant public interest benefits and will not adversely affect competition by any standard. Under the circumstances, the Commission should expeditiously consent to the requested transfers of control and assignments.

Attachment A

Figure 10: TLCP Pre-Merger Footprint

Figure 11: TTEL Pre-Merger Footprint

Figure 12: TLCP Post-Merger Footprint

Figure 13: ABC Footprint

Attachment B:

B1: TPI FCC Form 602

B2: Black Label Wireless, Inc. FCC Form 602

B3: THC2 FCC Form 602