

STATE OF VERMONT
PUBLIC SERVICE BOARD

Docket No. 6317

Petition of Cellco Partnership for Approval)
of a Transfer of a Controlling Interest)

Order entered: 12/20/99

I. INTRODUCTION

On November 29, 1999, Cellco Partnership ("Cellco") petitioned pursuant to 30 V.S.A. § 107 for approval of an agreement between Bell Atlantic Corporation ("Bell Atlantic") and Vodafone AirTouch Plc ("Vodafone") whereby Vodafone will acquire a controlling interest in Cellco. On December 2, 1999, the Vermont Department of Public Service ("Department") submitted a letter to the Board, in which the Department indicated that it had no objection to the transfer of control, or to the Public Service Board ("Board") adopting the findings of fact and conclusions of law consistent with those set forth below. The Department further recommended that the petition be approved without hearing or further investigation, as provided under 30 V.S.A. § 107.

II. FINDINGS OF FACT

Based upon the petition and accompanying documents, the Board makes the following findings of fact.

1. Cellco is a Delaware general partnership headquartered at 180 Washington Valley Road, Bedminster, New Jersey 07921. Cellco is currently owned 100% by subsidiaries of Bell Atlantic. Petition at 1.
2. Cellco wholly owns two subsidiaries that provide wireless telecommunications services in Vermont: NYNEX Mobile Limited Partnership 1 ("NMLP 1") and Vermont RSA Limited Partnership ("VRLP"). *Id.*
3. NMLP 1 is a Delaware limited partnership headquartered at 180 Washington Valley Road, Bedminster, New Jersey. *Id.*

4. VRLP is a Vermont limited partnership headquartered at 180 Washington Valley Road, Bedminster, New Jersey. *Id.*

5. Bell Atlantic and Vodafone have entered into an agreement to combine their domestic wireless, cellular and personal communications service operations (except satellite). Vodafone, headquartered in Newbury, United Kingdom, operates cellular and PCS systems in parts of the United States other than Vermont. The entity that will conduct the business and provide wireless service after the transaction is Cellco. *Id.*

6. Following the completion of the transaction, Vodafone will acquire an interest in Cellco exceeding 10%. Bell Atlantic, however, will retain management control of Cellco throughout and following the transaction. *Id.*

7. Following the transaction, NMLP 1 and VRLP will continue to operate in all respects as they currently operate, pursuant to their present operating authority, and will continue to provide service to their current customers in Vermont as a subsidiary of Cellco. Accordingly, the terms, plans, policies and conditions of service offered by Cellco, NMLP or VRLP will not be affected by this transaction. The transaction will not cause inconvenience or confusion to NMLP 1's or VRLP's customers. *Id.*

8. Cellco is not seeking in this application any pronouncement regarding whether 30 V.S.A. § 107 is preempted in whole or in part by 47 USC §332(c)(3). Cellco reserves its rights in this regard with respect to other proceedings or if the petition is not adopted as proposed. *Id.* at 2.

9. Completion of the proposed transaction will serve the public interest by promoting competition among wireless telecommunications providers by providing Cellco and its subsidiaries with the opportunity to strengthen its competitive position through aggregate cost savings, capital efficiencies and increased technical and financial resources. *Id.*

III. CONCLUSIONS OF LAW AND DISCUSSION

Section 107 of Title 30 requires Board approval for the direct or indirect acquisition of a controlling interest in any company subject to the Board's jurisdiction. Under Section 107, "controlling interest" means ten percent or more of the outstanding voting securities, or such other interest as the Board may determine. Thus, Vodafone's proposed acquisition of greater than ten percent interest in Cellco requires Board approval under Section 107.

Section 107 provides that the Board may approve the proposed transaction only upon finding that the transaction will promote the public good. This standard is met in this case. The proposed transaction will promote the public good, because Cellco and its subsidiaries should have access to a larger pool of managerial, technical and financial resources through aggregate cost savings, capital efficiencies and increased technical and financial resources. In the competitive arena of telecommunications, the overall effect of this merger may promote more customer choice in terms of services, with stronger competitors in the Vermont telecommunications market.

For all of the above reasons, the proposed transfer of a controlling interest resulting from an agreement between Bell Atlantic and Vodafone whereby Vodafone will acquire an interest in Cellco, should be approved.

VI. ORDER

IT IS HEREBY ORDERED, ADJUDGED AND DECREED by the Public Service Board of the State of Vermont that:

1. The transfer of a controlling interest resulting from an agreement between Bell Atlantic Corporation and Vodafone AirTouch Plc, whereby Vodafone will acquire an interest in Cellco, is approved.
2. Cellco shall notify the Board, within one week, upon completion of Vodafone's acquisition of an interest in Cellco.

DATED at Montpelier, Vermont, this 20th day of December, 1999.

s/Michael H. Dworkin)

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s/David C. Coen)

OFFICE OF THE CLERK

Filed: December 20, 1999

Attest: s/Susan M. Hudson

Clerk of the Board

NOTICE TO READERS: This decision is subject to revision of technical errors. Readers are requested to notify the Clerk of the Board of any technical errors, in order that any necessary corrections may be made.

Appeal of this decision to the Supreme Court of Vermont must be filed with the Clerk of the Board within thirty days. Appeal will not stay the effect of this Order, absent further Order by this Board or appropriate action by the Supreme Court of Vermont. Motions for reconsideration or stay, if any, must be filed with the Clerk of the Board within ten days of the date of this decision and order.