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December 19, 2011

Marlene H. Dortch, Secretary
Office of the Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, DC 20554

**Re: Applications for Assignment of License**
**From: Whidbey Telephone Company**
**To: AT&T Mobility Spectrum LLC**
**File Nos. 0004544863 and 0004544869**
***Ex Parte Comment***

Dear Ms. Dortch:

On behalf of Whidbey Telephone Company ("Whidbey") and pursuant to the Commission's Public Notice dated February 16, 2011,[1] we hereby submit an *ex parte* comment urging the Commission to take immediate action on its above-referenced applications to assign certain licenses to AT&T Mobility Spectrum LLC.[2] With the

[1] "AT&T Mobility Spectrum LLC and Whidbey Telephone Company Seek FCC Consent to the Assignment of Lower 700 MHz B Block and Lower 700 MHz C Block Licenses", DA 11-294 (February 16, 2011), ("AT&T/Whidbey Public Notice").

[2] In this regard, Whidbey wishes to follow up on its status inquiries to Jim Schlichting and Kathy Harris of the Wireless Telecommunications Bureau on December 14 and 15, 2011, asking about the timing and procedure for processing the above-referenced applications in the wake of recent developments regarding AT&T. Both staff members indicated that the procedures depended in part on when the full Commission acted on the pending AT&T/Qualcomm transaction application. *See* "AT&T Mobility Spectrum LLC and Qualcomm Incorporated Seek FCC Consent to the Assignment of Lower 700 MHz Band Licenses", WT Docket No. 11-18, File No. 0004566825, DA 11-252 (February 9, 2011). Mr. Schlichting also indicated that the Commission may address the remaining AT&T transactional applications in the Qualcomm order, or may direct individual processing by the Bureau under delegated authority.

Commission-approved withdrawal of the AT&T/T-Mobile merger application, the path should now be clear for a grant of the above-referenced Whidbey applications.

Whidbey is a small, rural telephone carrier that provides local telephone service and other telecommunications services to the inhabitants of a largely rural territory consisting of a portion of Whidbey Island in Island County, Washington State and Point Roberts in Whatcom County, Washington State. Whidbey is engaged in deploying advanced telecommunications services to consumers in its service area, including video and other technologically advanced services that require the infusion of capital.

On December 30, 2010, Whidbey filed its above-referenced applications for Commission consent to the proposed assignment of its 700 MHz radio licenses to AT&T Mobility Spectrum LLC ("Whidbey Applications"). The Whidbey Applications were accepted for filing by the Commission, as reflected by the Commission's February 16, 2011 issuance of the AT&T/Whidbey Public Notice, and no third party, including the Joint Parties,[3] made any filing in opposition to or otherwise addressing the Whidbey Applications during the pleading cycle established by the AT&T/Whidbey Public Notice. Even now – more than nine months after expiration of the pleading cycle established by the AT&T/Whidbey Public Notice – there has been no showing or allegation by any party that any of the license assignments proposed in the Whidbey Applications, standing alone or in combination with any other proposed license assignment, is contrary to the public interest. Further, on November 29, 2011, the Commission granted the request of AT&T Inc. to withdraw its applications for consent to the merger between AT&T Inc. and T-Mobile.[4]

Whidbey is aware of the concerns of the Commission's staff that it may have to act on the AT&T/Qualcomm transaction application, before acting on the smaller AT&T transactional applications. Whidbey is also aware of the November 30, 2011 Motion to Hold in Abeyance filed by The Rural Telecommunications Group ("RTG") in WT Docket No. 11-18. This motion argues that action on the above-referenced AT&T/ Qualcomm application must be withheld for consideration in conjunction with the AT&T/T-Mobile transaction. However, with the adoption of the Commission's November 29, 2011 Withdrawal Order, the AT&T/T-Mobile transaction is no longer before the Commission. As a result, holding the AT&T/Qualcomm application in abeyance is inappropriate. Since the AT&T/T-Mobile transaction is no longer before the Commission, it no longer exists from a regulatory standpoint. And, while it is theoretically possible that the

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[3] The "Joint Parties" are Cincinnati Bell Wireless, LLC, MetroPCS Communications, Inc., NTELOS, the Rural Cellular Association, the Rural Telecommunications Group, and Sprint Nextel Corporation.

[4] *In the Matter of Applications of AT&T Inc. and Deutsche Telekom AG for Consent to Assign or Transfer Control of Licenses and Authorizations*, Order, WT Docket No. 11-65 (Nov. 29, 2011) ("Withdrawal Order").

AT&T/T-Mobile transaction could be refiled with the Commission at some point in the future, the structure of any such transaction, if it were to come back, will likely have changed drastically pursuant to negotiations with the Department of Justice and the Commission so as to address any anti-competitive concerns. However, the Associated Press, National Journal and other reputable sources are widely reporting that AT&T has announced its decision to terminate the proposed T-Mobile merger.[5] This development renders moot the basis for RTG's request that the AT&T/Qualcomm application be held in abeyance.

Moreover, the AT&T/Whidbey transaction agreement was reached before the AT&T/Qualcomm agreement, and the AT&T/Whidbey applications were filed before the AT&T/Qualcomm application.[6] The Commission should follow its precedent of processing applications in order of receipt and address the Whidbey applications without further delay.

Finally, like many small, rural carriers, Whidbey has established a business plan to bring advanced telecommunications services to its customers. This business plan relies, in great measure, on the proceeds from the sale of its 700 MHz spectrum to AT&T. Any further delays in the processing of the Whidbey transaction would impede Whidbey's efforts to meet its customers' demands for advanced telecommunications services and would therefore be contrary to the public interest.

Accordingly, for the foregoing reasons, the Commission should (a) dismiss or deny the motion of RTG to hold the AT&T/Qualcomm transaction in abeyance pending any

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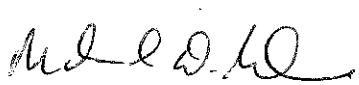
[5] See Associated Press, "AT&T Agrees to Drop Bid for Rival T-Mobile", December 19, 2011; National Journal, "AT&T Gives Up on T-Mobile Merger", December 19, 2011.

[6] The date of this letter is Day 306 on the 180-day timeline announced by the Commission's "Informal Timeline for Consideration of Applications for Transfers or Assignments or Authorizations Relating to Complex Mergers," as applied to the Whidbey Applications, and Day 201 on that timeline, as applied to the AT&T/Qualcomm transaction application.

further action that might be required on the AT&T/T-Mobile transaction at some future date and (b) immediately process the Whidbey Applications to grant.

Respectfully submitted,



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cc: Rick Kaplan
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