

## **DESCRIPTION OF THE TRANSACTION AND PUBLIC INTEREST STATEMENT**

### **I. BACKGROUND OF TRANSACTION**

This filing seeks FCC approval for the assignment of certain Advanced Wireless Services (“AWS”) licenses and spectrum from SpectrumCo LLC (“SpectrumCo”) to Cox TMI Wireless, LLC (“Cox Wireless”). A direct 50% interest holder in Cox Wireless, Cox CWI Investments, Inc. (formerly Cox Wireless, Inc.) (“CWI”), currently holds a 10.9% interest in SpectrumCo. Under the proposed transaction, CWI will redeem its interest in SpectrumCo in exchange for the AWS licenses and spectrum described in Attachment A and other consideration, and will immediately assign those licenses to Cox Wireless. For the reasons set forth below, Cox Wireless respectfully submits that Commission approval of the proposed transaction would serve the public interest, convenience, and necessity.<sup>1</sup>

### **II. DESCRIPTION OF THE TRANSACTION**

The instant application is a necessary step in the process of CWI’s exit from SpectrumCo. Both CWI and Cox Wireless are wholly owned direct or indirect subsidiaries of Cox Communications, Inc. (“CCI”). In exchange for the redemption of its interest in SpectrumCo, CWI proposes to acquire from SpectrumCo 20 MHz of AWS spectrum covering portions of CCI’s cable markets in Rhode Island, Virginia, Florida, Georgia, North Carolina, Mississippi, Louisiana, Arkansas, Oklahoma, Missouri, Kansas, Iowa, Nebraska, Arizona, Nevada, and California. CWI will then immediately assign the spectrum and licenses to its affiliate, Cox Wireless. As a practical matter, the assignment from SpectrumCo through CWI to Cox Wireless will be virtually instantaneous because the agreements necessary to effectuate both assignments will be signed contemporaneously. Since SpectrumCo’s assignment of the spectrum and licenses to CWI and CWI’s assignment of the spectrum and licenses to Cox Wireless would occur in a continuous, uninterrupted series, only one consent is required and the Commission can approve the transfer of the licenses from SpectrumCo to Cox Wireless through action on a single application.<sup>2</sup> In accordance with previous Commission decisions, Cox Wireless commits to consummating the transaction acquiring the licenses and spectrum from CWI within ten minutes of the consummation of the transfer of the licenses and spectrum from SpectrumCo to CWI.<sup>3</sup>

### **III. PUBLIC INTEREST STATEMENT**

Expeditious approval of the instant application is in the public interest, as Cox Wireless is eager to add to its spectrum holdings so it can offer new, advanced wireless services to the public. As shown in Attachment A, Cox Wireless currently holds 12 MHz of 700 MHz spectrum

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<sup>1</sup> The parties note that one license involved in the transaction, WQGB223, is currently subject to a long term *de facto transfer* lease. See Lease ID Number L000003946. This lease will be terminated concurrently with the closing of the instant transaction and the assignee expects that it will enter into a new lease agreement with the lessee.

<sup>2</sup> See John H. Phipps, Inc., *Memorandum Opinion and Order*, 11 FCC Rcd 13053 ¶ 8 (1996).

<sup>3</sup> *Id.* at ¶ 9.

in markets across portions of the CCI cable system footprint.<sup>4</sup> Cox Wireless is actively building a new, independent, facilities-based wireless network so that Cox Wireless can provide competitive wireless service to the CCI cable markets. As was recently reported, Cox Wireless plans to launch commercial service in 2009 using an advanced network that will allow CCI customers to program their home DVRs, access the e-mail and voice mail that they receive at home, and watch television shows, all on their wireless handsets.<sup>5</sup> Wireless services thus will be fully integrated into CCI's existing product basket of video services, wireline telephony and Internet access.

Approval of the above-described transaction is therefore in the public interest as it will allow Cox Wireless to supplement its spectrum position in certain markets and create a larger wireless footprint, thereby enhancing Cox Wireless' success as a new wireless competitor. At the same time, Cox Wireless will still be spectrum-challenged when compared with its incumbent, nationwide wireless competitors, as Cox Wireless will at most have 32 MHz of spectrum in any one market with the exception of two small, rural counties where Cox will have 44 MHz of spectrum.<sup>6</sup> Accordingly, including AWS spectrum (without regard to whether or not such spectrum is at present "cleared"), Cox Wireless will hold far less spectrum than the screens the Commission used recently in its approval of the Sprint Nextel/Clearwire and Verizon/ALLTEL transactions.<sup>7</sup>

The Commission has previously found CCI and its subsidiaries technically, legally, and financially qualified to be Commission licensees<sup>8</sup> and a current FCC Form 602 ownership report for Cox Wireless is on file with the Commission.<sup>9</sup> The instant application requests no waivers of Commission rules and raises no foreign ownership, designated entity, or competitive concerns. Cox Wireless therefore requests prompt approval of the application so that it can bring new, advanced wireless services to the public.

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<sup>4</sup> Because the Commission uses different licensing schemes for different geographic license blocks, Cox holds 24 MHz of spectrum in two counties that overlap the AWS spectrum that is the subject of the instant application: Madison County, Arkansas (part of CMA324 and EA092) and Iberville Parish, Louisiana (part of CMA459 and EA084).

<sup>5</sup> David Lieberman, Cable Operator Cox to Launch Cellphone Service, USA Today, Oct. 27, 2008, at 4B.

<sup>6</sup> See Footnote 4 above.

<sup>7</sup> See Sprint Nextel Corporation and Clearwire Corporation Applications for Consent to Transfer Control of Licenses, Leases, and Authorizations, WT Docket No. 08-94, *Memorandum Opinion and Order*, FCC 08-259, ¶ 74 (rel. Nov. 7, 2008); Applications of Celco Partnership d/b/a Verizon Wireless and Atlantis Holdings LLC For Consent to Transfer Control of Licenses, Authorizations, and Spectrum Manager and *De Facto* Transfer Leasing Arrangements, WT Docket No. 08-95, *Memorandum Opinion and Order*, FCC 08-258, ¶ 64 (rel. Nov. 10, 2008).

<sup>8</sup> See, e.g., Wireless Telecommunications Bureau Grants 700 MHz Band Licenses, *Public Notice*, 23 FCC Rcd 10134 (2008).

<sup>9</sup> See FCC File Number 0003596476.

### Attachment A

EA	AWS Market	AWS County	AWS State	AWS License (20 MHz)	700 MHz License (12 MHz)
3	Boston-Worcester MA-NH-RI-VT	Bristol	RI	WQGA900	None
		Kent	RI		
		Newport	RI		
		Providence	RI		
		Washington	RI		
14	Salisbury MD-DE-VA	Accomack	VA	WQGA910	WQIZ555
		Northampton	VA		
15	Richmond-Petersburg VA	King and Queen	VA	WQGA911	WQIZ555
		King William	VA		
		New Kent (no overlap with 700)	VA		
17	Roanoke VA-NC-WV	Salem	VA	WQGA913	WQIZ548
		Roanoke	VA		
		Roanoke City	VA		
		Franklin (no overlap with 700)	VA		
20	Norfolk-Virginia Beach VA-NC	Currituck	NC	WQGA916	WQIZ534
		Chesapeake	VA		
		Gloucester	VA		
		Hampton	VA		
		Isle of Wight	VA		
		James City	VA		
		Newport News City	VA		
		Norfolk City	VA		
		Poquoson	VA		
		Portsmouth	VA		
		Southampton	VA		
		Suffolk	VA		
		Surry	VA		
Virginia Beach	VA				
Williamsburg	VA				

EA	AWS Market	AWS County	AWS State	AWS License (20 MHz)	700 MHz License (12 MHz)
		York	VA		
		Franklin	VA		
29	Jacksonville FL-GA	Alachua	FL	WQGA924	WQIZ551
38	Macon GA	Baldwin	GA	WQGA933	WQIZ535
		Bibb	GA		
		Bleckley	GA		
		Crawford	GA		
		Dooly	GA		
		Houston	GA		
		Jones	GA		
		Monroe	GA		
		Peach	GA		
		Pulaski	GA		
		Putnam	GA		
		Twiggs	GA		
		Wilkinson	GA		
81	Pensacola FL	Entire EA		WQGA969	WQIZ536
82	Biloxi-Gulfport-Pascagoula MS	Entire EA		WQGA970	None
83	New Orleans LA-MS	Entire EA		WQGA971	WQIZ537
84	Baton Rouge LA-MS	Entire EA		WQGA972	WQIZ538 and WQIZ554 (24 MHz in Iberville Parish only)
85	Lafayette LA	Entire EA		WQGA973	WQIZ550 and WQIZ554
90	Little Rock AR	Boone	AR	WQGA977	WQIZ553
		Carroll	AR		
		Johnson (no overlap with 700)	AR		
		Newton	AR		

EA	AWS Market	AWS County	AWS State	AWS License (20 MHz)	700 MHz License (12 MHz)
91	Fort Smith AR-OK	Entire EA (no overlap with 700 in Franklin, Logan and Scott Counties, AR; Haskell and Latimer Counties, OK)		WQGA978	WQIZ549
92	Fayetteville AR-MO-OK	Entire EA		WQGA979	WQIZ539 and WQIZ553 (24 MHz in Madison County only)
93	Joplin MO-KS-OK	Entire EA		WQGA980	None
99	Kansas City MO-KS	Douglas	KS	WQGA985	None
118	Omaha NE-IA-MO	Adams	IA	WQGA993	WQIZ540
		Audubon	IA		
		Cass	IA		
		Fremont	IA		
		Harrison	IA		
		Mills	IA		
		Montgomery	IA		
		Page	IA		
		Pottawattamie	IA		
		Shelby	IA		
		Taylor	IA		
		Atchinson	MO		
		Antelope	NE		
		Burt	NE		
		Cass	NE		
		Cuming	NE		
		Douglas	NE		
		Madison	NE		
		Pierce	NE		
		Sarpy	NE		
		Stanton	NE		
		Washington	NE		
		Wayne	NE		

<b>EA</b>	<b>AWS Market</b>	<b>AWS County</b>	<b>AWS State</b>	<b>AWS License (20 MHz)</b>	<b>700 MHz License (12 MHz)</b>
122	Wichita KS-OK	Entire EA		WQGA996	WQIZ541
123	Topeka KS	Entire EA		WQGA997	WQIZ542
124	Tulsa OK-KS	Entire EA		WQGA998	WQIZ543
125	Oklahoma City OK	Entire EA		WQGA999	None
126	Western Oklahoma OK	Entire EA		WQGB200	None
153	Las Vegas NV-AZ-UT	Mohave Clark Esmeralda Lincoln Mineral Nye	AZ NV NV NV NV NV	WQGB215	WQIZ544
154	Flagstaff AZ-UT	Yavapai	AZ	WQGB216	None
158	Phoenix-Mesa AZ-NM	Gila Graham Greenlee Maricopa Pinal	AZ AZ AZ AZ AZ	WQGB220	WQIZ545
159	Tucson AZ	Entire EA		WQGB221	WQIZ546
161	San Diego CA	Entire EA		WQGB223	WQIZ547
160	Partition: Los Angeles-Riverside CA-AZ	Orange	CA	WQGB222	None
160	Partition: Los Angeles-Riverside CA-AZ	Santa Barbara	CA	WQGB222	None