

South Dakota Public Utilities Commission Frequently Asked Questions about Alltel and AT&T

June 12, 2009

“So tell me again, who is my wireless provider going to be?” That is a frequently asked question the South Dakota Public Utilities Commission has been recently hearing. To help South Dakotans understand the process of the Alltel-Verizon Wireless-AT&T corporate transaction, the PUC has developed this list of frequently asked questions.

- **What happened? When and how did the sale of Alltel take place?**

Verizon purchased Alltel and is in the process of selling the South Dakota portion to AT&T.

Verizon Wireless announced its plan to purchase Alltel in June of 2008. Due to federal laws promoting competition in wireless markets, Verizon Wireless was required to sell certain properties as a condition of its purchase. Because of this, Verizon Wireless is selling all Alltel assets the company holds in the entire state of South Dakota. On May 8, 2009, AT&T announced an agreement to purchase various Verizon Wireless assets across 18 states, including the Alltel assets in South Dakota. If this purchase is approved by the Federal Communications Commission and the Department of Justice Alltel customers in South Dakota will become AT&T customers. Verizon customers will remain Verizon customers and are unaffected by either of these transactions.

- **What has to occur before the sale between Verizon and AT&T can be finalized?**

Verizon must get the approval of the federal government.

The FCC must approve the license transfer and the Department of Justice must approve the sale of the Verizon Wireless/Alltel assets to AT&T. AT&T officials have stated the company hopes to have all necessary approvals and close the transaction in the fourth quarter of 2009.

- **Do Alltel and AT&T use different technologies to provide service?**

Yes.

Alltel typically uses CDMA (Code Division Multiple Access) technology. AT&T uses GSM/UMTS 3G technology (Global System for Mobile communication/Universal Mobile Telecommunications System). Upon obtaining the necessary approvals and closing the transaction, AT&T will begin installing its equipment in the areas being acquired. As the network conversion progresses, AT&T anticipates updating its customers regarding the availability of AT&T service in their area.

- **Will I have to pick a new cell phone provider?**

No.

Current Alltel customers will not be required to select a new wireless provider if they do not wish to. If this purchase is approved, all Alltel customers in South Dakota will become AT&T customers. South Dakota Verizon customers will remain Verizon customers and are unaffected by either of these transactions.

- **Will the costs of my service change?**

It's possible.

Former Alltel customers may continue wireless service under their existing Alltel contract terms for up to 12 months after the transaction closes. However, customers may convert to an AT&T rate plan and device as soon as AT&T's 3G network is available in their area. Alltel customers are advised to check the terms of their current contract. Switching to AT&T before the corporate transaction is complete may result in early termination fees.

- **Will my coverage be affected?**

It's possible, but not for at least a year.

AT&T is purchasing not only the Alltel subscribers, but also the Alltel network in South Dakota. The wireless towers that serve you today are likely to serve you when the transaction closes. The existing Alltel technologies will remain in place for up to 12 months. AT&T representatives have stated their 3G network will provide similar if not better coverage.

- **Will I need to change my cell number?**

No.

Former Alltel customers will not need to change their telephone number due to the transaction.

- **Will I need a different phone?**

Not at first, but after 12-18 months you probably will.

Former Alltel customers will be able to use their existing handset for up to 12 months after the anticipated sale's completion. These customers may sign up for any AT&T special promotions in effect during that time. By the end of the 12-month period, former Alltel customers will need to change to a device that is compatible with the new AT&T network.

- **Can I get an iPhone?**

Eventually.

As soon as AT&T has deployed its new 3G network in South Dakota, customers will have access to many devices in the industry, including the iPhone.

- **Should I start researching AT&T plans now?**

Yes.

Yes, it is wise to become familiar with all of the service options and features offered by AT&T.

- **What is the Public Utilities Commission's role in this transaction?**

The PUC's role is to assist South Dakota cell phone users during this transition.

The PUC is attempting to assist customers by answering questions regarding the transaction and its potential impact on their service. The PUC filed comments with the FCC during its review of the Alltel-Verizon transaction and will continue to advocate on behalf of South

Dakota customers. In addition, if AT&T continues to receive Universal Service Funds as Alltel did, the PUC will review and approve how AT&T spends those funds to build-out and maintain their rural network in South Dakota.

For additional information, consult these company Web sites:

- Alltel
(http://www.alltel.com/wps/wcm/connect/DV1Personal/home/p/customerservice/announcements/announcements_merger.html)
- Verizon Wireless
(http://support.vzw.com/faqs/Account%20Management/alltel_migration.html)