

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE JOINT APPLICATION OF TELEPHONE)
AND DATA SYSTEMS, INC., AN IOWA)
CORPORATION, UNITED STATES CELLULAR)
CORPORATION, A DELAWARE CORPORATION,)
AND MO-TEL CELLULAR, INC., A GEORGIA)
CORPORATION D/B/A CELLULAR ONE)
WESTERN KENTUCKY CELLULAR TELEPHONE)
COMPANY AND D/B/A WESTERN KENTUCKY) CASE NO. 93-276
CELLULAR TELEPHONE COMPANY, FOR)
APPROVAL OF THE MERGER OF A WHOLLY-)
OWNED SUBSIDIARY OF TELEPHONE AND)
DATA SYSTEMS, INC. AND MO-TEL)
CELLULAR, INC. AND THE TRANSFER OF)
THE SURVIVING CORPORATION TO UNITED)
STATES CELLULAR CORPORATION)

O R D E R

This matter arising upon the joint petition of Telephone and Data Systems, Inc. ("TDS"), United States Cellular Corporation ("USCC"), and Mo-Tel Cellular, Inc. ("Mo-Tel") filed August 6, 1993 pursuant to 807 KAR 5:001, Section 7, for confidential protection of a Letter Agreement between the parties on the grounds that disclosure of the information is likely to cause competitive injury, and it appearing to this Commission as follows:

In this proceeding, TDS, USCC, and Mo-Tel are requesting approval of a merger between a wholly-owned subsidiary of TDS and Mo-Tel and the subsequent transfer of the merged entity to USCC. In support of the application, the parties have submitted a Letter Agreement containing the terms and conditions of the transaction which they seek to protect as confidential. The information sought

to be protected is treated as confidential by the parties, who have sought to protect and preserve the confidentiality of the information through all appropriate means.

The parties are actively engaged in acquiring and selling interests in cellular wireline systems. These systems are sold in a highly competitive market and the parties maintain that disclosure of the terms of this transaction will affect their ability to compete effectively in the market either as buyers or sellers. They contend that knowledge of the pricing and price structure information of this transaction may cause them to pay more for an interest in a cellular system than they would otherwise pay, to fail to obtain an interest in a wireline system that they would otherwise obtain, and/or to receive less for an interest in a cellular system than they would otherwise receive.

The parties' position ignores the dynamics of the marketplace. Although the prices paid for cellular systems may help to establish the value of all cellular systems, the purchase price of any cellular system will ultimately be dependent upon the nature and character of the system itself and the price that potential buyers are willing to offer for this system. Therefore, the terms of the Letter Agreement have no competitive value and the petition should be denied.

This Commission being otherwise sufficiently advised,

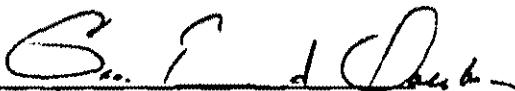
IT IS ORDERED that:

1. The petition to protect as confidential the terms of the Letter Agreement between TDS, USCC, and Mo-Tel be and is hereby denied.

2. The information sought to be protected from disclosure shall be held as confidential and proprietary for a period of 20 days from the date of this Order, at the expiration of which it shall be placed in the public record without further Order of the Commission.

Done at Frankfort, Kentucky, this 10th day of September, 1993.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director