



PUBLIC NOTICE

Federal Communications Commission
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DA 00-2087
September 12, 2000

**Caronet, Inc. Seeks Commission Determination of "Exempt
Telecommunications Company" Status Under the Public Utility
Holding Company Act**

NSD File No: ETC 00-37
Pleading Cycle Established

Comments Due: October 3, 2000 Reply Comments Due: October 10, 2000

On August 18, 2000, Caronet, Inc. ("Caronet" or "Applicant"), pursuant to section 34(a)(1) of the Public Utility Holding Company Act of 1935 ("PUHCA"), as added by section 103 of the Telecommunications Act of 1996, Pub. L. No. 104-104, filed an application requesting a Commission determination that it is an exempt telecommunications company ("ETC").

The application states that Caronet, a North Carolina corporation, is a wholly owned indirect subsidiary of Carolina Power & Light Company ("CP&L"). CP&L is an electric utility serving customers in North and South Carolina. The application states that the Securities and Exchange Commission ("SEC") recently approved CP&L's reorganization and share exchange establishing CP&L Energy, Inc. ("CP&L Energy") as CP&L's parent company. CP&L Energy is an exempt holding company under PUHCA. CP&L Energy has applied for SEC approval to acquire Florida Progress Corporation, the parent company of Florida Power Corporation, an electric utility serving customers in Florida. Upon the closing of that transaction, CP&L Energy will become a registered holding company under PUHCA.

The application states that Caronet is and will be engaged directly or indirectly through one or more "affiliates" (as defined in Section 2(a)(11)(B) of PUHCA), exclusively in the business of providing telecommunications services, information services, other services or products subject to the jurisdiction of the Commission and/or products or services that are related or incidental to the provision of such products or services within the meaning of Section 34(a)(1) of PUHCA.

The application further states that Caronet is certificated in several states as a Competitive Local Exchange Carrier ("CLEC"). Caronet currently offers, and will continue to offer, telecommunications and information services, and will provide dark fiber for communications services to affiliated and non-affiliated companies, including companies offering energy and energy-related products and services. Caronet states that it operates as a carriers' carrier, offering broadband capacity services to other telecommunications carriers on a wholesale basis. Although permitted under its CLEC certification, Caronet does not currently offer retail telecommunications services to end-users. Further, Caronet holds a 35 percent equity interest in Interpath Communications, Inc., which provides Internet-based managed application services, a 10 percent

interest in BellSouth Carolinas PCS, L.P., which provides mobile telephony services, and a 20 percent membership interest in CFN Fibernet LLC, a provider of communications fiber. Interpath Communications, Inc., in turn, holds a 33 1/3 percent membership interest in Autonomous Networks LLC, which provides ATM Internet backbone services.

In accordance with 47 C.F.R. section 1.5004, if the Commission does not issue an order denying an ETC application within 60 days of receipt of the application, in this case, August 18, 2000, the application will be deemed granted as a matter of law. In accordance with 47 C.F.R. section 1.5003, a person applying in good faith for a Commission determination of ETC status is deemed to be an ETC from the date of receipt of the application, in this case, August 18, 2000, until the date of Commission action pursuant to 47 C.F.R. section 1.5004. In accord with 47 C.F.R. section 1.5005, the Secretary of the Commission is now notifying the Securities and Exchange Commission (SEC) that the Applicant is deemed to be an exempt telecommunications company. In the event that the Commission issues an order within 60 days of receipt of the application denying the application, the Secretary will so notify the SEC. Otherwise, the Commission will take no further action to grant this application.

This proceeding is considered a "permit but disclose" proceeding for purposes of the Commission's *ex parte* rules. *See generally* 47 C.F.R. sections 1.1200 - 1.1206. Persons wishing to file comments, regarding the adequacy or accuracy of the Applicants' application requesting status as an ETC, must do so no later than **October 3, 2000**. All comments should also be served on the Applicants. Reply comments must be filed no later than **October 10, 2000**.

Interested parties should file an original and four copies of their comments with the Office of the Secretary, Federal Communications Commission, 445 Twelfth St., SW, Room TW-A325, Washington, D.C. 20554. In addition, parties should send one copy to ITS, at 1231 20th Street, NW, Washington, D.C. 20036 and two copies to Al McCloud, Common Carrier Bureau, Network Services Division, FCC, 445 12th Street, SW, Room 6-A320, Washington, D.C. 20554. All filings concerning any of the matters referenced in this Public Notice should refer to NSD file number, **ETC-00-37**.

The application will be available for public inspection and copying during regular business hours at the FCC Reference Information Center, Portals II, 445 12th Street, SW, Room CY-A257, Washington, DC 20554. The application may also be purchased from the Commission's copy contractor, International Transcription Service, Inc. (ITS), 1231 20TH Street, NW, Washington, DC 20036, telephone 202-857-3800, facsimile 202-857-3805, TTY 202-293-8810.

For further information, contact Al McCloud, (202) 418-2499 (voice), amccloud@fcc.gov or Marty Schwimmer, (202) 418-2320 (voice), mschwimm@fcc.gov, of the Network Services Division, Common Carrier Bureau. The TTY number is (202) 418-0484.

You may also find more information about Exempt Telecommunications Companies at the NSD website: <http://www.fcc.gov/ccb/nsd/documents/ETC.html>.

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