



PUBLIC NOTICE

Federal Communications Commission
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DA 01-660

March 13, 2001

BUSINESS TELECOM, INC. SEEKS FCC CONSENT TO TRANSFER CONTROL TO WCAS ENTITIES

PLEADING CYCLE ESTABLISHED

Business Telecom, Inc. (BTI) and Welsh, Carson, Anderson & Stowe VIII, L.P. and WCAS Capital Partners III, L.P. (WCAS entities) have filed a joint application pursuant to section 214 of the Communications Act of 1934, as amended, 47 U.S.C. § 214, requesting Commission approval of an indirect, *de facto* transfer of control of BTI's blanket domestic section 214 authority to the WCAS entities. This request is part of a transaction whereby the WCAS entities will acquire *de facto* control of BTI's parent company, BTI Telecom Corp. The WCAS entities will provide equity financing to BTI Telecom Corp. and debt financing to BTI. This transaction will result in the WCAS entities acquiring 41% of the voting stock and the ability to designate a majority of the Board of Directors of BTI Telecom Corp. The Applicants request expedited approval of the application due to various urgent financial and operational reasons.

BTI provides domestic telecommunications services, including interstate voice data and frame relay, pursuant to blanket section 214 authority. It is a leading provider of integrated telecommunications services primarily in the southeastern United States. BTI is also authorized by the various state public service commissions to provide facilities-based and/or resold interexchange telecommunications services in the 50 states pursuant to certification, registration or tariff requirements, or on a deregulated basis. Additionally, BTI is currently authorized to provide competitive local exchange services in over 20 states. The WCAS entities are a private equity investment firm focusing on telecommunications, information services and healthcare industries. They do not hold any FCC authorizations.

Although the controlling interest in BTI's ultimate corporate parent will change, it will continue to provide services to its existing customers under existing service arrangements, pursuant to its Section 214 authority. BTI asserts that the proposed transaction will serve the public interest in promoting competition among domestic carriers by providing BTI with the opportunity to enhance its working capital and strengthen its competitive position.

SECTION 214 APPLICATION

Part 63 – Domestic Service (47 C.F.R. § 63.01)

BTI and the WCAS entities have filed an application to transfer control of blanket domestic section 214 authorization held by BTI to the WCAS entities, in connection with a proposed acquisition of corporate control. The application has been assigned filed number CCBPol No. 01-3.

GENERAL INFORMATION

The transfer of control request listed herein has been found, upon initial review, to be acceptable for filing. The Commission reserves the right to return any application if, upon further examination, it is determined to be defective and not in conformance with the Commission's rules or policies.

Final action will not be taken on this application earlier than 14 days following the date of this notice. Interested parties may file comments or petitions to deny on or before **March 27, 2001**. Oppositions to such pleadings may be filed no later than **April 3, 2001**. All filings concerning any or all of the matters referenced in this Public Notice should refer to DA 01-660, as well as the specific file number of the individual application or other matter to which the filings pertain.

An original and four copies of all pleadings must be filed with the Commission's Secretary, Magalie Roman Salas, 445 12th Street, S.W., Room TW-B204, Washington, D.C. 20554, in accordance with Section 1.51(c) of the Commission's rules, 47 C.F.R. § 1.51 (c). In addition, one copy of each pleading must be delivered to (1) Bill Dever, Policy and Program Planning Division, Common Carrier Bureau, 445 12th Street, S.W., Room 5-C143, Washington, D.C. 20554, and (2) the Commission's duplicating contractor, International Transcription Services, Inc. ("ITS"), 445 12th Street, S.W., CY-B402, Washington, D.C. 20554

Copies of the application and any subsequently filed documents in this matter may be obtained from International Transcription Services, Inc. ("ITS"), 445 12th Street, S.W., CY-B402, Washington, D.C. 20554, (202) 314-3070. The application and documents are available for public inspection and copying during normal reference room hours at the Commission's Office of Public Affairs, Reference Operating Division, 445 12th Street, S.W., CY-C314, Washington, D.C. 20554.

Pursuant to 47 C.F.R. § 1.1200(a), which permits the Commission to adopt modified or more stringent *ex parte* procedures in particular proceedings if the public interest so requires, we announce that this proceeding will be governed by "permit-but-disclose" *ex parte* procedures that are applicable to non-restricted proceedings under 47 C.F.R. § 1.1206.

For further information contact Bill Dever, Common Carrier Bureau, at (202) 418-1580.