Federal Communications Commission 445 12th Street, S.W. Washington, D.C. 20554

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DA 02-2817

Released: October 23, 2002

DOMESTIC SECTION 214 APPLICATION FILED FOR CONSENT TO ACQUISITION OF ASSETS OF MCLEODUSA BY HOMEBASE ACQUISITION CORP.

STREAMLINED PLEADING CYCLE ESTABLISHED

WC Docket No. 02-332

On October 9, 2002, McLeodUSA Telecommunications Services, Inc. (McLeodUSA) and Homebase Acquisition Corp. (Homebase) (McLeodUSA and Homebase together, Applicants), filed an application pursuant to section 214 of the Communications Act of 1934, as amended, and sections 63.03 and 63.04(a) of the Commission's rules, for consent to the acquisition of a portion of McLeodUSA's Illinois long distance customer base by Homebase.

Applicants assert that this application is subject to streamlined processing under section 63.03(b)(1)(ii) of the Commission's rules because the transferee, Homebase, is not a telecommunications provider.⁴ Homebase is a newly-formed, privately-held Delaware corporation whose principal business is telecommunications.

McLeodUSA provides integrated communications, including interstate services, primarily in 25 Midwest, Southwest, Northwest and Rocky Mountain states. The McLeodUSA

¹ 47 U.S.C. § 214.

² 47 C.F.R. §§ 63.03, 63.04(a).

McLeodUSA has also filed applications to assign all of its common carrier paging radio station licenses to Homebase. Any action on this domestic 214 application is without prejudice to Commission action on other related pending applications. The Commission recently granted an application for Homebase to acquire two common carrier subsidiaries of McLeodUSA's parent, McLeodUSA, Inc. See Transfer of Control of Illinois Consolidated Telephone Company and McLeodUSA Public Services, Inc. to Homebase Acquisition Corp., Notice of Streamlined Domestic 214 Applications Granted, WC Docket No. 02-257, DA 02-2574 (WCB Oct. 8, 2002).

⁴ 47 C.F.R. § 63.03(b)(1)(ii).

customers that will be transferred to Homebase are located in east central Illinois.

Applicants assert that grant of this application will serve the public interest, convenience and necessity by promoting competition among telecommunications carriers. Specifically, applicants state that approval of the proposed customer base transfer will enable Homebase, a new entrant, to establish a competitive presence in the geographic service areas where the affected customers are located and to concentrate its resources and expertise on providing innovative and diversified service offerings for all consumers in these markets. Applicants assert that these enhancements will inure directly to the benefit of the McLeodUSA customers that will be transferred as well as to consumers generally in the domestic telecommunications marketplace.

GENERAL INFORMATION

The transfer of control application identified herein has been found, upon initial review, to be acceptable for filing as a streamlined application. The Commission reserves the right to return any transfer of control application if, upon further examination, it is determined to be defective and not in conformance with the Commission's rules and policies. Interested parties may file **comments within 14 days** and **reply comments within 21 days** of this notice. ⁵ Unless otherwise notified by the Commission, an applicant is permitted to transfer control of the domestic lines or authorization to operate on the 31st day after the date of this notice. Comments may be filed using the Commission's Electronic Comment Filing System (ECFS) or by filing paper copies. *See Electronic Filing of Documents in Rulemaking Proceedings*, 63 Fed. Reg. 24121 (1998).

Comments filed through the ECFS can be sent as an electronic file via the Internet to http://www.fcc.gov/e-file/ecfs.html. Generally, only one copy of an electronic submission must be filed. If multiple docket or rulemaking numbers appear in the caption of this proceeding, however, commenters must transmit one electronic copy of the comments to each docket or rulemaking number referenced in the caption. In completing the transmittal screen, commenters should include their full name, U.S. Postal Service mailing address, and the applicable docket or rulemaking number. Parties may also submit an electronic comment by Internet e-mail. To get filing instructions for e-mail comments, commenters should send an e-mail to ecfs@fcc.gov, and should include the following words in the body of the message, "get form <your e-mail address>." A sample form and directions will be sent in reply.

Parties who choose to file by paper must file an original and four copies of each filing. If more than one docket or rulemaking number appear in the caption of this proceeding, commenters must submit two additional copies for each additional docket or rulemaking number. Filings can be sent by hand or messenger delivery, by commercial overnight courier, or by first-class or overnight U.S. Postal Service mail (although we continue to experience delays in

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⁵ See 47 C.F.R. § 63.03(a).

receiving U.S. Postal Service mail). The Commission's contractor, Vistronix, Inc., will receive hand-delivered or messenger-delivered paper filings for the Commission's Secretary at 236 Massachusetts Avenue, N.E., Suite 110, Washington, D.C. 20002. The filing hours at this location are 8:00 a.m. to 7:00 p.m. All hand deliveries must be held together with rubber bands or fasteners. Any envelopes must be disposed of before entering the building. Commercial overnight mail (other than U.S. Postal Service Express Mail and Priority Mail) must be sent to 9300 East Hampton Drive, Capitol Heights, MD 20743. U.S. Postal Service first-class mail, Express Mail, and Priority Mail should be addressed to 445 12th Street, SW, Washington, D.C. 20554. All filings must be addressed to the Commission's Secretary, Office of the Secretary, Federal Communications Commission.

In addition, one copy of each pleading must be sent to each of the following:

- (1) the Commission's duplicating contractor, Qualex International, 445 12th Street, S.W., Room CY-B402, Washington, D.C. 20554; e-mail: qualexint@aol.com; facsimile: (202) 863-2898; phone: (202) 863-2893.
- (2) Tracey Wilson, Competition Policy Division, Wireline Competition Bureau, 445 12th Street, S.W., Room 5-C437, Washington, D.C. 20554; e-mail: twilson@fcc.gov, and
- (3) Dennis Johnson, Competition Policy Division, Wireline Competition Bureau, 445 12th Street, S.W., Room 6-A461, Washington, D.C. 20554; e-mail: dcjohnson@fcc.gov; and
- (4) Nandan Joshi, Office of General Counsel, 445 12th Street, S.W., Room 8-A820, Washington, D.C. 20554; e-mail: njoshi@fcc.gov.

Filings and comments are also 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. They may also be purchased from the Commission's duplicating contractor, Qualex International, Portals II, 445 12th Street, SW, Room CY-B402, Washington, DC, 20554, telephone 202-863-2893, facsimile 202-863-2898, or via e-mail qualexint@aol.com.

For further information, please contact Tracey Wilson, at (202) 418-1394 or Bill Dever, Competition Policy Division, Wireline Competition Bureau at (202) 418-1578.