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

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DA 02-445

Released: February 26, 2002

DOMESTIC SECTION 214 APPLICATION FILED FOR CONSENT TO TRANSFER CONTROL OF COAST TO COAST TELECOMMUNICATIONS, INC. FROM RIVIEN U.S.A. TO ALLEGIANCE TELECOM

PLEADING CYCLE ESTABLISHED

CC Docket No. 01-299

On September 26, 2001, Allegiance Telecom, Inc. ("Allegiance Telecom"), filed an application pursuant to section 214 of the Communications Act of 1934, as amended ("the Act"), 47 U.S.C. § 214, and section 63.01 of the Commission's Rules, 47 C.F.R. § 63.01, requesting Commission approval *nunc pro tunc* to transfer control of Coast to Coast Telecommunications, Inc. ("Coast"), a common carrier authorized to provide domestic telecommunications services pursuant to its blanket § 214 authorization, from Rivien USA, LLC ("Rivien") to Allegiance Telecom.¹

Additionally, on November 6, 2001, Allegiance Telecom filed a request for Special Temporary Authority ("STA") to operate while the Commission considered its pending transfer of control application. The Common Carrier Bureau granted the STA request, and later issued a reminder to carriers that prior approval is required for transfer of control transactions.² Allegiance Telecom states that it needed to quickly consummate a series of transactions whereby Allegiance Telecom acquired the stock of Coast, and Coast subsequently became an indirect wholly-owned subsidiary of Allegiance Telecom. Allegiance Telecom states that the parties to the transaction failed to timely notify the Commission of the transaction inadvertently and due to an administrative oversight. The applicant requests Commission approval to transfer control of the domestic 214 authorization held by Coast and its subsidiaries.³

See Application of Allegiance Telecom, Inc. for *nunc pro tunc* authority to transfer control of the blanket domestic section 214 authority of Coast to Coast Telecommunications, Inc. from Rivien USA, LLC to Allegiance Telecom, Inc., CC Docket No. 01-299 (filed September 26, 2001).

² See Common Carrier Bureau Issues Reminder to Providers of Domestic Telecommunications Services to Request Authorization under Section 214 prior to Engaging in a Transfer of Corporate Control, *Public Notice*, DA 02-162 (rel. Jan 17, 2002).

Rivien Communications, Inc. had filed for Chapter 7 bankruptcy at the time of the Transaction.

Although the identity of Coast's ultimate parent has changed as a result of the transaction, Coast continues to provide services to its existing customers under existing service arrangements. Allegiance Telecom asserts, therefore, that the transaction is virtually transparent to Coast customers.

Coast is a privately held Delaware corporation with its principal offices located at 2555 South Telegraph, Bloomfield Hills, Michigan 48302. Prior to the Transaction, Coast was a subsidiary of Rivien. Coast is authorized to provide resold U.S. international telecommunications services pursuant to its international section 214 authorization. In addition, Coast provides domestic interexchange service pursuant to blanket domestic Section 214 authority and provides domestic intrastate service pursuant to its state authorizations.

Rivien (formerly known as <u>Cl@rity</u> USA, LLC) is a Delaware limited liability company. Rivien is a wholly owned subsidiary of Rivien Communications, Inc. (formerly known as <u>Cl@rity</u> Communications, Inc.), a Delaware corporation that recently declared bankruptcy.

Allegiance Telecom is a publicly-traded Delaware holding company (Nasdaq:ALGX) that offers, through its operating subsidiaries, a complete package of facilities-based integrated communications services. Allegiance Telecom, through its subsidiaries, is currently operational in 34 U.S. markets. Allegiance Telecom offers domestic interexchange service through its indirect wholly owned operating companies pursuant to blanket section 214 authority.

Allegiance Telecom asserts that the purchase of Coast by Allegiance will serve the public interest by ensuring the financial stability of Coast, and the provision of long-term, uninterrupted service. Allegiance Telecom states that Coast is a relatively small international reseller and provider of domestic services and that Allegiance Telecom is already a parent company to an authorized carrier with better financial resources and a proven record of providing high quality telecommunications services.

GENERAL INFORMATION

The transfer of control request identified herein has been found, upon initial review, to be acceptable for filing. 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 petitions to deny within 30 days following the release of this Public Notice. Final action will not be taken on the application earlier than 31 days following the date of this Public Notice.

⁴ See, e.g., 47 C.F.R. § 63.52(c).

⁵ See 47 C.F.R. § 63.52(b).

All filings concerning any or all matters in this Public Notice should refer to **CC Docket No. 01-299.** An original and 4 copies of all pleadings, in accordance with section 1.51(c) of the Commission's rules, 47 C.F.R. § 1.51(c), must be filed with the Commission's Acting Secretary, William F. Caton, 445 12th Street, S.W., TW-B204, Washington, D.C. 20554. In addition, one copy of each pleading must be delivered to each of the following: (1) Qualex International, Portals II, 445 12th Street, S.W., Room CY-B402, Washington, D.C., 20554, telephone (202) 863-2893, facsimile (202) 863-2898; (2) Janice Myles, Common Carrier Bureau, 445 12th Street, S.W., 5-B145, Washington, D.C. 20554; (3) Nandan Joshi, Office of General Counsel, 445 12th Street, S.W., 8-A820, Washington, D.C. 20554; (4) William Dever, Common Carrier Bureau, 445 12 Street, S.W., 5-C266, Washington, D.C. 20554.

In addition to filing paper comments, parties may also file comments using the Commission's Electronic Comment Filing System (ECFS). *See* Electronic Filing of Documents in Rulemaking Proceedings, 63 Fed. Reg. 24,121 (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, 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. Parties may also submit an electronic comment by Internet e-mail. To obtain filing instructions for e-mail comments, commenters should send an e-mail to ecfs@fcc.gov, and 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. This document may also be purchased from the Commission's duplicating contractor, Qualex International, Portals II, 445 12th Street, S.W., Room CY-B402, Washington, D.C., 20554, telephone (202) 863-2893, facsimile (202) 863-2898, or via e-mail qualexint@aol.com.

For further information, contact Tracey Wilson, at (202) 418-1394 or Bill Dever, Policy and Program Planning Division, Common Carrier Bureau at (202) 418-1578.