



PUBLIC NOTICE

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

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DA 03-3062
Released: October 6, 2003

**DOMESTIC SECTION 214 APPLICATION FILED FOR TRANSFER OF CONTROL OF
CTC COMMUNICATIONS CORP.-DEBTOR-IN-POSSESSION AND CTC
COMMUNICATIONS OF VIRGINIA, INC.-DEBTOR-IN-POSSESSION TO COLUMBIA
VENTURES BROADBAND LLC**

STREAMLINED PLEADING CYCLE ESTABLISHED

WC Docket No. 03-191

On August 19, 2003, CTC Communications Corp. (CTC Communications) and CTC Communications of Virginia, Inc. (CTC Virginia) (together, with CTC Communications, the CTC Operating Companies), both holders of blanket domestic section 214 authority, along with Columbia Ventures Broadband LLC (CV Broadband) (together, Applicants) filed an application, pursuant to sections 63.03 and 63.04 of the Commission's rules,¹ to permit Applicants to consummate a series of transactions through which the CTC Operating Companies will emerge from bankruptcy and become immediately after emergence indirect, wholly-owned subsidiaries of CV Broadband.²

Applicants assert that the proposed transaction is eligible for presumptive streamlined treatment under section 63.03(b)(2)(i) of the Commission's rules because, immediately following the transactions, (1) CV Broadband and its affiliates, combined, will hold less than a 10 percent share of the interstate, interexchange market; (2) CV Broadband will provide local exchange service only in areas served by dominant local exchange carriers (none of which are parties to the proposed transactions); and (3) none of the Applicants or their affiliates are dominant with respect to any service.

¹ 47 C.F.R. §§ 63.03, 63.04; *see* 47 U.S.C. § 214.

² *See* Amendment, CV Broadband, CTC Communications, and CTC Virginia, WC Docket No. 03-191, (filed Sept. 8, 2003) (clarifying the status of CTC Communications and CTC Virginia as debtors-in-possession). Applicants have also filed a transfer of control application related to international services. Any action on this domestic section 214 application is without prejudice to Commission action on other related pending applications.

CV Broadband does not presently provide domestic or international telecommunications services.³ CV Broadband is a subsidiary of Columbia Ventures Corporation (CV Corp.), an investment and management company, and was organized for the purpose of acquiring control of CTC Communications. Kenneth D. Peterson, Jr. is the owner and Chief Executive Officer of CV Corp., an independent holding company with broad domestic and global interests in telecommunications and other industries. Mr. Peterson is also Manager and President of CV Broadband.

CTC Communications is a privately held corporation organized and existing under the laws of the Commonwealth of Massachusetts with principal offices located at 220 Bear Hill Road Waltham, MA 02451-1101. CTC Virginia is a Virginia public service corporation which is wholly-owned by CTC Communications. The CTC Operating Companies provide resold interexchange services throughout the continental United States but have no operations in Alaska or Hawaii. They also provide service as a competitive local exchange carrier on a resold and/or facilities-based basis in Connecticut, Delaware, District of Columbia, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont, Virginia, and West Virginia. Since October 3, 2002, the CTC Operating Companies have been operating under the protection of the Bankruptcy Court for the District of Delaware. CTC Communications is a wholly-owned, direct subsidiary of CTC Communications Group, Inc. (CTC Group), a publicly held Delaware Corporation with principal offices also located at 220 Bear Hill Road Waltham, MA 02451-1101. No entity currently owns a majority of CTC Group's outstanding voting common stock.

The Applicants propose to complete a series of transactions whereby CV Broadband will acquire CTC Group and therefore, indirectly, the CTC Operating Companies. In order to obtain Bankruptcy Court approval of and complete the proposed transactions, CTC Group, CV Corp. and CV Broadband have entered into an Investment Agreement dated as of August 6, 2003 (Agreement). The Agreement provides that CTC Group will file and execute a Plan of Reorganization (Plan) whereby the outstanding stock of CTC Group will be cancelled, debts and obligations of CTC Group and the CTC Operating Companies to existing creditors will be resolved and CTC Group will issue new shares of common stock to CV Broadband in return for a total purchase price of \$32 million. Upon consummation of the Plan and Agreement, CTC Group and the CTC Operating Companies will emerge from bankruptcy. Immediately following the consummation of the Plan, CTC Group will become a direct wholly-owned subsidiary of CV Broadband and the CTC Operating Companies will therefore become wholly-owned indirect subsidiaries of CV Broadband.

Applicants state that after closing of the proposed transaction, the CTC Operating Companies will continue to conduct operations in substantially the same manner in which those operations are currently conducted. Applicants maintain that immediately after the proposed

³ Letter from Jonathan S. Marashlian, Counsel for CV Broadband and Edward S. Quill, Jr., Counsel for CTC Communications and CTC Virginia to Marlene F. Dortch, Secretary, Federal Communications Commission WC Docket No. 03-191 (filed Sept. 5, 2003).

transactions are completed, customers of the CTC Operating Companies will continue to receive service under the same rates, terms and conditions that currently apply to those services. Thus, Applicants contend, the proposed transactions will be entirely transparent to customers served by the CTC Operating Companies in terms of the services that they receive. Applicants state that the proposed transactions are also not expected to materially change most of the current management team that oversees the operations of the CTC Operating Companies and that team is expected to continue to oversee the operations of the CTC Operating Companies both during and after the completion of the proposed transactions. Finally, Applicants argue that the transaction will benefit competition in the international and domestic interstate telecommunications markets by enabling the CTC Operating Companies to resume their growth as effective competitors in their respective markets.

GENERAL INFORMATION

The transfer of control 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.⁴ Unless otherwise notified by the Commission, Applicants are permitted to transfer control on the 31st day after the date of this notice.⁵ 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 e-mail to ecfs@fcc.gov, and should include the following words in the subject line "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 appears 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

⁴ *See* 47 C.F.R. § 63.03(a).

⁵ Such authorization is conditioned upon receipt of any other necessary approvals from the Commission in connection with the proposed transaction.

receiving U.S. Postal Service mail). The Commission's contractor, Vistrionix, 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: Tracey.Wilson-Parker@fcc.gov;
- (3) Dennis Johnson, Competition Policy Division, Wireline Competition Bureau, 445 12th Street, S.W., Room 6-A461, Washington, D.C. 20554; e-mail: Dennis.Johnson@fcc.gov;
- (4) Julie Veach, Competition Policy Division, Wireline Competition Bureau, 445 12th Street, S.W., Room 5-C124, Washington, D.C. 20554; e-mail: Julie.Veach@fcc.gov;
- (5) Imani Ellis-Cheek, Telecommunications Division, International Bureau, 445 12th Street, S.W., Room 6-A739, Washington, D.C. 20554; email: Imani.Ellis@fcc.gov;
- (6) Christopher Killion, Office of General Counsel, 445 12th Street, S.W., Room 8-C740, Washington, D.C. 20554; e-mail: Christopher.Killion@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 Dennis Johnson at (202) 418-0809.

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