



PUBLIC NOTICE

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

News Media Information 202 / 418-0500
Fax-On-Demand 202 / 418-2830
TTY 202 / 418-2555
Internet: <http://www.fcc.gov>
<ftp.fcc.gov>

DA 03-3129
Released: October 9, 2003

DOMESTIC SECTION 214 APPLICATION FILED FOR TRANSFER OF CONTROL OF VERESTAR, LLC AND VERESTAR NETWORKS, LLC FROM AMERICAN TOWER CORPORATION TO RARE MEDIUM GROUP, INC

STREAMLINED PLEADING CYCLE ESTABLISHED

WC Docket No. 03-215

On September 15, 2003, Verestar, Inc.; Verestar, LLC; Verestar Networks, Inc.; Verestar Networks, LLC; American Tower Corporation (American Tower); and Rare Medium Group, Inc. (Rare Medium) (collectively, the Applicants) filed an application, pursuant to sections 63.03 and 63.04 of the Commission's rules,¹ to transfer control of Verestar, LLC and Verestar Networks, LLC from American Tower to Rare Medium.²

Applicants assert that the proposed transaction is eligible for presumptive streamlined treatment under section 63.03(b)(1)(ii) because the transferee and its affiliates do not provide telecommunications services.

Verestar Networks, Inc. is a wholly-owned direct subsidiary of Verestar, Inc. Verestar, Inc. and Verestar Networks, Inc. each provide both facilities-based and resold domestic and international telecommunications services to customers in the United States. Verestar, Inc. is a direct wholly-owned subsidiary of American Tower. American Tower's primary business is constructing and leasing space on telecommunications towers. Other than the section 214 authorizations held by Verestar, Inc. and Verestar Networks, Inc., American Tower and its subsidiaries do not hold any section 214 authorizations.³

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

² Applicants have also filed transfer of control applications related to international and wireless services. Any action on this domestic section 214 application is without prejudice to Commission action on other related pending applications.

³ At one time, American Tower Systems, L.P. (now American Tower, L.P.), a subsidiary of American Tower, held a section 214 authorization to provide international telecommunications service. File No. ITC-T/C-

Verestar, Inc. will be converted into Verestar, LLC for the purpose of carrying out the transaction described herein. Initially, Verestar, LLC will exist as a wholly-owned direct subsidiary of American Tower. Following consummation of the proposed transfer of control, Verestar, LLC will exist as an indirect subsidiary of Rare Medium. Rare Medium's primary business is working with entrepreneurial satellite communications companies. Rare Medium will hold its interest in Verestar, LLC (amounting to 66.67 percent of Verestar, LLC) through its wholly owned subsidiary Verestar Manager, LLC. The remaining 33.33 percent interest in Verestar, LLC will be held by American Tower.

Verestar Networks, Inc. will be converted into Verestar Networks, LLC for the purpose of carrying out the transaction described herein. Verestar Networks, LLC will exist as a wholly-owned direct subsidiary of Verestar, LLC. Therefore, initially, Verestar Networks, LLC will exist as a wholly-owned indirect subsidiary of American Tower. Following consummation of the proposed transfer of control, Verestar Networks, LLC will exist as an indirect subsidiary of Rare Medium.

On August 29, 2003, American Tower, Verestar Manager, LLC, and Verestar, Inc. entered into a Securities Purchase Agreement (Agreement) pursuant to which Verestar Manager will acquire 66.67 percent of the membership interests of Verestar, LLC and American Tower will retain 33.33 percent of the membership interest of Verestar, LLC.⁴ Rare Medium has committed to make substantial funding available to Verestar, LLC in accordance with the terms of a Note Purchase and Revolving Credit Agreement. After the proposed transfer of control is consummated, Verestar, LLC and Verestar Networks, LLC will continue to operate as they had been operating.

The Applicants assert that the proposed transaction will serve the public interest by providing much needed funding to Verestar for it to continue providing service to its customers. In addition, Rare Medium will bring its experience working with entrepreneurial satellite communications companies to Verestar in order to expand the range of services Verestar provides its existing customers and to expand the customer base of Verestar. Without the many benefits that will flow from this transaction, Verestar may not be able to continue as a going concern. The Applicants further assert that the proposed transaction is expected to enhance competition in the telecommunications marketplace.

19980528-00353. On July 30, 1999, it notified the Commission of the *pro forma* assignment of the authorization to ATC Teleports, Inc. (now Verestar, Inc.). The notification was never processed by the Commission. On August 8, 2003, American Tower, L.P. and Verestar, Inc. asked the Commission to process the July 30, 1999 notification and informed the Commission of the name change from ATC Teleports, Inc. to Verestar, Inc.

⁴ Although American Tower will hold only a Warrant exercisable for 33.33 percent of the membership interests in the Verestar, LLC, the terms of the operating agreement for Verestar, LLC require that the parties treat that Warrant as exercised.

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.⁵ Unless otherwise notified by the Commission, Applicants are permitted to transfer assets on the 31st day after the date of this notice.⁶ 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 receiving U.S. Postal Service mail). The Commission's contractor, Natek, 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.

⁵ *See* 47 C.F.R. § 63.03(a).

⁶ Such authorization is conditioned upon receipt of any other necessary approvals from the Commission in connection with the proposed transaction.

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;
- (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: iellis@fcc.gov;
- (6) Jeffrey Tobias, Public Safety and Private Wireless Division, Wireless Telecommunications Bureau, 445 12th Street, S.W., Room 2-C828, Washington, D.C. 20554, e-mail: jtobias@fcc.gov;
- (7) Erin McGrath, commercial Wireless Division, Wireless Telecommunications Bureau, 445 12th Street, S.W., Washington, D.C. 20554; e-mail: Erin.Mcgrath@fcc.gov;
- (8) Christopher Killion, Office of General Counsel, 445 12th Street, S.W., Room 8-C740, Washington, D.C. 20554; e-mail: ckillion@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.

- FCC -