



# PUBLIC NOTICE

Federal Communications Commission  
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**DA 04-1076**  
**Released: April 22, 2004**

## DOMESTIC SECTION 214 APPLICATION FILED FOR TRANSFER OF CONTROL OF FAIRPOINT COMMUNICATIONS, INC.

### STREAMLINED PLEADING CYCLE ESTABLISHED

**WC Docket No. 04-149**

**Comments Due: May 6, 2004**

**Reply Comments Due: May 13, 2004**

On April 5, 2004, FairPoint Communications, Inc. (“FairPoint”) filed an application, pursuant to sections 63.03 and 63.04 of the Commission’s rules,<sup>1</sup> requesting approval to transfer control of domestic blanket Section 214 authorizations held by various subsidiaries from Thomas H. Lee Equity Fund, L.P. (“THL”), which currently exercises *de facto* control over FairPoint, in connection with a public offering of Income Deposit Securities (“IDSs”) in FairPoint.<sup>2</sup>

Applicants assert that this transaction is entitled to presumptive streamlined treatment pursuant to section 63.03(b)(2)(iii) of the Commission’s rules<sup>3</sup> because the proposed transfer would result in FairPoint’s subsidiaries having a market share in the interstate, interexchange market of less than 10 percent; FairPoint’s rural local exchange carrier (“RLEC”) subsidiaries have, in combination, fewer than two (2) percent of the subscriber lines installed in the aggregate nationwide; and the transaction would result in no new overlapping or adjacent service areas.<sup>4</sup>

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<sup>1</sup> 47 C.F.R. §§ 63.03, 63.04; *see also* 47 U.S.C. § 214.

<sup>2</sup> Applicants are also seeking consent to transfer control of authorization for international and wireless services. Any action on this domestic 214 application is without prejudice to Commission action on other related pending applications.

<sup>3</sup> 47 C.F.R. § 63.03(b)(2)(iii).

<sup>4</sup> *See* Letter from Gerard J. Duffy, Counsel for FairPoint Communications, Inc., to Marlene H. Dortch, Secretary, FCC, WC Dkt. No. 04-149 (filed Apr. 20, 2004).

FairPoint is a closely held Delaware corporation. THL, a Delaware limited partnership, currently controls approximately 43.0 percent of FairPoint's common stock and exercises *de facto* control over the company. FairPoint is the ultimate parent corporation of twenty-six (26) RLECs and eighteen (18) domestic long distance toll carriers ("IXCs"). FairPoint proposes to conduct a public offering whereby it will issue IDs, each of which will represent one share of FairPoint common stock and one senior subordinated note. The offering is expected to reduce THL's share of FairPoint's common stock from approximately 43.0 percent to approximately 12.5 percent. After completion of the public offering, about 68.0 percent of FairPoint's common stock will be held by public shareholders, which FairPoint expects will include individuals, mutual funds, pension funds and other institutional investors. The proposed transaction will have no impact on the geographic areas served or the services provided by FairPoint's twenty-six RLEC subsidiaries or its eighteen IXC subsidiaries.

Applicants assert that the proposed public offering will serve the public interest by reducing FairPoint's overall cost of capital and its reliance on debt financing. As a publicly traded company, applicants state, FairPoint will be able to raise additional financing at favorable rates, leaving it and its subsidiaries better positioned to compete vigorously and effectively in the telecommunications and information service 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 on or before May 6, 2004** and **reply comments on or before May 13, 2004**.<sup>5</sup> Unless otherwise notified by the Commission, Applicants are permitted to transfer control on the 31<sup>st</sup> day after the date of this notice.<sup>6</sup> 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

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<sup>5</sup> See 47 C.F.R. § 63.03(a).

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

Internet e-mail. To get filing instructions for e-mail comments, commenters should send e-mail to [ecfs@fcc.gov](mailto: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.

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

- (1) the Commission's duplicating contractor, Qualex International, 445 12<sup>th</sup> Street, S.W., Room CY-B402, Washington, D.C. 20554; e-mail: [qualexint@aol.com](mailto:qualexint@aol.com); facsimile: (202) 863-2898; phone: (202) 863-2893;
- (2) Tracey Wilson, Competition Policy Division, Wireline Competition Bureau, 445 12<sup>th</sup> Street, S.W., Room 5-C437, Washington, D.C. 20554; e-mail: [tracey.wilson-parker@fcc.gov](mailto:tracey.wilson-parker@fcc.gov);
- (3) Russell Hanser, Competition Policy Division, Wireline Competition Bureau, 445 12<sup>th</sup> Street, S.W., Room 5-A321, Washington, D.C. 20554; e-mail: [russell.hanser@fcc.gov](mailto:russell.hanser@fcc.gov);
- (4) Julie Veach, Competition Policy Division, Wireline Competition Bureau, 445 12<sup>th</sup> Street, S.W., Room 5-C124, Washington, D.C. 20554; e-mail: [julie.veach@fcc.gov](mailto:julie.veach@fcc.gov);
- (5) Susan O'Connell, Policy Division, International Bureau, 445 12<sup>th</sup> Street, S.W., Room 7-B544, Washington, D.C. 20554; email: [susan.o'connell@fcc.gov](mailto:susan.o'connell@fcc.gov); and
- (6) Christopher Killion, Office of General Counsel, 445 12<sup>th</sup> Street, S.W., Room 8-C740, Washington, D.C. 20554; e-mail: [chris.killion@fcc.gov](mailto:chris.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](mailto:qualexint@aol.com).

For further information, please contact Tracey Wilson, at (202) 418-1394, or Russell Hanser at (202) 418-0832.

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