



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 04-2873
Released: September 2, 2004

DOMESTIC SECTION 214 APPLICATION FILED FOR TRANSFER OF CONTROL OF GRANITE STATE LONG DISTANCE, INC., AND GRANITE STATE TELEPHONE, INC.

STREAMLINED PLEADING CYCLE ESTABLISHED

WC Docket No. 04-324

Comments Due: September 16, 2004
Reply Comments Due: September 23, 2004

On August 18, 2004, Granite State Long Distance, Inc. (“GSLD”), Granite State Telephone, Inc. (“GST”), Hobart G. Rand (“Transferor”), and Susan R. King, Christian H. Rand, Catherine R. Gherardi, and Frederick J. Coolbroth as Trustees¹ (jointly, “the Transferees”), filed an application pursuant to sections 63.03 and 63.04 of the Commission’s rules² requesting approval to transfer control of GSLD and GST.³

Applicants assert that this transaction is entitled to presumptive streamlined treatment under section 63.03(b)(2)(iii) of the Commission’s rules because the proposed transaction will

¹ Susan R. King is Family Trustee and Frederick J. Coolbroth is Independent Trustee of the Susan R. King Irrevocable Trust of 2000; Christian H. Rand is Family Trustee and Frederick J. Coolbroth is Independent Trustee of the Christian H. Rand Irrevocable Trust of 2000; and Catherine R. Gherardi is Family Trustee and Frederick J. Coolbroth is Independent Trustee of the Catherine R. Gherardi Irrevocable Trust of 2000. The role of the Independent Trustee is much more limited than that of the Family Trustee for each trust. The Independent Trustee is prohibited from exercising any authority or control with respect to stockholdings of the trusts except in rare circumstances as specified in the trust agreements. The Independent Trustee is aware of the need to request prior FCC consent to a transfer of control for any future voluntary transfer of control of GSLD or GST.

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

³ Applicants are also filing an application for 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.

result in the Transferees and their affiliates having less than 10% of the market share in the interstate, interexchange market. The transaction transfers control of an independent incumbent LEC that has fewer than 2% of the nation's subscriber lines installed in the aggregate, and its affiliated long distance reseller, and will result in no new overlapping or adjacent service areas.⁴

GST is a rural telephone company organized under New Hampshire law that provides local dial tone to approximately 10,800 access lines to rural communities in south central New Hampshire. Local dial tone is provided through four exchanges: Weare, Chester, Hillsborough Upper Village, and Washington. GSLD, a New Hampshire corporation, resells intrastate, interstate and international long distance toll services to households and businesses located within GST's local exchange areas.

Yankee Telecom, Inc. ("Yankee"), a New Hampshire corporation, owns 100% of the stock of GSLD, and owns 96.8% of the stock of GST.⁵ Transferor owns 79.3% of Yankee; the remaining interest in Yankee is divided equally among three irrevocable trusts, which are in turn controlled by Transferees.⁶ Each of the Transferees is a United States citizen, as are all of the beneficiaries of the subject trusts. The trusts are also organized under New Hampshire law.

The proposed transaction involves a change in the ownership of Yankee, such that Transferor's 79.3% stock interest in Yankee will be redeemed by Yankee, leaving its remaining current stockholders – i.e., Transferees – as the sole owners of Yankee, each with an equal ownership interest in Yankee. When the transaction is completed, Transferees will exercise ultimate control over GSLD and GST, in their capacities as trustees. None of the Transferees independently will hold a controlling interest in GSLD or in Granite State Telephone. The Transferees jointly will exercise control when the proposed transaction is completed.⁷ Transferees state that there will be no interruption of services to the public as the result of the proposed ownership change in Yankee. GSLD and GST will continue to operate as separate but affiliated companies, and will maintain separate books of accounts.

The Applicants assert that the proposed transfer of control is in the public interest because it will not impair competition in any local exchange or long distance toll markets. The Transferees plan no change in the non-regulated long distance services resold by GSLD, or in the regulated local exchange and exchange access services, rates or practices of GST, as a result of the proposed transaction. Separate accounts will be maintained for regulated local exchange service and for non-regulated long distance services by the separate companies

⁴ See 47 C.F.R. § 63.03(b)(2)(iii).

⁵ Yankee has made offers to purchase all of the outstanding minority interests in Granite State Telephone. As of the date this application was prepared, Yankee had purchased all but four of the outstanding shares which, in combination, amount to a 3.2% interest in Granite State Telephone.

⁶ See n.1, *supra*.

⁷ As indicated in their Domestic 214 application, footnote 1, *supra*, the role of the Independent Trustee, Frederick J. Coolbroth, is limited by the terms of each of the trust agreements.

involved. Upon completion of the proposed transaction, GSLD and GST will provide the same high quality telecommunications services as those companies currently offer. The proposed redemption of Transferor's stock in the manner planned will avoid the possibility that estate taxes due upon death will prevent transfer of his indirect ownership and control of GSLD and GST to the next generation of family members who are actively engaged in the companies' management.

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 September 16, 2004** and **reply comments on or before September 23, 2004**.⁸ Unless otherwise notified by the Commission, Applicants are permitted to transfer assets on the 31st day after the date of this notice.⁹ 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

⁸ See 47 C.F.R. § 63.03(a).

⁹ Such authorization is conditioned upon receipt of any other necessary approvals from the Commission in connection with the proposed transaction.

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, S.W., 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:

The Commission's duplicating contractor, Best Copy and Printing, Inc., 445 12th Street, SW, Room CY-B402, Washington, DC 20554, www.bcpweb.com; phone: (202) 488-5300 fax: (202) 488-5563;

- (1) Tracey Wilson, Competition Policy Division, Wireline Competition Bureau, 445 12th Street, S.W., Room 5-C212, Washington, D.C. 20554; e-mail: tracey.wilson-parker@fcc.gov;
- (2) Alex Johns, Competition Policy Division, Wireline Competition Bureau, 445 12th Street, S.W., Room 5-A321, Washington, D.C. 20554; e-mail: alexis.johns@fcc.gov;
- (3) 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;
- (4) Susan O'Connell, Policy Division, International Bureau, 445 12th Street, S.W., Room 7-B544, Washington, D.C. 20554; email: susan.o'connell@fcc.gov; and
- (5) James Bird, Office of General Counsel, 445 12th Street, S.W., Room 8-C824, Washington, D.C. 20554; e-mail: james.bird@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, the Commission's duplicating contractor, Best Copy and Printing, Inc., Portals II, 445 12th Street, SW, Room CY-B402, Washington, DC 20554, telephone: (202) 488-5300, fax: (202) 488-5563, or via e-mail www.bcpweb.com.

For further information, please contact Tracey Wilson, at (202) 418-1394, or Alex Johns at (202) 418-1167.

- FCC -