



PUBLIC NOTICE

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

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DA 04-356
Released: February 17, 2004

DOMESTIC SECTION 214 APPLICATION FILED FOR TRANSFER OF CONTROL OF TXU COMMUNICATIONS VENTURES AND ITS OPERATING SUBSIDIARIES

STREAMLINED PLEADING CYCLE ESTABLISHED

WC Docket No. 04-21

Comments Due: March 2, 2004
Reply Comments Due: March 9, 2004

On January 26, 2004, TXU Communications Telephone Company, TXU Communications Telecom Services Company, Fort Bend Telephone Company, and Fort Bend Long Distance Company (collectively, the "TXU Communications Companies") and Homebase Acquisition Texas Corp. (Homebase), pursuant to sections 63.03 and 63.04 of the Commission's rules,¹ requested that the Commission grant authority for transfer of control of TXU Communications Companies to Homebase.²

Applicants assert that this transaction is entitled to presumptive streamlined treatment pursuant to section 63.03(b)(2)(iii) of the Commission's rules because the proposed transaction would result in Homebase and its affiliates having a market share in the interstate, interexchange market of less than 10 percent; Homebase and its affiliates would provide competitive telephone exchange services or exchange access services exclusively in geographic areas served by a dominant local exchange carrier that is not a party to the transaction;³ and the Applicants are incumbent independent local exchange carriers that have, in combination, fewer than two percent

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

² Applicants are also filing an application for transfer of control associated with authorizations for international services. Any action on this domestic section 214 application is without prejudice to Commission action on other related pending applications.

³ Letter from John Adams, Counsel for TXU Communications Companies, to Marlene H. Dortch, Secretary, Federal Communications Commission, WC Docket No. 04-24 at Attach. (filed Feb. 4, 2004).

of the nation's subscriber lines installed in the aggregate nationwide and no overlapping or adjacent service areas.⁴

Each TXU Communications Company is a wholly-owned subsidiary of TXU Communications Ventures Company. TXU Communications Ventures Company is a wholly-owned subsidiary of Pinnacle One Partners, L.P. Pinnacle One Partners, L.P., in turn, is a wholly-owned subsidiary of TXU Corp., a Texas-based utilities holding company. The two ILECs subsidiaries of TXU Communications Ventures Company are: Fort Bend Telephone Company, an ILEC serving approximately 46,000 access lines in Fort Bend, Waller, Brazoria and Harris counties, offering a full range of local services, DSL, switched and special access, and non-regulated services; and TXU Communications Telephone Company, an ILEC serving approximately 122,000 access lines in two market areas of east Texas, offering a full range of local services, DSL, switched and special access, and non-regulated services. TXU Communications Telecom Services Company and Fort Bend Long Distance Company, also subsidiaries of TXU Communications Ventures Company, provide domestic and international long distance services to customers both within and beyond the service areas of their affiliated independent local exchange carriers (ILECs). They also provide competitive local exchange carrier services in the territories of Southwestern Bell and other ILECs in Texas.

Homebase is a wholly owned indirect subsidiary of Homebase Acquisition, LLC, a Delaware limited liability corporation. The distribution of equity ownership of Homebase Acquisition, LLC is: (1) one-third by Central Illinois Telephone, LLC; (2) one-third by Spectrum Equity Investors IV, L.P.; and (3) one-third by Providence Equity Partners IV, L.P. Homebase is also affiliated with: (1) Illinois Consolidated Telephone Company, an ILEC, which provides a full range of residential and business local exchange, switched and special access, custom calling, data and information services in 35 exchanges in central Illinois. Its largest exchanges are Mattoon, Charleston and Effingham serving approximately 14,900, 10,800, and 9,500 access lines, respectively; (2) Consolidated Communications Network Services, Inc., which provides domestic interexchange services in and near the Illinois Consolidated Telephone Company's local exchange service area; (3) Consolidated Communications Operator Services, Inc., which offers wholesale operator services throughout the United States; and (4) Consolidated Communications Public Services, Inc., which offers payphone calling services to inmate populations, primarily in Illinois.

On January 15, 2004, Pinnacle One Partners, LP and Homebase entered into the Stock Purchase Agreement whereby all issued and outstanding stock of TXU Communications Ventures Company is being conveyed to Homebase. Upon proposed consummation of the transaction, Homebase will be the party in ultimate control of TXU Communications Companies.

⁴ 47 C.F.R. § 63.03(b)(2)(i); *see* 47 C.F.R. § 63.03(b)(3) (“For purposes of (b)(1) and (2) of this paragraph, the terms ‘applicant,’ ‘carrier,’ ‘party,’ and ‘transferee’ (and their plural forms) include any affiliates of such entities within the meaning of section 3(1) of the Communications Act of 1934, as amended.”).

The Applicants assert that the proposed transaction would serve the public interest by ensuring continuity of service by the Transferor, under new corporate control. Applicants assert that the transfer of control will be transparent to Transferor's customers and will promote competition in the local exchange and domestic and international interexchange markets. Applicants assert that the Transferee is, through a subsidiary, a well managed and respected IXC in another part of the country and other affiliates of Transferee are domestic and international interexchange carriers. Applicants assert that the Transferee is well qualified to assume control of Transferor.

GENERAL INFORMATION

The transfer of control application 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 March 2, 2004** and **reply comments on or before March 9, 2004**.⁵ Unless otherwise notified by the Commission, Applicants are permitted to transfer 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

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.

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-Parker, 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) Gail Cohen, Competition Policy Division, Wireline Competition Bureau, 445 12th Street, S.W., Room 5-A103, Washington, D.C. 20554; e-mail: Gail.Cohen@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) 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-Parker at (202) 418-1394 or Gail Cohen at (202) 418-0939.

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