



PUBLIC NOTICE

Federal Communications Commission
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DA 05-1044
Released: April 8, 2005

DOMESTIC SECTION 214 APPLICATION FILED FOR TRANSFER OF CONTROL OF LIGHTSHIP TELECOM, LLC FROM LIGHTSHIP HOLDING, INC. TO CTC COMMUNICATIONS GROUP, INC.

STREAMLINED PLEADING CYCLE ESTABLISHED

WC Docket No. 05-165

Comments Due: April 22, 2005

Reply Comments Due: April 29, 2005

On March 24, 2005, Lightship Holding, Inc. (“Lightship Holding”) and CTC Communications Group, Inc. (“CTC Group”) (collectively the “Applicants”), pursuant to sections 63.03 and 63.04 of the Commission’s rules,¹ filed an application requesting authority to transfer control of Lightship Telecom LLC (“Lightship Telecom”) from Lightship Holding to CTC Group.²

Applicants assert that this transaction is entitled to presumptive streamlined treatment pursuant to section 63.03(b)(2)(i) of the Commission’s rules³ because (1) the proposed transaction would result in CTC Group (including its affiliates, as that term is defined in Section 3(1) of the Act) having a market share in the interstate, interexchange market of less than ten percent (10%); (2) CTC Group (including its affiliates) will provide competitive telephone exchange services or exchange access service (if at all) exclusively in areas served by a dominant local exchange carrier that is not a party to the proposed transaction and; (3) neither the Applicants nor any of their affiliates are regulated as dominant with respect to any service.

Lightship Holding, a Delaware corporation, is a holding company for its wholly-owned

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

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

³ 47 C.F.R. § 63.03(b)(2)(i).

subsidiary, Lightship Telecom. Lightship Telecom, a Delaware limited liability company, is a common carrier that provides voice, data, Internet, and related services to business customers in Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont. Lightship Telecom's services include local and long distance phone service, conference calling, voice mail, and calling cards; high-speed dedicated bandwidth, wide area networks, frame relay, and managed modem ports; high-speed dedicated Internet access, web hosting, email hosting, web-mail, email, domain hosting, and router management; dynamic bandwidth allocation; and collocation.

CTC Group is a corporation organized under the laws of Delaware and a holding company for CTC Communications Corp ("CTC"), a common carrier that provides integrated packages of communications services to medium and large businesses predominately in the northeast and mid-Atlantic regions.⁴ CTC Group is a wholly-owned subsidiary of Columbia Ventures Broadband LLC ("CVC Broadband"),⁵ a Washington state limited liability company, which is, in turn, a wholly-owned subsidiary of Columbia Ventures Corporation ("CVC"),⁶ a Washington state corporation. CVC is 100% owned by Mr. Kenneth D. Peterson, Jr., a U.S. citizen.⁷ Mr. Peterson is also Chairman of the Board of CTC, and Chief Executive Officer, Chairman and Founder of CVC.

On March 21, 2005, CTC Communications Acquisition Corp. ("Merger Sub"), CTC Group, and Lightship Holding entered into an Agreement and Plan of Merger (the "Merger Agreement"). The Merger Sub is a Delaware corporation and wholly-owned subsidiary of CTC Group that was incorporated for the sole purpose of entering into the Merger Agreement and consummating the proposed transaction. Pursuant to the Merger Agreement, Merger Sub will merge with and into Lightship Holding, with Lightship Holding being the surviving corporation and becoming a direct, wholly-owned subsidiary of CTC Group.

Applicants assert that the proposed Transaction of Lightship Telecom to CTC Group will serve the public interest, as American consumers will benefit from the operation of two strong competitive local exchange carriers (LECs) – Lightship Telecom and CTC – under one umbrella company, CTC Group. Lightship Telecom and CTC share a similar serving strategy, customer focus and market footprint. Moreover, the combination of Lightship Telecom and CTC under one umbrella company will not have a negative impact on competition. In the geographic

⁴ CTC operates in Connecticut, Delaware, District of Columbia, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont, Virginia, and West Virginia. In Virginia, CTC provides service through its wholly-owned subsidiary, CTC Communications of Virginia, Inc. ("CTC Virginia").

⁵ CVC Broadband is a holding company.

⁶ CVC owns and operates a portfolio of telecommunications companies and a small number of manufacturing businesses around the world. The Applicants add that neither CVC nor CVC Broadband provide telecommunications services.

⁷ The Applicants state that none of Mr. Peterson's ownership interests in telecommunications providers outside of CVC exceed 10 percent.

markets in which the operations of Lightship Telecom and CTC overlap (*i.e.*, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont), the combined market share of Lightship and CTC in the local service market is less than 5 percent. Furthermore, there are a number of other competitive LECs – including but not limited to XO, PAETEC, Conversent, Choice One, and TelCove – operating in each market, as well as the incumbent carrier, which in each market controls a substantial market share.

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 April 22, 2005** and **reply comments on or before April 29, 2005**.⁸ Unless otherwise notified by the Commission, Applicants are permitted to transfer the stock and related control 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

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.

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, 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;
- (2) Tracey Wilson-Parker 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;
- (3) Denise Coca, Competition Policy Division, Wireline Competition Bureau, 445 12th Street, S.W., Room 5-C260, Washington, D.C. 20554; e-mail: denise.coca@fcc.gov
- (4) Terri B. Natoli, Competition Policy Division, Wireline Competition Bureau, 445 12th Street, S.W., Room 5-C234, Washington, D.C. 20554; e-mail: terri.natoli@fcc.gov;
- (5) 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;
- (6) Jeffrey Tobias, Wireless Telecommunications Bureau, 445 12th Street, S.W., Room 3-A432, Washington, D.C. 20554; email: jeffrey.tobias@fcc.gov; and
- (7) 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, 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-Parker, at (202) 418-1394, or Denise Coca at (202) 418-0574.

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