



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 05-1596
Released: June 3, 2005

DOMESTIC SECTION 214 APPLICATION FILED FOR TRANSFER OF CONTROL OF LDMI TELECOMMUNICATIONS, INC., TO TALK AMERICA INC., AND TALK AMERICA HOLDINGS, INC.

STREAMLINED PLEADING CYCLE ESTABLISHED

WC Docket No. 05-200

Comments Due: June 17, 2005

Reply Comments Due: June 24, 2005

On May 25, 2005, LDMI Telecommunications, Inc. (“LDMI”), Talk America Inc. (“Talk America”), and Talk America Holdings, Inc. (“Talk Holdings,” and together with Talk America, “Talk”), (collectively, “Applicants”), filed an application, pursuant to sections 63.03 and 63.04 of the Commission’s rules,¹ requesting authority to transfer control of LDMI to Talk.²

Applicants assert that this transaction is entitled to presumptive streamlined treatment pursuant to section 63.03(b)(2)(i) of the Commission’s rules because, after consummation of the proposed transaction: (1) Talk will hold less than a 10% share of the interstate, interexchange market; (2) Talk will provide local exchange service only in areas served by dominant local exchange carriers, none of which are parties to the proposed transactions; and (3) neither Talk nor LDMI is dominant with respect to any service.³

LDMI, a privately-held Michigan corporation, is a facilities-based telecommunications company that provides local and long distance telephone service, and data services primarily to small and medium sized business customers in Michigan and Ohio.⁴ LDMI has no affiliates that

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).

⁴ LDMI is authorized to provide local and long distance telecommunications services in Illinois, Indiana, Michigan, Ohio, and Wisconsin, and long distance telecommunications services virtually nationwide. LDMI also

offer domestic telecommunications services. The following entities hold a ten percent or greater ownership interest in LDMI: WindTel Holdings, L.L.C., a Michigan limited liability company (18.3%); Primus Capital Fund IV Limited Partnership (“Primus”), a Delaware limited partnership (13.2%); PNC Capital Corp., a Delaware corporation (16.1%); and CID Equity Capital V, L.P., a Delaware limited partnership (10.3%).

Talk America is authorized to provide local and long distance telecommunications services virtually nationwide. Talk America, a Pennsylvania corporation, is a direct, wholly-owned subsidiary of Talk Holdings, a publicly-held Delaware corporation.⁵ No entity directly or indirectly owns 10% or more of the equity of Talk Holdings.

On May 23, 2005, the Applicants signed an Agreement and Plan of Merger providing for Talk America’s acquisition of all of the issued and outstanding capital stock of LDMI. Following completion of the proposed transaction, LDMI will be a direct, wholly-owned subsidiary of Talk America, which itself will remain a direct, wholly-owned subsidiary of Talk Holdings.⁶

Applicants assert that the proposed transaction will serve the public interest because the transfer of control will be generally transparent to customers and will not have any adverse impact on them. Applicants state that, post-consummation, LDMI will continue to operate under its same name and operating authorities. The transaction involves no change in the entity providing services to customers, the facilities used to provide such service, or the services, rates, terms, and conditions of such service. All existing tariffs will remain in place. In addition, Applicants expect that the transaction will increase competition in the telecommunications market by strengthening Talk’s position as a telecommunications carrier.

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 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**

has three (3) subsidiaries that do not conduct business in the United States and are not authorized to provide telecommunications services in any state: LDMI of Canada, Ltd. (a Canadian company holding a Class A License for the provision of International Telecommunications Services); LDMI of Ireland, Ltd. (an Irish company holding a General Telecommunications License); and LDMI of the U.K., Ltd. (a United Kingdom company holding an International Simple Voice Resale Standard License).

⁵ In addition to Talk America, Talk Holdings has two other subsidiaries that offer domestic telecommunications services: (1) Talk America of Virginia, Inc., which provides local and long distance services to customers in Virginia; and (2) The Other Phone Company, Inc., which provides local and long distance services to customers in the following states: Alabama, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, and Tennessee.

⁶ Closing of the proposed transaction is contingent upon receipt of necessary regulatory approvals.

on or before June 17, 2005 and reply comments on or before June 24, 2005.⁷ Unless otherwise notified by the Commission, this application will be deemed granted on the 31st day after the date of this notice.⁸ 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, 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:

- (1) The Commission's duplicating contractor, Best Copy and Printing, Inc., 445 12th Street, S.W., Room CY-B402, Washington, D.C. 20554; e-mail: www.bcpiweb.com; phone: 202-488-5300 fax: 202-488-5563;

⁷ See 47 C.F.R. § 63.03(a).

⁸ Such authorization is conditioned upon receipt of any other necessary approvals from the Commission in connection with the proposed transaction.

- (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) Adam Kirschenbaum, Competition Policy Division, Wireline Competition Bureau, 445 12th Street, S.W., Room 5-C211, Washington, D.C. 20554; e-mail: adam.kirschenbaum@fcc.gov;
- (4) Renee R. Crittendon, Competition Policy Division, Wireline Competition Bureau, 445 12th Street, S.W., Room 5-C311, Washington, D.C. 20554; e-mail: renee.crittendon@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; and
- (6) James Bird, Office of General Counsel, 445 12th Street, S.W., Room 8-C740, 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, D.C. 20554. They may also be purchased from the Commission's duplicating contractor, Best Copy and Printing, Inc., Portals II, 445 12th Street, S.W., Room CY-B402, Washington, D.C. 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 Adam Kirschenbaum at (202) 418-7280.

- FCC -