



PUBLIC NOTICE

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DA 05-1815
Released: June 27, 2005

DOMESTIC SECTION 214 APPLICATION FILED FOR TRANSFER OF CONTROL OF CALIFORNIA-OREGON TELECOMMUNICATIONS COMPANY TO LYNCH TELEPHONE CORPORATION XI

STREAMLINED PLEADING CYCLE ESTABLISHED

WC Docket No. 05-209

Comments Due: July 11, 2005

Reply Comments Due: July 18, 2005

On June 7, 2005, California-Oregon Telecommunications Company (“COTC”), and Lynch Telephone Corporation XI (“Lynch XI”), (collectively, “Applicants”), filed an application, pursuant to section 63.04 of the Commission’s rules,¹ requesting authority to transfer control of COTC, Cal-Ore Telephone Co., and Cal-Ore Long Distance, Inc., to Lynch XI.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.³ The Applicants assert that after the transaction, Lynch XI will have a market share in the interstate, interexchange market of less than 10%. The Applicants also assert that this application involves a simple transfer of control to a party that does not otherwise provide telecommunications service in California. The Applicants further assert that COTC and Lynch XI have fewer than 2% of the nation’s subscriber lines installed in the aggregate nationwide, and no overlapping or adjacent service areas are implicated by the subject transaction.

COTC, a California corporation, provides local exchange, exchange access and interexchange services in California through its wholly-owned subsidiaries, Cal-Ore Telephone Co.

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

² Applicants filed an amendment to their application supplying the Commission with additional information on June 21, 2005.

³ 47 C.F.R. § 63.03(b)(2)(iii).

(“Cal-Ore”) and Cal-Ore Long Distance, Inc. (“COLD”).⁴ Cal-Ore is a rural incumbent local exchange carrier in Northern California along the California-Oregon border. COLD is a reseller of long distance service to business and residential customers in Dorris, Macdoel, Tulelake, and Newell, California. Both Cal-Ore and COLD are California corporations. COTC is owned by several trusts controlled by Susan M. Graham, Elzy Joe Graham, Robert W. Edgar, Marion A. Edgar, Brian H. Edgar, Ava L. Edgar, Scott N. Edgar, Robert H. Edgar, and Tanya L. Edgar. Robert H. Edgar and Marion A. Edgar, as trustees of the Edgar Family Revocable Trust, hold 57.3% of the total issued and outstanding shares of preferred stock of COTC. The following shareholders each hold 10.6% of COTC’s issued and outstanding shares of preferred stock and 25% of the total issued and outstanding shares of common stock of COTC: (1) Elzy Joe Graham and Susan M. Graham, as trustees of the Elzy Joe Graham and Susan M. Graham Trust of 1997; (2) Robert W. Edgar; (3) Brian H. Edgar; and (4) Scott N. Edgar and Tanya L. Edgar, as trustees of the Scott N. Edgar and Tanya L. Edgar 2002 Revocable Trust. Each share of preferred stock and each share of common stock has one vote. As a result, Robert H. Edgar and Marion A. Edgar, as trustees of the Edgar Family Revocable Trust hold 55.5% of the voting shares of COTC. The shareholders and trustees are all U.S. citizens. No other person or entity holds a 10% or greater interest in COTC.

Lynch XI, a Delaware corporation, is not currently a telecommunications carrier. Lynch XI is a wholly-owned subsidiary of Brighton Communications Corporation (“Brighton”), a Delaware corporation. Brighton is wholly-owned by the telecommunications holding company Lynch Interactive Corporation (“Lynch Interactive”), a Delaware corporation. Mario J. Gabelli, a U.S. citizen, holds approximately 24% of Lynch Interactive’s outstanding common stock. MJG-IV Limited Partnership, a limited partnership of which Mr. Gabelli is the general partner, holds approximately 22.5% of Lynch Interactive. No other person or entity holds a 10% or greater interest in Lynch Interactive. Lynch Interactive and Brighton also own rural incumbent LECs in Iowa, Kansas, Michigan, New Hampshire, New Mexico, New York, North Dakota, Utah, and Wisconsin.⁵

On March 22, 2004, Lynch XI, Lynch Interactive, Brighton, COTC, and the Shareholders of COTC entered into a Stock Purchase Agreement. Pursuant to the Stock Purchase Agreement, COTC and COTC Shareholders will transfer to Lynch XI all of the issued and outstanding shares of common stock of COTC.

⁴ COTC’s other businesses include an Internet service provider, a competitive local exchange carrier that is planning to provide services in the surrounding area, and interests in certain cellular partnerships.

⁵ The 14 rural independent LECs are: (1) Bretton Woods Telephone Company, New Hampshire; (2) Central Scott Telephone Company, Iowa; (3) Central Utah Telephone Company, Utah; (4) Cuba City Telephone Exchange Company, Wisconsin; (5) Belmont Telephone Company, Wisconsin; (6) Dunkirk & Fredonia Telephone Company New York; (7) Skyline Telecom, Utah; (8) Haviland Telephone Company, Kansas; (9) Inter-Community Telephone Company, LLC, North Dakota; (10) J.B.N. Telephone Company, Kansas; (11) Upper Peninsula Telephone Company, Michigan; (12) Western New Mexico Telephone Company, New Mexico; (13) Bear Lake Communications, Inc., Utah; and (14) Cassadaga Telephone Corporation, New York.

Applicants assert that the proposed transaction will serve the public interest because there will be no reduction in the number of competitors or the level of competition in California as a result of the transfer of control. The Applicants do not expect the proposed transaction to have an immediate or substantial adverse effect on the service provided to customers in the affected California exchanges. They further state that the proposed transaction will cause no interruption in service to customers and that no existing service will be discontinued, reduced or impaired as a result of the sale.

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 on or before July 11, 2005** and **reply comments on or before July 18, 2005**.⁶ Unless otherwise notified by the Commission, this application will be deemed granted on the 31st day after the date of this notice.⁷ 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

⁶ See 47 C.F.R. § 63.03(a).

⁷ 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, 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.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-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, S.W., 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.

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