



# PUBLIC NOTICE

Federal Communications Commission  
445 12<sup>th</sup> Street, S.W.  
Washington, D.C. 20554

News Media Information 202 / 418-0500  
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Internet: <http://www.fcc.gov>  
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**DA 05-2227**  
**Released: July 29, 2005**

## **DOMESTIC SECTION 214 APPLICATIONS FILED FOR ACQUISITION OF ASSETS OF PT-1 COMMUNICATIONS, INC., AND PT-1 LONG DISTANCE, INC., TO STARTEC GLOBAL OPERATING COMPANY**

### **STREAMLINED PLEADING CYCLE ESTABLISHED**

**WC Docket No. 05-236**

**Comments Due: August 12, 2005**  
**Reply Comments Due: August 19, 2005**

On July 13, 2005, Startec Global Operating Company ("Startec"), PT-1 Communications, Inc., and PT-1 Long Distance, Inc. (collectively, "PT-1") (Startec and PT-1, together, the "Applicants") filed an application pursuant to sections 63.03 and 63.04 of the Commission's rules<sup>1</sup> requesting authority for PT-1 to transfer substantially all of its dial around business assets to Startec.<sup>2</sup>

Applicants assert that this transaction is entitled to presumptive streamlined treatment pursuant to sections 63.03(b)(2)(i) of the Commission's rules. The proposed transaction would result in the Startec and its affiliates having less than a 10% share of the interstate, interexchange market following the transfer of assets. Startec and its affiliates will also provide services exclusively in geographic areas served by dominant local exchange carriers that are not parties to this transaction. Finally, neither PT-1 nor Startec is dominant with respect to any service.<sup>3</sup>

PT-1 is composed of PT-1 Long Distance and PT-1 Communications, Inc. In addition, PT-1 Technologies, a wholly owned subsidiary of PT-1 Communications, Inc., is a party to the asset transfer agreement. PT-1 Long Distance provides "dial-around" or "10-10" service to

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

<sup>2</sup> 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

<sup>3</sup> 47 C.F.R. § 63.03(b)(2)(i).

casual users<sup>4</sup> primarily using the carrier access code (“CAC”) 1016868.<sup>5</sup> PT-1 Long Distance also has a small number of pre-subscribed customers in some areas (not part of the asset transfer described herein). PT-1 Communications, Inc., the parent company of PT-1 Long Distance, does not provide domestic interstate telecommunications service. PT-1 Technologies does not provide domestic interstate telecommunications services, however, it does provide pre-subscribed interexchange services to a small number of customers.<sup>6</sup>

Startec, a Delaware corporation, is a facilities-based provider of communications services, including voice, data and Internet access. Startec is a wholly owned subsidiary of Startec Global Communications Corporation, a Delaware corporation. The issued and outstanding shares of Startec Global Communications Corporation are held by Allied Capital Corporation (“Allied”) (68.5%), NTFC Capital Corporation (“NTFC”) (24%), and various other bankruptcy creditors, none of which hold greater than a 1% interest. Allied, a Maryland corporation, is a publicly traded company. No person or entity directly or indirectly owns 10% or more of the equity of Allied. NTFC, a Delaware corporation, is a wholly owned subsidiary of General Electric Capital Corporation (“GECC”), a Delaware corporation. GECC is a wholly owned subsidiary of General Electric Capital Services, Inc. (“GECS”), a Delaware corporation. GECS is a wholly owned subsidiary of the General Electric Company, a New York corporation. The General Electric Company is a publicly traded company. No single person or entity has more than a 10% direct or indirect ownership interest in the General Electric Company. Startec is also affiliated with Guam Cable Group, Inc., which provides service in Guam and the Commonwealth of the Northern Marianas Islands.

As a result of GECC’s ownership interest in Startec, Startec is also affiliated with other telecommunications companies offering domestic telecommunications services. GECC has approximately an 18% common equity ownership interest in KMC Telecom Holdings, Inc., the parent company of various KMC subsidiaries (KMC Telecom III, Inc., KMC Telecom V, Inc., and KMC Data LLC) that are authorized to provide local and long distance telecommunications services nationwide. Additionally, GECC is the sole member of Indiana Fiber Works LLC, a company that offers dark fiber in Indiana. It is also anticipated that GECC will have approximately a 14% limited voting common equity ownership interest in Choice One

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<sup>4</sup> The Application defines dial-around users as “casual users” in the sense that (i) they decide on a call-by-call basis whether to use the dial-around service; (ii) they do not have to subscribe in order to take advantage of the service; and (iii) they generally do not receive monthly bills directly from the dial-around provider. (Dial-around calls, if any, are routinely billed through the applicable local exchange carrier.) Thus, the Application argues that PT-1 does not have customers in the same sense as a traditional long distance company. *Application of Startec Global Operating Company and PT-1 Communications, Inc., PT-1 Long Distance, Inc. for Domestic Section 214 Authority to Transfer Assets*, at 2, n.4 (filed Jul. 13, 2005) (“Application”).

<sup>5</sup> PT-1 has three CACs assigned to it by the North American Numbering Plan Administration, including 1016868, all of which are being transferred to Startec pursuant to this proposed transaction.

<sup>6</sup> These customers are not among the assets being sold to Startec. PT-1 Technologies does not provide any interstate telecommunications services and therefore is not a party to this Application.

Communications, Inc. Choice One Communications, Inc. has several operating subsidiaries that offer voice and data services to business customers in 12 Midwest states.

PT-1 Communications, its two wholly owned subsidiaries, PT-1 LD and PT-1 Technologies, and Startec entered into an Asset Purchase Agreement on June 30, 2005 (“APA”), pursuant to which PT-1 agreed to sell substantially all of its assets and to transfer certain of its liabilities to Startec.<sup>7</sup> The assets to be transferred include substantially all of the assets of PT-1’s “dial-around” or “10-10” telecommunications operations, including PT-1’s assigned CACs (the “Acquired Assets”).

Applicants state that the proposed transaction will serve the public interest by enhancing competitive choices for telecommunications consumers. Specifically, the proposed transaction will benefit consumers by accelerating Startec’s ability to offer a broad range of domestic telecommunications products and services. The Applicants state that following the proposed transfer, any dial-around casual users will continue to receive services consistent with the quality of services currently provided by PT-1 that will be supported by Startec’s experienced and well-qualified management team. The rates for dial-around service will not increase, and may decrease after the proposed asset acquisition is completed.

### **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. Pursuant to sections 1.415 and 1.419 of the Commission’s rules, 47 CFR §§ 1.415, 1.419, interested parties may file **comments on or before August 12, 2005** and **reply comments on or before August 19, 2005**.<sup>8</sup> Unless otherwise notified by the Commission, Applicants are permitted to transfer the stock and related control on the 31<sup>st</sup> day after the date of this notice.<sup>9</sup> Comments may be filed using: (1) the Commission’s Electronic Comment Filing System (ECFS), (2) the Federal Government’s eRulemaking Portal, or (3) by filing paper copies. *See Electronic Filing of Documents in Rulemaking Proceedings*, 63 FR 24121 (1998).

- Electronic Filers: Comments may be filed electronically using the Internet by accessing the ECFS: <http://www.fcc.gov/cgb/ecfs/> or the Federal eRulemaking Portal: <http://www.regulations.gov>. Filers should follow the instructions provided on the website for submitting comments.

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<sup>7</sup> The parties also executed a Transition Services Agreement (“TSA”) pursuant to which Startec agrees to provide certain management services to PT-1, subject to PT-1’s direction and control.

<sup>8</sup> See 47 C.F.R. § 63.03(a).

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

- For ECFS filers, if multiple docket or rulemaking numbers appear in the caption of this proceeding, filers must transmit one electronic copy of the comments for each docket or rulemaking number referenced in the caption. In completing the transmittal screen, filers 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, filers should send an e-mail to [ecfs@fcc.gov](mailto:ecfs@fcc.gov), and include the following words in the body of the message, “get form.” A sample form and directions will be sent in response.
- Paper Filers: 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, filers 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). All filings must be addressed to the Commission’s Secretary, Office of the Secretary, Federal Communications Commission.

The Commission’s contractor will receive hand-delivered or messenger-delivered paper filings for the Commission’s Secretary at 236 Massachusetts Avenue, NE., Suite 110, Washington, DC 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, Express, and Priority mail should be addressed to 445 12<sup>th</sup> Street, SW, Washington DC 20554.

People with Disabilities: To request materials in accessible formats for people with disabilities (braille, large print, electronic files, audio format), send an e-mail to [fcc504@fcc.gov](mailto:fcc504@fcc.gov) or call the Consumer & Governmental Affairs Bureau at 202-418-0530 (voice), 202-418-0432 (tty).

**You may submit comments, identified by WC Docket 05-236, by any of the following methods:**

- Federal eRulemaking Portal: <http://www.regulations.gov>. Follow the instructions for submitting comments.
- Federal Communications Commission’s Web Site: <http://www.fcc.gov/cgb/ecfs/>. Follow the instructions for submitting comments.
- People with Disabilities: Contact the FCC to request reasonable accommodations (accessible format documents, sign language interpreters, CART, etc.) by e-mail: [FCC504@fcc.gov](mailto:FCC504@fcc.gov) or phone: 202-418-0530 or TTY: 202-418-0432.

**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](http://www.bcpweb.com); phone: (202) 488-5300 fax: (202) 488-5563;
- (2) Tracey Wilson-Parker, Competition Policy Division, Wireline Competition Bureau, 445 12<sup>th</sup> Street, S.W., Room 5-C212, Washington, D.C. 20554; email: [tracey.wilson-parker@fcc.gov](mailto:tracey.wilson-parker@fcc.gov);
- (3) Erin Boone, Competition Policy Division, Wireline Competition Bureau, 445 12<sup>th</sup> Street, S.W., Room 5-C347, Washington, D.C. 20554, email: [erin.boone@fcc.gov](mailto:erin.boone@fcc.gov);
- (4) Renee R. Crittendon, Competition Policy Division, Wireline Competition Bureau, 445 12<sup>th</sup> Street, S.W., Room 5-C311, Washington, D.C. 20554; e-mail: [renee.crittendon@fcc.gov](mailto:renee.crittendon@fcc.gov);
- (5) James Bird, Office of General Counsel, 445 12<sup>th</sup> Street, S.W., Room 8-C824, Washington, D.C. 20554; e-mail: [james.bird@fcc.gov](mailto: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](http://www.bcpweb.com).

For further information, please contact Tracey Wilson-Parker, at (202) 418-1394, or Erin Boone at (202) 418-0064.

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