



# PUBLIC NOTICE

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

News Media Information 202 / 418-0500  
Fax-On-Demand 202 / 418-2830  
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Internet: <http://www.fcc.gov>  
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**DA 05-2285**  
**Released: August 12, 2005**

## **DOMESTIC SECTION 214 APPLICATION FILED FOR ACQUISITION OF ASSETS OF CORECOM NEWCO, INC., TO FIRST COMMUNICATIONS LLC**

### **STREAMLINED PLEADING CYCLE ESTABLISHED**

**WC Docket No. 05-241**

**Comments Due: August 26 , 2005**  
**Reply Comments Due: September 2, 2005**

On July 15, 2004, First Communications LLC (“First Communications”) and CoreComm NewCo, Inc. (“CoreComm Newco”) (collectively, “Applicants”), filed an application, pursuant to sections 63.03 and 63.04 of the Commission’s rules,<sup>1</sup> requesting approval to assign certain assets of CoreCom Newco and certain subsidiaries<sup>2</sup> to First Communications.<sup>3</sup>

Applicants assert that this transaction is entitled to presumptive streamlined treatment under section 63.03(b)(2)(i) of the Commission’s rules because immediately following the proposed transaction: (1) First Communications (including its affiliates) will have a market share in the interstate, interexchange market of less than 10 percent, and will provide competitive services exclusively in areas served by a dominant local carrier that is not a party to the transaction; and (2) First Communications and CoreCom Newco (including their affiliates) are not currently dominant with respect to any domestic service, and will not become dominant with respect to any domestic service after consummation of the proposed transaction.<sup>4</sup>

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

<sup>2</sup> These subsidiaries are CoreComm Illinois, Inc., CoreComm Indiana, Inc., CoreComm Michigan, Inc., and CoreComm Wisconsin, Inc. Collectively, these subsidiaries with CoreComm Newco are referred to as “CoreComm Midwest.”

<sup>3</sup> Applicants have also filed an application for consent to transfer authorization for international services. Any action on this domestic 214 application is without prejudice to Commission action on other related pending applications.

<sup>4</sup> 47 C.F.R. § 63.03(b)(2)(i).

The ultimate parent company of CoreComm Newco is ATX Communications, Inc. (“ATX”), a Delaware holding company that does not provide telecommunications in any state. ATX’s indirect subsidiaries that operate under interstate domestic and international 214 authority are ATX Licensing, Inc. (“ATX Licensing”) and CoreComm Newco. ATX Licensing provides interstate and international telecommunications services in the District of Columbia, and all states except Alaska, South Dakota, and Wyoming. ATX Licensing also provides intrastate telecommunications services in all states except Alaska, South Dakota, Virginia, and Wyoming. ATX Licensing’s subsidiary that provides intrastate telecommunications services in Virginia is ATX Telecommunications Services of Virginia, LLC. The operating subsidiaries of ATX, including CoreComm Midwest, are facilities-based integrated communications providers, offering voice, data, wireless, Internet, and e-business services to business and residential customers in Illinois, Indiana, Michigan, Ohio, and Wisconsin.<sup>5</sup> CoreComm Midwest provides telecommunications services primarily on a resale basis using facilities and switches that are owned and operated by other telecommunications carriers, as well as on a facilities basis using facilities owned and operated by CoreComm.

On January 15, 2004, ATX and its subsidiaries filed voluntary petitions for relief under Chapter 11 of Title 11 of the United States Bankruptcy Code. As part of its restructuring, ATX filed with the Commission an application for approval for transfer of control of ATX’s authorized U.S. international and domestic carrier subsidiaries to Leucadia National Corporation. The transaction was approved by the Commission in April 2005,<sup>6</sup> and Leucadia currently holds 95% of the equity of ATX.

First Communications, an Ohio limited liability company, provides local, private line, and long distance services to both business and residential customers in several states in the U.S. Currently, First Communications provides telecommunications services to customers located primarily in Ohio, Michigan, Indiana, Illinois, Pennsylvania, and Florida. In addition to traditional local and long distance services, First Communications offers toll-free services, conference calling packages, calling cards, prepaid calling cards, Internet access, and dedicated and private line services. First Communications’ telecommunications services are provided primarily on a resale basis using facilities and switches that are owned and operated by other telecommunications carriers. The following entities, all having U.S. citizenship, hold a 10% or greater equity ownership interest in First Communications: McKinley Communications, LLC (51%); First Energy Corp. (31.85%); and Boich Investment Group, Ltd. (17.15%). Marbel Investments, LLC, a U.S. entity, holds an 80% ownership interest and control of McKinley Communications, LLC. Marbel Investments, LLC is owned in equal shares by the following people, all U.S. citizens: Marsh Belden, Timothy Belden, Susan Belden, and Katherine Belden.

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<sup>5</sup> See First Communications LLC, Assignee, CoreComm Newco, Inc., Assignor, Application for Consent to Assign Certain Assets of a Company Holding an International Authorization and a Blanket Domestic Authorization Pursuant to Section 214 of the Communications Act of 1934, as Amended, *Amendment 1 to the Application*, WC Docket No. 05-241, filed August 9, 2005.

<sup>6</sup> See Notice of Streamlined Domestic Section 214 Application Granted, *Public Notice*, WC Docket No. 05-92, DA 05-1120 (rel. Apr. 22, 2005).

Wayne Boich, Sr., a U.S. citizen, holds 100% of the ownership interest in Boich Investment Group, Ltd. No other shareholder of McKinley Communications, LLC or First Energy Corp. holds a 10% or great ownership interest in First Communications.

On June 17, 2005, First Communications and ATX reached an Agreement providing for First Communications' acquisition of substantially all of the assets of CoreComm Midwest located in Illinois, Indiana, Michigan, Ohio, and Wisconsin, including customer lists, working capital (including accounts receivable), and switching equipment, but not including any section 214 authorizations. At the close of the proposed transaction, First Communications will provide local and long distance telecommunications services to the CoreComm Midwest customers directly pursuant to its own section 214 authorizations.

Applicants assert that the proposed transaction will serve the public interest. They state that the proposed transfer of customers to First Communications will have no adverse impact on CoreComm MidWest's customers, who will continue to receive their existing services at the same rates, terms, and conditions that they had prior to the transfer and any future changes in the rates, terms, and conditions of service will be made consistent with Commission requirements. To ensure a seamless transition and avoid customer confusion or inconvenience, First Communications will provide advance written notice to the affected customers at least 30 days prior to the transfer, explaining the change in service provider in accordance with applicable Commission and state requirements for changing a customers' presubscribed carrier. Applicants state the proposed transaction is not expected to result in any loss or impairment of service to any of the CoreComm Midwest customers. At the same time, the proposed transfer of assets does not present any anticompetitive issues. The Applicants emphasize that, following the proposed transfer, the former CoreComm Midwest customers will continue to receive services from an experienced and qualified carrier, whose services will be consistent with the quality of services currently provided by CoreComm Midwest.

### **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 , 2005** and **reply comments on or before August , 2005.**<sup>7</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>8</sup> Comments may be filed using: (1) the Commission's Electronic Comment Filing System (ECFS), (2) the Federal Government's

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<sup>7</sup> See 47 C.F.R. § 63.03(a).

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

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.
- 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, 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, Express, and Priority mail should be addressed to 445 12th Street, S.W., Washington D.C. 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 05-241, 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/ecg/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, S.W., Room CY-B402, Washington, D.C. 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 12th Street, S.W., Room 5-C212, Washington, D.C. 20554; email: [tracey.wilson-parker@fcc.gov](mailto:tracey.wilson-parker@fcc.gov);
- (3) Adam Kirschenbaum, Competition Policy Division, Wireline Competition Bureau, 445 12<sup>th</sup> Street, S.W., Room 5-C211, Washington, D.C. 20554; email: [adam.kirschenbaum@fcc.gov](mailto:adam.kirschenbaum@fcc.gov);
- (4) Renée 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](mailto: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](mailto:susan.o'connell@fcc.gov); and
- (6) James Bird, Office of General Counsel, 445 12th 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, 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](http://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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