



PUBLIC NOTICE

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DA 05-2971
November 16, 2005

DOMESTIC AUTHORIZATION GRANTED

Application for Transfer of Control of Gridley Telephone Company, Gridley Communications, Inc., and Gridley Enterprises, Inc., to Mail Holdings, Inc.

WC Docket No. 05-250

By the Chief, Wireline Competition Bureau:

On July 27, 2005, Mail Holdings, Inc. (“Holdings”), along with Gridley Telephone Company (“GTC”), Gridley Communications, Inc. (“GCI”), and Gridley Enterprises, Inc. (“GEI”; together with GTC and GCI, “Gridley”) (Holdings and Gridley are the “Applicants”), filed an application pursuant to section 63.04 of the Commission’s rules¹ requesting authority to transfer control of Gridley to Holdings.²

The Commission released a public notice accepting this application for streamlined processing on September 1, 2005. On September 15, 2005, the Department of Homeland Security, with the concurrence of the Department of Justice, including the Federal Bureau of Investigation (collectively, the “Executive Branch Agencies”) filed with the Commission a letter requesting that the Commission defer grant of this application while the Executive Branch Agencies address potential national security, law enforcement, and public safety issues.³ On November 10, 2005, the Executive Branch Agencies withdrew their September 15, 2005 request to defer action on the application noting that they have no objection to the application.⁴

The Wireline Competition Bureau finds, upon consideration of the record, that grant of the Application will serve the public interest, convenience, and necessity. Upon consummation

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

² On August 25, 2005, Holdings’s counsel filed a supplement to its application.

³ *See* Letter from Tina W. Gabbrielli, Director of Intelligence Coordination and Special Infrastructure Protections Programs, Office of Infrastructure Protection, U.S. Department of Homeland Security, to Marlene H. Dortch, FCC, WC Docket No. 05-250 & IB File No. ITC-T/C-20050805-00319 (filed Sept. 15, 2005).

⁴ *See* Letter from Laura H. Parsky, Deputy Assistant Attorney General, United States Department of Justice, to Marlene H. Dortch, FCC, WC Docket No. 05-250 & IB File No. ITC-T/C-20050805-00319 (filed Nov. 10, 2005).

of the transaction, Holdings, together with all of its affiliates, will have a market share in the interstate, interexchange market of less than 10 percent, and will provide competitive telephone exchange services or exchange access services exclusively in geographic areas served by a dominant local exchange carrier that is not a party to the transaction. In addition, Dialog Telecommunications, a non-dominant carrier, provides services exclusively outside the geographic area where the dominant carrier, GTC, is dominant. Also, the Applicants and Holdings' affiliates, Georgetown Telephone Company, Oregon Farmers Mutual Telephone Company, Pymatuning Telephone Company, and S&A Telephone Company (and future affiliate, Waverly Hall Telephone, LLC), have fewer than two percent of the nation's subscriber lines and there are no overlapping or adjacent service areas.

Consistent with Commission precedent, the Bureau accords the appropriate level of deference to the Executive Branch Agencies' expertise on national security and law enforcement issues.⁵ Therefore, pursuant to section 214 of the Communications Act of 1934, as amended, 47 U.S.C. § 214, and section 0.291 of the Commission's rules,⁶ the Wireline Competition Bureau hereby grants the Application discussed in this Public Notice.

Pursuant to section 1.103 of the Commission's rules, the grant is effective upon release of this Public Notice.⁷ Petitions for reconsideration under section 1.106 or applications for review under section 1.115 of the Commission's rules may be filed within 30 days of the date of this Public Notice.⁸

For further information, please contact Adam Kirschenbaum at (202) 418-7280.

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⁵ The Commission considers national security, law enforcement, foreign policy, and trade policy concerns when analyzing a transfer of control or assignment application in which foreign ownership is an issue. *See Amendment of the Commission's Regulatory Policies to Allow Non-U.S. Licensed Satellites Providing Domestic and International Service in the United States*, Report and Order, 12 FCC Rcd 24094, 24170-72, paras. 178-182 (1997); *Rules and Policies on Foreign Participation in the U.S. Telecommunications Market*, Report and Order and Order on Reconsideration, 12 FCC Rcd 23891, 23919-921, paras. 61-66 (1997) ("*Foreign Participation Order*"), Order on Reconsideration, 15 FCC Rcd 18158 (2000). In assessing the public interest, the Commission considers the record and accords the appropriate level of deference to Executive Branch expertise on national security and law enforcement issues. *See Foreign Participation Order*, 12 FCC Rcd at 23919-921, paras. 61-66.

⁶ 47 C.F.R. § 0.291.

⁷ *See* 47 C.F.R. § 1.103.

⁸ *See* 47 C.F.R. §§ 1.106, 1.115.