



PUBLIC NOTICE

Federal Communications Commission
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DA 06-1336
Released: June 28, 2006

DOMESTIC SECTION 214 APPLICATION FILED FOR TRANSFER OF CONTROL OF UNITE COMMUNICATIONS SYSTEMS, INC. TO MJD SERVICES CORP.

STREAMLINED PLEADING CYCLE ESTABLISHED

WC Docket No. 06-112

Comments Due: July 12, 2006
Reply Comments Due: July 19, 2006

On June 6, 2006, Unite Communications Systems, Inc. (“Unite”), the parent company of ExOp of Missouri, Inc. dba Unite (“ExOp”), and MJD Services Corp. (“MJD,” together “Applicants”) filed an application pursuant to sections 63.03 and 63.04 of the Commission’s rules¹ seeking authority to transfer control of Unite from its common stockholders, Kevin M. Anderson, Ronald C. Reckrodt, Jeffrey S. Ingram, and Dennis R. Devoy (collectively, the “Stockholders”), to MJD.

Applicants assert that this transaction is entitled to presumptive streamlined treatment under section 63.03(b)(2)(ii) of the Commission’s rules because: (a) upon completion of the proposed transaction, the Applicants will continue to have less than ten percent market share in the interstate, interexchange market; (b) the transferee is currently providing local exchange service only in areas served by a dominant local exchange carrier that is not a party to the transaction and will continue to do so after the transaction is completed; and (c) the transaction involves a dominant carrier (MJD and its affiliates) and a nondominant carrier (ExOp) that provides services exclusively outside the geographic area where the dominant carrier is dominant²

ExOp, a Missouri corporation, is a competitive local exchange carrier that provides facilities-based voice, video and data services (including local exchange service, exchange access services, long distance toll services, and Internet access services) in and around Kearney and Platte City, Missouri pursuant to a domestic blanket Section 214 authorization. Kearney, Missouri is a small city located in Clay County in northwestern Missouri, about 24 miles northeast of Kansas City. Platte City, Missouri is a small city located in Platte County in northwestern Missouri, about 19 miles northwest of Kansas City. Sprint Missouri, Inc is the incumbent local exchange carrier in both Kearney and Platte City.

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

² 47 C.F.R. § 63.03(b)(2)(ii).

Unite, ExOp's parent company, a Missouri corporation, is a holding company that does not presently provide any domestic telecommunications services. The Stockholders also own Unite Private Networks, LLC ("UPN"), a private carrier that provides point-to-point services to schools and libraries in Missouri, Kansas, Nebraska, Colorado, and other portions of the Midwest in conjunction with the Universal Service Fund's Schools and Libraries Program. UPN is not included in the proposed transaction and will remain under the ownership and control of the Stockholders.

All shares of ExOp are owned by Unite. All shares of Unite are held by four U.S. citizens: Kevin M. Anderson (25%), Ronald C. Reckrodt (25%), Jeffrey S. Ingram (25%), and Dennis R. Devoy (25%).

MJD and its parent company, FairPoint Communications, Inc, both Delaware corporations, own twenty-eight local exchange telephone companies in seventeen states.³ Together with various long distance toll affiliates, these local exchange carriers provide local exchange and exchange access services, long distance voice and data services, Internet and broadband offerings, enhanced calling features, digital

³ These companies, their serving areas, and states of incorporation are: (1) Bentleyville Communications Corporation, serving Washington County in southwestern PA, incorporated in PA; (2) Berkshire Telephone Corporation, serving five communities in Columbia County, NY, incorporated in NY; (3) Big Sandy Telecom, Inc, serving Big Sandy, including Elbert, El Paso, and Lincoln Counties, CO, incorporated in DE; (4) Bluestem Telephone Company, serving Americus, Cedar Point, Chalk, Lake Kahola, and Saffordville, KS, incorporated in DE; (5) Chautauqua and Erie Telephone Corporation, serving communities in the northwestern corner of Chautauqua County, NY; incorporated in NY; (6) China Telephone Company, serving three small communities in central ME, incorporated in ME; (7) Chouteau Telephone Company, serving Chouteau, Cedar Crest, and Peggs, OK, incorporated in OK; (8) Columbine Telecom Company, serving parts of Alamosa and Saguache Counties, including towns of Crestone, Hooper, Moffa, and Mosca, CO, incorporated in DE; (9) The Columbus Grove Telephone Company, serving Putnam and Allen Counties in northwest OH, incorporated in OH; (10) Community Service Telephone Co., serving seven communities in the Augusta, ME area, incorporated in ME; (11) C-R Telephone Company, serving towns of Cornell and Ransom, IL, incorporated in IL; (12) The El Paso Telephone Company, serving McLean and Wofford Counties, including El Paso, Panola, and Kappa, IL, incorporated in IL; (13) Ellensburg Telephone Company, serving central Washington, including the communities of Ellensburg, Selah, Kittitas, Thorp, Vantage, and Lauderdale, incorporated in WA; (14) Fremont Telcom Co., serving all of Fremont County and part of Madison County, ID, incorporated in ID; (15) GTC, Inc. d/b/a GT Com, serving northwest FL, southern GA, and southern AL, incorporated in FL; (16) Maine Telephone Company, serving four communities on the northeast tip of Sebago Lake, ME, incorporated in ME; (17) Marianna and Scenery Hill Telephone Company, serving Marianna, Scenery Hill, Cokesburg, Ten Mile, Deenston, and Lone Pine, PA, incorporated in PA; (18) Northland Telephone Company of Maine, Inc., serving 23 communities in central Maine and New Hampshire, incorporated in ME; (19) Odin Telephone Exchange, Inc., serving Odin, Shobonier, Martinsville, and Oblong, IL, incorporated in IL; (20) The Orwell Telephone Company, serving nine exchanges in eastern and western OH, incorporated in OH; (21) Peoples Mutual Telephone Company, serving northern Pittsylvania County, VA, incorporated in VA; (22) Sidney Telephone Company, serving Sidney and central Kennebec County, ME, incorporated in ME; (23) Standish Telephone Company, serving 5 communities in southwest Cumberland County, ME, incorporated in ME; (24) STE/NE Acquisition Corp., d/b/a Northland Telephone Company of Vermont, serving eight communities in central and northeastern VT, incorporated in DE; (25) Sunflower Telephone Company, Inc., serving western KS and eastern Colorado, incorporated in KS; (26) Taconic Telephone Corp., serving portions of Columbia, Rensselaer, Dutchess Counties in NY and Berkshire County in MA, incorporated in NY; (27) Yates City Telephone Company, serving Knox County in IL, incorporated in IL; and (28) YCOM Networks, Inc., serving parts of rural Thurston and Pierce Counties in WA, including Yelm and Ranier, incorporated in WA.

subscriber line services, Internet access, advanced data services, and cable television services. MJD and its affiliates presently do not provide domestic telecommunications services in Missouri. However, affiliates of MJD, FairPoint Communications Missouri, Inc., and ST Long Distance, Inc. d/b/a FairPoint Communications Long Distance, have filed an application in WC Docket No. 06-64 to acquire substantially all of the telephone properties and related assets of Cass County Telephone Company, Limited Partnership and the interstate long distance assets of LEC Long Distance, Inc. d/b/a CassTel Long Distance.⁴ When this transaction is completed, MJD's affiliates will acquire six exchanges in Cass County, Missouri and two exchanges in Miami County, Missouri. The Cass companies' service areas and the ExOp service area are approximately 45 to 50 miles apart, and are neither overlapping nor adjacent.

MJD, is a wholly-owned subsidiary of FairPoint Communications, Inc. The following entities own a 10 percent or greater equity interest in FairPoint Communications, Inc.: Thomas H. Lee Equity Fund IV, L.P., a Delaware limited partnership (11.35%); and Wellington Management Company, L.L.P., a Massachusetts limited liability partnership (14%). The general partner of Thomas H. Lee Equity Fund IV, L.P. is THL Equity Advisors, IV, LLC. In turn, Thomas H. Lee Partner, LP, controls THL Equity Advisors, IV, LLC. Kent R. Weldon, a U.S. citizen, is the Managing Director of Thomas H. Lee Partners, LP. Perry Traquina, a U.S. citizen, serves as the President, Chief Executive Officer, and Managing Partner of Wellington Management Company, LLP, which is a private limited liability partnership engaged in the business of investment management.

The proposed transfer of control consists of the purchase by MJD of all of the issued and outstanding stock of Unite from the Stockholders. As a result, MJD will also gain control of ExOp and the domestic blanket section 214 authorization pursuant to which ExOp provides competitive local exchange and interexchange services.

The Applicants state that the transfer of control from the Stockholders to MJD will serve the public interest. They assert that the transaction will enable ExOp to gain the benefit of FairPoint's experience and knowledge regarding the provision of telecommunications services in rural areas, to improve its access to capital markets and affordable financing, and to achieve cost savings and scale economies that will help it to compete more vigorously and effectively with Sprint Missouri, Inc., the incumbent local exchange carrier serving Kearney and Platte City, Missouri.

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 July 12, 2006** and **reply comments on or before July 19, 2006**.⁵ Unless otherwise notified by the Commission, Applicants are

⁴ *Domestic Section 214 Application Filed for the Acquisition of Assets of County Telephone Company, Limited Partnership and LEC Long Distance, Inc. d/b/a Casstel Long Distance By FairPoint Communications Missouri, Inc., FairPoint Communications, Inc., and ST Long Distance, Inc. d/b/a FairPoint Communications Long Distance*, WC Docket No. 06-64, Public Notice (rel. June 1, 2006).

⁵ See 47 C.F.R. § 63.03(a).

permitted to transfer the assets and related control on the 31st day after the date of this notice.⁶ 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.
- 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, 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 or call the Consumer & Governmental Affairs Bureau at 202-418-0530 (voice), 202-418-0432 (tty).

You may submit comments, identified by the above noted docket number, 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.

⁶ Such authorization is conditioned upon receipt of any other necessary approvals from the Commission in connection with the proposed transaction.

- People with Disabilities: Contact the FCC to request reasonable accommodations (accessible format documents, sign language interpreters, CART, etc.) by e-mail: 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; phone: (202) 488-5300 fax: (202) 488-5563;
- (2) Cecilia Seppings, Competition Policy Division, Wireline Competition Bureau, 445 12th Street, S.W., Room 5-C230, Washington, D.C. 20554; email: Cecilia.seppings@fcc.gov;
- (3) Gail Cohen, Competition Policy Division, Wireline Competition Bureau, 445 12th Street, S.W., Room 5-C111, Washington, D.C. 20554; e-mail: gail.cohen@fcc.gov; and
- (4) Jim Bird, Office of General Counsel, 445 12th Street, S.W., Room 8-C824, Washington, D.C. 20554; e-mail: jim.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 Cecilia Seppings at (202) 418-1588, or Gail Cohen at (202) 418-0939.

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