



PUBLIC NOTICE

Federal Communications Commission
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DA 06-2330

Released: November 17, 2006

**DOMESTIC SECTION 214 APPLICATION FILED FOR THE ACQUISITION OF CERTAIN
ASSETS OF MCLEODUSA TELECOMMUNICATIONS SERVICES, INC. TO JB AND SG
COMMUNICATIONS, LLC**

STREAMLINED PLEADING CYCLE ESTABLISHED

WC Docket No. 06-207

Comments Due: December 1, 2006

Reply Comments Due: December 8, 2006

On November 6, 2006, McLeodUSA Telecommunications Services, Inc. (“McLeod”) and JB and SG Communications, LLC (“JB/SG Communications” or Transferee), (collectively, “Applicants”), filed an application, pursuant to section 63.04 of the Commission’s rules,¹ requesting authority for McLeod to sell certain Iowa assets, including certain customer accounts, to JB/SG Communications.²

Applicants assert that this transaction is entitled to presumptive streamlined treatment under 63.03(b)(2)(i) of the Commission’s rules because, immediately following the transaction, (1) Transferee will hold less than a ten percent share of the interstate, interexchange market; (2) Transferee will provide local exchange service only in areas served by dominant local exchange carriers (none of which is a party to the proposed transaction) and; (3) none of the Applicants or their affiliates is dominant with respect to any service.³

McLeod, an Iowa corporation, provides integrated communications services, including local services, primarily in 25 Midwest, Southwest, Northwest, and Rocky Mountain states. McLeod is a wholly owned subsidiary of McLeod USA Holdings, Inc., which, in turn, is a wholly owned subsidiary of McLeodUSA Incorporated. The McLeod assets involved in this

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

² Applicants are also filing an application 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. On November 16, 2006, the Applicants filed a supplement to their original domestic application. *See* Letter from Jean L. Kiddo and Danielle C. Burt, Counsel to JB/SG Communications, to Marlene H. Dortch, Secretary, Federal Communications Commission, WC Docket No. 06-207 (filed Nov. 16, 2006).

³ 47 C.F.R. § 63.03(b) (2) (i).

application are certain Iowa assets, including the Cedar Rapids and Marion customer base and related network facilities.

JB/SG Communications is a newly-formed limited liability company under the laws of the State of Iowa. JB/SG Communications has applied for authority to operate in Iowa and does not currently provide telecommunications services in any state. The following entities own or control 10 percent or more of JB/SG Communications: (1) Stephen C. Gray, a U.S. citizen (11%); and (2) Jeffrey D. Benjamin, a U.S. citizen (40%). The Applicants state that no other persons or entities will directly or indirectly own 10 percent or greater direct or indirect interest in JB/SG Communications. The Applicants further state that Stephen C. Gray does not have a 10 percent or greater direct interest in any other telecommunications carrier. The Applicants also state that Jeffrey D. Benjamin is a Director of NTL Incorporated, the largest cable company in the United Kingdom, and that he has no direct interest of 10 percent or greater in any other telecommunications carriers.

The Application seeks Commission consent to transfer certain telecommunications assets, including McLeod's Cedar Rapids and Marion, Iowa customer base and related assets required to serve those customers. As a result of the proposed transaction, JB/SG Communications will replace McLeod as the service provider to these customers and will continue to provide service under the current rates, terms, and conditions. JB/SG Communications will offer domestic interstate services pursuant to blanket Section 214 authority. McLeod will continue to offer service to other existing customers in Cedar Rapids, Marion, Iowa, and elsewhere and is not seeking to assign its existing Section 214 authority.

The Applicants state that this transaction is in the public interest because it will ensure these customers enjoy continuity of high-quality telecommunications service. Additionally, the Applicants state that the transaction will be virtually transparent to customers because the rates, terms and conditions of service will not change as a result of the transfer.

GENERAL INFORMATION

The transfer of assets 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 December 1, 2006** and **reply comments on or before December 8, 2006**.⁴ Unless otherwise notified by the Commission, Applicants are permitted to transfer the assets and related control on the 31st day after the date of this notice.⁵ Comments may be filed using: (1) the Commission's Electronic Comment Filing System (ECFS), (2) the

⁴ See 47 C.F.R. § 63.03(a).

⁵ Such authorization is conditioned upon receipt of any other necessary approvals from the Commission in connection with the proposed transaction.

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.
- 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-A103, 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; email: gail.cohen@fcc.gov;
- (4) 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
- (5) James Bird, Office of General Counsel, 445 12th Street, S.W., Room 8-C824, 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 CYB402, 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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