



PUBLIC NOTICE

Federal Communications Commission
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DA 06-309

Released: February 7, 2006

DOMESTIC SECTION 214 APPLICATION FILED FOR ACQUISITION OF CERTAIN ASSETS OF U.S LINK, INC. BY INTEGRA TELECOM HOLDINGS, INC.

STREAMLINED PLEADING CYCLE ESTABLISHED

WC Docket No. 06-24

Comments Due: February 21, 2006

Reply Comments Due: February 28, 2006

On January 17, 2006, U.S Link, Inc., (“U.S. Link”) and Integra Telecom Holdings, Inc. and its operating subsidiaries (“Integra”) (collectively, the “Applicants”), filed an application pursuant to sections 63.03 and 63.04 of the Commission’s rules¹ seeking authority to assign certain customer accounts and assets of U.S Link to Integra, and for the mutual exchange of certain customer accounts and related assets located in Duluth, Minnesota and Fargo, North Dakota. The Applicants are not assigning or transferring control of their specific international Section 214 authorizations, and will retain them post-closing in order to continue operating their respective telecommunications business.²

Applicants assert that this transaction is entitled to presumptive streamlined treatment under sections 63.03(b)(2)(ii) and 63.03(b)(2)(iii) of the Commission’s rules because,:

- (1) Applicants and their affiliates combined will hold less than a ten percent share of the interstate, interexchange market;
- (2) in the communities affected by this exchange of assets, neither the Applicants nor their affiliates are dominant with respect to any service;³ and
- (3) to the extent U.S. Link’s affiliates are incumbent LECs in other markets, these affiliates have in combination fewer than two percent of the nation’s subscriber lines installed in the aggregate

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

² 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.

³ U.S. Link is affiliated with TDS Telecom, an incumbent local exchange carrier (LEC) serving more than 725,000 access line equivalents in 28 states, but not in the areas covered by this Application.

nationwide, and there are no overlapping or adjacent service areas with Integra being created by this exchange of assets.⁴

U.S. Link, a Minnesota corporation, is a competitive local telecommunications provider serving markets in Minnesota and North Dakota. U.S. Link provides its domestic interstate service pursuant to blanket domestic Section 214 authority, and provides international resale services pursuant to its international Section 214 authority. All of the services provided by U.S. Link are competitive in nature, and U.S. Link does not hold a dominant position in any market. US Link is a wholly-owned subsidiary of TDS Telecommunications Corporation (“TDS Telecom”), a U.S. entity which provides local, long distance and international telecommunications services to rural and suburban communities in 30 states.⁵ TDS Telecom is a wholly-owned subsidiary of Telephone and Data Systems, Inc. (“TDS”), a Chicago-based telecommunications corporation organized under U.S. law that provides service to more than six million local telephone and wireless customers in 35 states. The following entities, both organized under U.S. law, hold a 10% or greater interest in TDS: Southeastern Asset Management, Inc. (10.1%) and the TDS Voting Trust (52.5%). No other entity holds a 10% or greater direct or indirect interest in U.S. Link.

Integra, an Oregon corporation, provides local telephone service, long distance and international calling, and high-speed Internet access to small and mid-sized businesses through its wholly owned operating subsidiaries, Integra Telecom of Minnesota, Inc. and Integra Telecom of North Dakota, Inc. Integra’s subsidiaries hold competitive LEC licenses to operate as facilities-based providers in Minnesota, North Dakota, Oregon, Utah, Washington and Wisconsin (resale only). Integra serves over 255,000 access lines across its operating area. Integra Telecom Holdings, Inc. is a wholly-owned subsidiary of Integra Telecom, Inc. The following entities, all organized under U.S. law, own a 10% or greater direct interest in Integra Telecom, Inc.: Boston Ventures Limited Partnership V (40.0%); Nautic Partners LLC (26.4%); and Bank of America Capital Investors, LP (21.1%). The ten percent or greater owners of Boston Ventures Limited Partnership V are BV V Group Trust, a U.S. entity (12.5%), and the New York State Common Retirement Fund, also a U.S. entity (11.1%).⁶ Nautic Partners’ interest in Integra Telecom is held through the following managed entities, all U.S. entities: Fleet Growth Resources III, Inc. (13.14%); Fleet Equity Partners VII, L.P. (5.63%); Chisolm Partners, III, L.P. (5.28%); Fleet Venture Resources, Inc. (1.42%); Fleet Equity Partners VI, L.P.

⁴ 47 C.F.R. § 63.03(b)(2)(ii), and 47 C.F.R. § 63.03(b)(2)(iii).

⁵ TDS Telecom’s ILEC serves more than 725,000 access lines equivalents in the following states 28 states: Alabama, Arizona, Arkansas, California, Colorado, Florida, Georgia, Idaho, Indiana, Kentucky, Maine, Michigan, Minnesota, Mississippi, Missouri, New Hampshire, New York, North Carolina, Ohio, Oklahoma, Oregon, Pennsylvania, South Carolina, Tennessee, Vermont, Virginia, Washington, and Wisconsin. TDS Telecom’s CLEC operates under the brand name TDS Metrocom and serves more than 426,000 access lines equivalents in North Dakota, Minnesota, Wisconsin, Illinois, and Michigan.

⁶ The California Teacher’s Retirement System, a California entity, owns more than 50% of the BV V Group Trust.

(0.61%); and Kennedy Plaza Partners (0.31%). Fleet Growth Resources III, Inc. is a wholly-owned subsidiary of Bank of America Corporation. Bank of America Capital Investors, L.P. is owned by BA Equity Investors, Inc. (99.5% limited partnership interest) and Bank of America Capital Management, L.P. (.5% general partner interest), both of which are U.S. entities. BA Equity Investors, Inc. is 100% owned by Bank of America Corporation, a U.S. entity. No single individual or entity owns more than 10% of Bank of America Corporation. No other entity holds a 10% or greater direct or indirect interest in Integra.

U.S. Link will assign to Integra the customer access lines and certain assets located in U.S. Link's Fargo, North Dakota and West Fargo, North Dakota collocation sites. In exchange, Integra will assign to U.S. Link the customer access lines located in Integra's Duluth, Melrose, Hemlock, and Calumet, Minnesota wire centers and any lines in other wire centers associated with such customer accounts.⁷ In addition, U.S. Link will sell to Integra certain customer access lines in Fergus Falls, Little Falls, and Nisswa, Minnesota, and Grand Forks, North Dakota. The proposed transaction is subject to the receipt of all required regulatory approvals, including the approval of the Commission. Upon consummation of the proposed transaction, both Integra and U.S. Link will continue to serve their other pre-existing customers in addition to the new customers acquired through the transaction.

Applicants state that the proposed transaction will serve the public interest because it will enhance the ability of U.S. Link and Integra to provide high quality telecommunications services in their respective service areas that should invigorate competition and thereby benefit consumers of interstate and international telecommunications services. Applicants expect that customers of both U.S. Link and Integra will continue to receive high quality telecommunications services and customer care, and anticipate that the proposed Transaction will be accomplished in a seamless manner.

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 February 21, 2006 and reply comments on or before February 28, 2006.**⁸ Unless otherwise notified by the Commission, Applicants are permitted to transfer the

⁷ Excluded from the proposed transaction are the customer lines located in the wire centers that are being exited provided such customer's principal business location is outside the Duluth, MN or Fargo, ND area and such customer operates a satellite location in the Duluth, MN or Fargo, ND area. Also excluded are U.S. Link customers who are long distance only and/or dial up Internet only and are located in the wire centers U.S. Link is exiting.

⁸ See 47 C.F.R. § 63.03(a).

assets and related control on the 31st day after the date of this notice.⁹ 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, 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 12th 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

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

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, SW, Room CY-B402, Washington, DC 20554, 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;
- (3) Alex Johns, Competition Policy Division, Wireline Competition Bureau, 445 12th Street, S.W., Room 5-C317, Washington, D.C. 20554; email: alexis.johns@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, 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.

For further information, please contact Tracey Wilson-Parker, at (202) 418-1394, or Alex Johns at (202) 418-1167.

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