



# PUBLIC NOTICE

Federal Communications Commission  
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**DA 06-83**  
**Released: January 18, 2006**

**DOMESTIC SECTION 214 APPLICATION FILED FOR TRANSFER OF CONTROL  
OF CERTAIN ASSETS OF CARMEL TELEPHONE SERVICES, INC. d/b/a SUSCOM  
FROM SUSQUEHANNA CABLE CO. TO COMCAST CORPORATION**

**STREAMLINED PLEADING CYCLE ESTABLISHED**

**WC Docket No. 05-349**

**Comments Due: February 1, 2006**  
**Reply Comments Due: February 8, 2006**

On December 16, 2005 Susquehanna Cable Co. (“Susquehanna”) and Comcast Corporation (“Comcast”) (collectively, “Applicants”) filed an application, pursuant to sections 63.03 and 63.04 of the Commission’s rules,<sup>1</sup> seeking authority to transfer control of certain telecommunications assets of Carmel Telephone Services, Inc., d/b/a SusCom (“SusCom”) from Susquehanna to Comcast.<sup>2</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 Comcast and its affiliates have a market share in the interstate, interexchange market of less than 10 percent, and Comcast would 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. Further, neither of the Applicants, nor their affiliates, is dominant with respect to any telecommunications service.<sup>3</sup>

Susquehanna, a corporation organized under Pennsylvania law, operates advanced networks in six states serving approximately 225,000 customers. Susquehanna is a subsidiary of

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

<sup>2</sup> 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.

<sup>3</sup> 47 C.F.R. § 63.03(b)(2)(i).

Susquehanna Media Co. which, in turn, is owned by Susquehanna Pfaltzgraff Co., a privately held corporation. SusCom is a subsidiary of Susquehanna, which currently holds international 214 authority and provides telephone services in the Carmel, New York area.

Comcast Corporation (“Comcast”), a publicly-traded company organized under Delaware law, provides, through its operating subsidiaries, cable television service, high-speed Internet service, and video programming and other services to millions of customers in 35 states and the District of Columbia. There are no ten percent or greater owners of Comcast.<sup>4</sup>

On October 31, 2005, Comcast and Susquehanna entered into an Agreement under which Comcast will acquire the cable and telecommunications assets held by Susquehanna and its subsidiaries (the “Transaction”). The Transaction will be consummated in the following steps: (1) On December 5, 2005, Susquehanna formed a new company, Comcast Phone of New York, LLC, a Delaware limited liability company; (2) Susquehanna will assign and transfer the telecommunications assets currently held by SusCom to Comcast Phone of New York, LLC, and (3) Comcast, through its subsidiaries, will acquire all of the membership interests of Comcast Phone of New York, LLC.<sup>5</sup> Steps (2) and (3) will occur contemporaneously. Thus, after the close of the Transaction, the telecommunications assets currently held by SusCom, and under the control of Susquehanna, will be held by Comcast Phone of New York, LLC, and under the control of its ultimate entity, Comcast.

Susquehanna and Comcast entered into an Asset Purchase Agreement dated October 31, 2005 (“Agreement”) by which Susquehanna will sell to Comcast a variety of cable television and telecommunications assets, including broadband and telephone services, located in and around Carmel, New York. In addition, Applicants wish to transfer the international 214 authorization currently held by SusCom to an entity that will be a subsidiary of Comcast upon consummation of the proposed transaction.

Applicants state that the proposed transaction serves the public interest, convenience and

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<sup>4</sup> See Supplemental Letter from Jim Tomlinson, Cole, Raywid & Braverman, LLP to Marlene Dortch, Secretary, Federal Communications Commission, WC Docket No. 05-349, at 1 (filed January 11, 2006). We note that Brian L. Roberts, a U.S. citizen and the Chairman and Chief Executive Officer of Comcast, is the beneficial owner of stock that represents 33 1/3 percent of the combined voting power of the two classes of Comcast’s voting common stock. *Id.*

<sup>5</sup> There are several intermediary companies in the corporate organization chart between Comcast Corporation and Comcast Phone of New York, LLC. Specifically, Comcast Phone II, LLC, a Delaware limited liability company, will hold a 100 percent interest in Comcast Phone of New York, LLC. Comcast Cable Communications, LLC, a Delaware limited liability company, holds a 100 percent interest in Comcast Phone II, LLC. Comcast Holdings Corporation, a Pennsylvania corporation, holds a 100 percent interest in Comcast Cable Communications, LLC. Comcast Corporation, a publicly-traded Pennsylvania corporation, holds a 99.37 percent of the Class A Common Stock and 98.95 percent of the Class A Special Common Stock of Comcast Holdings Corporation; Sural LLC, a Delaware limited liability company, holds 100 percent of the Class B Common Stock and the remaining Class A and Class A Special Common Stock. Sural, LLC, in turn, is 100 percent held by Comcast Corporation.

necessity by ensuring continuity of service to SusCom's customers and promoting competition in the domestic telecommunications services market. Applicants assert that Comcast is a proven industry leader in upgrading its broadband communications systems and continuously striving to provide its customers with the most innovative services and diverse programming available. According to the Applicants, Suscom subscribers will greatly benefit from the new opportunities they will be provided upon completion of the proposed Transaction. Moreover, the Applicants state that Comcast's experience in providing facilities-based telephone service to approximately 1.2 million customers is speeding the company's transition into digital telephony. Comcast explains, for example, that in the past two years, it has focused intently on preparing the launch of its new Internet protocol cable phone service, and has launched the service in over 20 markets during 2005. Comcast anticipates that it will have over 15 million households passed by the end of 2005 and over 1 million customers by the end of 2006. Comcast asserts that the new service offers a full slate of traditional telephony features, including unlimited local and domestic long distance, international calling, popular calling features, E911, operator services, and directory assistance. Furthermore, Comcast states that its Digital Voice service offering relies on its private managed network, rather than the public Internet, to ensure voice quality and reliability and to deliver features that rival or surpass traditional circuit-switched phone service. Finally, Comcast asserts that, as this new competitive alternative becomes established, it intends to offer such innovations as television caller ID, voice activated dialing, video phone service, and unified messaging.

## **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 January, 2006** and **reply comments on or before January, 2006**.<sup>6</sup> Unless otherwise notified by the Commission, Applicants are permitted to transfer the assets and related control on the 31<sup>st</sup> day after the date of this notice.<sup>7</sup> 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:

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<sup>6</sup> See 47 C.F.R. § 63.03(a).

<sup>7</sup> Such authorization is conditioned upon receipt of any other necessary approvals from the Commission in connection with the proposed transaction.

<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 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](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) Kimberly Jackson, Competition Policy Division, Wireline Competition Bureau, 445 12th Street, S.W., Room 5-C142, Washington, D.C. 20554; e-mail: [kimberly.jackson@fcc.gov](mailto:kimberly.jackson@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](mailto: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](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 Kimberly Jackson at (202) 418-7393.

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