

**Before the
Federal Communications Commission
Washington, D.C. 20554**

In the Matter of)	File No. EB-08-IH-1544
)	
Telenational Communications, Inc.)	NAL/Acct. No. 200932080043
)	
)	FRN No. 0005044672

ORDER

Adopted: May 13, 2009

Released: May 13, 2009

By the Investigations & Hearings Division, Enforcement Bureau:

1. In this Order, we adopt the attached Consent Decree entered into between the Enforcement Bureau (“Bureau”) and Telenational Communications, Inc. (“Telenational”). The Consent Decree terminates an investigation by the Bureau against Telenational for possible violation of section 214 of the Communications Act of 1934, as amended (the “Act”),¹ and relating to extension of lines and transfer of control, and sections 63.03 and 63.04 of the Commission’s rules,² relating to procedures for domestic transfer of control applications and assignment of section 214 authorizations.

2. The Bureau and Telenational have negotiated the terms of the Consent Decree that resolve this matter. A copy of the Consent Decree is attached hereto and incorporated by reference.

3. After reviewing the terms of the Consent Decree and evaluating the facts before us, we find that the public interest would be served by adopting the Consent Decree and terminating the investigation.

4. In the absence of material new evidence relating to this matter, we conclude that our investigation raises no substantial or material questions of fact as to whether Telenational possesses the basic qualifications, including those related to character, to hold or obtain any Commission license or authorization.

5. Accordingly, **IT IS ORDERED** that, pursuant to section 4(i) of the Act³ and sections 0.111 and 0.311 of the Commission’s Rules,⁴ the Consent Decree attached to this Order **IS ADOPTED**.

6. **IT IS FURTHER ORDERED** that the above-captioned investigation **IS TERMINATED**.

¹ 47 U.S.C. § 310(d).

² 47 C.F.R. §§ 63.03, 63.04.

³ 47 U.S.C. § 154(i).

⁴ 47 C.F.R. §§ 0.111, 0.311.

7. **IT IS FURTHER ORDERED** that a copy of this Order and Consent Decree shall be sent by first class mail and certified mail, return receipt requested, to Christopher J. Canfield, President, Telenational Communications, Inc., 5408 N. 99th Street, Omaha NE 68134.

FEDERAL COMMUNICATIONS COMMISSION

Hillary S. DeNigro
Chief, Investigations & Hearings Division
Enforcement Bureau

**Before the
Federal Communications Commission
Washington, D.C. 20554**

In the Matter of)	File No. EB-08-IH-1544
)	
Telenational Communications, Inc.)	NAL/Acct. No. 200932080043
)	
)	FRN No. 0005044672

CONSENT DECREE

The Enforcement Bureau (“Bureau”) of the Federal Communications Commission (“Commission” or “FCC”) and Telenational Communications, Inc. (“Telenational” or the “Company”), by their authorized representatives, hereby enter into this Consent Decree for the purpose of terminating the Bureau’s investigation into whether Telenational or iBroadband Networks, Inc. may have violated section 214 of the Communications Act of 1934, as amended (the “Act”),¹ relating to extension of lines and transfer of control, and sections 63.03 and 63.04 of the Commission’s rules,² relating to procedures for domestic transfer of control applications and assignment of section 214 authorizations.

I. DEFINITIONS

1. For the purposes of this Consent Decree, the following definitions shall apply:
 - (a) “Act” means the Communications Act of 1934, as amended, 47 U.S.C. § 151 *et seq.*
 - (b) “Adopting Order” means an Order of the Bureau adopting the terms of this Consent Decree without change, addition, deletion, or modification.
 - (c) “Applicants” means Telenational Communications, Inc. and iBroadband Networks, Inc.
 - (d) “Bureau” means the Enforcement Bureau of the Federal Communications Commission.
 - (e) “Commission” and “FCC” mean the Federal Communications Commission and all of its bureaus and offices.
 - (f) “Compliance Plan” means the program described in this Consent Decree at paragraph 8.
 - (g) “Effective Date” means the date on which the Commission releases the Adopting Order.
 - (h) “iBroadband Networks, Inc.” means iBroadband and its predecessors-in-interest and successors-in-interest, including Telenational Communications, Inc.

¹ 47 U.S.C. § 214.

² 47 C.F.R. §§ 63.03, 63.04.

- (i) “Investigation” means the investigation commenced by the Bureau’s August 8, 2008, Letter of Inquiry to Chris Canfield, Telenational Communications, Inc., regarding allegations that Telenational or iBroadband may have violated section 214 of the Act, 47 U.S.C. § 214, and sections 63.03 and 63.04 of the Commission’s rules, 47 C.F.R. §§ 63.03, 64.04 by failing to comply with procedures governing domestic transfer of control applications and assignment of section 214 authorizations.
- (j) “Parties” means Telenational Communications, Inc. and the Bureau.
- (k) “Rules” means the Commission’s regulations found in Title 47 of the Code of Federal Regulations.
- (l) “Telecommunications service” or “Telecommunications” means interstate telecommunications as defined in sections 3(43) and 3(46) of the Act, 47 U.S.C. §§ 153(43), 153(46).
- (m) “Telenational Communications, Inc.” means Telenational and its predecessors-in-interest and successors-in-interest.

II. BACKGROUND

2. Pursuant to Section 214 of the Act, telecommunications carriers must obtain a certificate of public convenience and necessity from the Commission before constructing, acquiring, operating, or engaging in transmission over lines of communications, or before discontinuing, reducing or impairing service to a community.³ The Commission granted all carriers blanket authority under section 214 to provide domestic interstate services and to construct, acquire, or operate any domestic transmission line.⁴ In accordance with section 63.03 of the Commission’s rules, however, any domestic carrier seeking to transfer control of lines or authorization to operate pursuant to section 214 of the Act must obtain prior approval from the Commission.⁵ Pursuant to section 63.04 of the Commission’s rules, a carrier seeking domestic section 214 authorization for transfer of control must file an application containing certain information.⁶

3. Telenational Communications, Inc. is a provider of telecommunications service in Texas. On May 15, 2008, Telenational and iBroadband Networks, Inc., d/b/a Cedar Valley Communications, filed an application, pursuant to sections 63.03, 63.04 and 63.18 of the Commission’s rules, requesting approval to transfer control of domestic and international section 214 authorizations from iBroadband to Telenational. While considering the application, staff of the Commission’s Wireline Competition Bureau (“WCB”) requested additional information from Telenational about iBroadband’s purchase of the assets of another telecommunications provider, Cedar Valley Communications, in 2006. By letter dated June 19, 2008, Telenational stated that iBroadband had purchased the assets of Cedar Valley Communications

³ See 47 U.S.C. § 214(a).

⁴ See *Implementation of Section 402(b)(2)(A) of the Telecommunications Act of 1996; Petition for Forbearance of the Independent Telephone & Telecommunications Alliance*, Report and Order and Second Memorandum Opinion and Order, 14 FCC Rcd 11364 (1999); 47 C.F.R. § 63.01.

⁵ See *Implementation of Further Streamlining Measures for Domestic Section 214 Authorizations*, Report and Order, 17 FCC Rcd 5517, 5521, ¶ 5 (2002); 47 C.F.R. § 63.03.

⁶ 47 C.F.R. § 63.04(a).

out of bankruptcy and had provided domestic telecommunications service to Cedar Valley's customers without seeking or receiving authority from the Commission. WCB granted Telenational's request for approval to transfer control of the domestic section 214 authorizations from iBroadband to Telenational on July 24, 2008 and referred for possible enforcement the issue of whether iBroadband violated section 214 of the Act and sections 63.03 and 63.04 of the Commission's rules regarding the transfer of control and assignment of Cedar Valley's section 214 authorizations. Shortly thereafter, the Bureau issued a Letter of Inquiry ("LOI") to Telenational directing Telenational to provide additional information about the acquisition by iBroadband of Cedar Valley Communications assets.⁷ Telenational responded to the LOI on September 2, 2008.⁸

III. TERMS OF AGREEMENT

4. **Adopting Order.** The Parties agree that the provisions of this Consent Decree shall be subject to final approval by the Bureau by incorporation of such provisions by reference in the Adopting Order without change, addition, modification, or deletion.

5. **Jurisdiction.** Telenational agrees that the Bureau has jurisdiction over it and the matters contained in this Consent Decree and has the authority to enter into and adopt this Consent Decree.

6. **Effective Date: Violations.** The Parties agree that this Consent Decree shall become effective on the date on which the FCC releases the Adopting Order. Upon release, the Adopting Order and this Consent Decree shall have the same force and effect as any other Order of the Bureau. Any violation of the Adopting Order or of the terms of this Consent Decree shall constitute a separate violation of a Bureau Order, entitling the Bureau to exercise any rights and remedies attendant to the enforcement of a Commission Order.

7. **Termination of Investigation.** In express reliance on the covenants and representations in this Consent Decree and to avoid further expenditure of public resources, the Bureau agrees to terminate its investigation. In consideration for the termination of said investigation, Telenational agrees to the terms, conditions, and procedures contained herein. The Bureau further agrees that in the absence of new material evidence, the Bureau will not use the facts developed in this investigation through the Effective Date of the Consent Decree, or the existence of this Consent Decree, to institute, on its own motion, any new proceeding, formal or informal, or take any action on its own motion against Telenational concerning the matters that were the subject of the investigation. The Bureau also agrees that it will not use the facts developed in this investigation through the Effective Date of this Consent Decree, or the existence of this Consent Decree, to institute on its own motion any proceeding, formal or informal, or take any action on its own motion against Telenational with respect to Telenational's basic qualifications, including its character qualifications, to be a Commission licensee or hold Commission authorizations.

8. **Compliance Plan.** For purposes of settling the matters set forth herein, Telenational agrees to create within thirty (30) calendar days from the Effective Date a Compliance Plan related to future compliance with the Act, the Commission's Rules, and the Commission's Orders. As part of this Compliance Plan, Telenational will conduct an education program for company attorneys, managers and other parties responsible for and involved in the purchase, sale, or acquisition of telecommunications assets or carriers, regarding the Commission's rules and requirements applicable to assignments and transfers of control under section 214 of the Act and the Commission's rules. Telenational also commits

⁷ See Letter from Trent B. Harkrader, Deputy Chief, Investigations and Hearings Division, Enforcement Bureau, FCC to Chris Canfield, President, Telenational Communications, Inc., dated August 8, 2008 ("LOI").

⁸ See Letter from Chris Canfield, President, Telenational Communications, Inc., to Trent B. Harkrader, Deputy Chief, Investigations and Hearings Division, Enforcement Bureau, FCC, dated September 2, 2008.

to seek federal regulatory counsel to ascertain all approvals required for transactions involving transfers of control or assignments of

9. **Compliance Reports.** Telenational will file compliance reports with the Commission twelve (12) months after the Effective Date and twenty-four (24) months after the Effective Date. Each compliance report shall include a compliance certificate from an officer, as an agent of Telenational, stating that the officer has personal knowledge that Telenational has established operating procedures intended to ensure compliance with this Consent Decree, together with an accompanying statement explaining the basis for the officer's compliance certification. All compliance reports shall be submitted to Chief, Investigations and Hearings Division, Enforcement Bureau, Federal Communications Commission, 445 12th Street, S.W., Washington, D.C. 20554.

10. **Termination Date.** Unless stated otherwise, the requirements of this Consent Decree will expire twenty-four (24) months after the effective date.

11. **Voluntary Contribution.** Telenational agrees that it will make a voluntary contribution to the United States Treasury in the amount of six thousand dollars (\$6,000) within thirty (30) days after the Effective Date of the Adopting Order. The payment must be made by check or similar instrument, payable to the Order of the Federal Communications Commission. The payment must include the Account Number and FRN Number referenced in the caption to the Adopting Order. Payment by check or money Order may be mailed to Federal Communications Commission, P.O. Box 979088, St. Louis, MO 63197-9000. Payment by overnight mail may be sent to U.S. Bank – Government Lockbox #979088, SL-MO-C2-GL, 1005 Convention Plaza, St. Louis, MO 63101. Payment by wire transfer may be made to ABA Number 021030004, receiving bank Federal Reserve Bank of New York, and account number 27000001. Telenational will also send an electronic notification on the date payment is made to Trent Harkrader at Trent.Harkrader@fcc.gov.

12. **Waivers.** Telenational waives any and all rights it may have to seek administrative or judicial reconsideration, review, appeal or stay, or to otherwise challenge or contest the validity of this Consent Decree and the Adopting Order, provided the Commission issues the Adopting Order without change, addition, modification, or deletion. Telenational shall retain the right to challenge Commission interpretation of the Consent Decree or any terms contained herein. If either Party (or the United States on behalf of the Commission) brings a judicial action to enforce the terms of the Adopting Order, neither Telenational nor the Commission shall contest the validity of the Consent Decree or the Adopting Order, and Telenational shall waive any statutory right to a trial *de novo*. Telenational hereby agrees to waive any claims it may otherwise have under the Equal Access to Justice Act, 5 U.S.C. § 504 and 47 C.F.R. § 1.1501 *et seq.*, relating to the matters addressed in this Consent Decree.

13. **Subsequent Rule or Order.** The Parties agree that if any provision of the Consent Decree conflicts with any subsequent rule or Order adopted by the Commission (except an Order specifically intended to revise the terms of this Consent Decree to which Telenational does not expressly consent) that provision will be superseded by such Commission rule or Order.

14. **Successors and Assigns.** Telenational agrees that the provisions of this Consent Decree shall be binding on its successors, assigns, and transferees.

15. **Final Settlement.** The Parties agree and acknowledge that this Consent Decree shall constitute a final settlement between the Parties. The Parties further agree that this Consent Decree does not constitute either an adjudication on the merits or a factual or legal finding or determination regarding any compliance or noncompliance with the requirements of the Act or the Commission's Rules and Orders. The Parties agree that this Consent Decree is for settlement purposes only and that by agreeing to

this Consent Decree, Telenational does not admit or deny any fact, noncompliance, violation, or liability for violating the Act in connection with the matters that are the subject of this Consent Decree.

16. **Modifications.** This Consent Decree cannot be modified without the advance written consent of both Parties.

17. **Paragraph Headings.** The headings of the Paragraphs in this Consent Decree are inserted for convenience only and are not intended to affect the meaning or interpretation of this Consent Decree.

18. **Authorized Representative.** Each party represents and warrants to the other that it has full power and authority to enter into this Consent Decree.

19. **Counterparts.** This Consent Decree may be signed in any number of counterparts (including by facsimile), each of which, when executed and delivered, shall be an original, and all of which counterparts together shall constitute one and the same fully executed instrument.

Hillary S. DeNigro
Chief, Investigations & Hearings Division
Enforcement Bureau

Date

Christopher J. Canfield
President
Telenational Communications, Inc.

Date