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DOMESTIC SECTION 214 APPLICATION FILED FOR THE TRANSFER OF CONTROL OF FRETEL TELCOM, CO. AND FRETEL COMMUNICATIONS, LLC TO BLACKFOOT TELEPHONE COOPERATIVE, INC.

NON-STREAMLINED PLEADING CYCLE ESTABLISHED

WC Docket No. 12-351

Comments Due: December 27, 2012 Reply Comments Due: January 3, 2013

On December 6, 2012, FairPoint Communications, Inc. (FairPoint), Fremont Telcom Co. (Fremont), Fretel Communications, LLC (Fretel) and Blackfoot Telephone Cooperative, Inc. d/b/a Blackfoot Telecommunications Group (Blackfoot) (collectively, Applicants) filed an application, pursuant to section 63.03 of the Commission's rules, ¹ for the transfer of control of Fremont and Fretel from FairPoint to Blackfoot. Applicants do not request streamlined processing of the application.

FairPoint, a Delaware corporation, operates 33 local exchange companies in 18 states, including Alabama, Colorado, Florida, Georgia, Idaho, Illinois, Kansas, Maine, Massachusetts, Missouri, New Hampshire, New York, Ohio, Oklahoma, Pennsylvania, Vermont, Virginia, and Washington. In each of these geographic areas, FairPoint's products and services include local and long distance voice, data, Internet broadband, television, and business communications solutions. Fremont, an Idaho rural incumbent local exchange carrier (LEC), and Fretel, an Idaho competitive LEC and non-dominant interexchange carrier, provide local exchange and exchange access services, as well as domestic interstate interexchange services, to approximately 5,000 customers in Idaho and a small number of customers in Montana. The Applicants state neither Fretel's competitive LEC service area, nor Fremont's incumbent LEC service area, overlap with or are adjacent to Blackfoot's incumbent LEC service, or Blackfoot Communications, Inc.'s (BCI) current competitive LEC service area.²

Blackfoot, a Montana telephone cooperative corporation owned by its member-subscribers, provides services as an incumbent LEC, serving approximately 14,000 access line equivalents in twenty-one exchanges in western Montana and one exchange (Powell) in Powell, Idaho, over a 6,500 square

¹ 47 C.F.R § 63.03; *see* 47 U.S.C. § 214. Applicants are also filing applications for transfer of control associated with authorizations for wireless and international services. Any action on this domestic section 214 application is without prejudice to Commission action on other related, pending applications. Applicants filed supplements to their application on December 10 and 11, 2012.

² Applicants filed a list of all the affected exchanges. *See* Letter from Karen Brinkmann, Counsel to FairPoint Communications, Inc., to Marlene H. Dortch, FCC, WC Docket No 12-351 (filed December 11, 2012).

mile, eight county regions. Blackfoot's wholly owned subsidiary, BCI, provides services as a competitive local exchange carrier in Missoula and Great Falls, Montana, providing service to approximately 6,000 access line equivalents. BTC Holdings, Inc. (BTC), Blackfoot's wholly owned subsidiary, is organized under the laws of Montana.

The proposed transfer of control will be accomplished by FairPoint's sale of all of the capital stock and membership interest in Fremont and Fretel to BTC. Upon consummation of the proposed transaction, the sale will give BTC, and ultimately Blackfoot, control of Fremont and Fretel, including their blanket domestic 214 authorizations. Applicants assert that a grant of the application will serve the public interest, convenience, and necessity. Applicants state that Blackfoot will operate Fremont and Fretel in a manner virtually transparent to their customers, by continuing to provide the same services at the same rates, terms and conditions. Applicants maintain that Blackfoot will have a greater access to economies of scale and scope as well as substantial financial, human, engineering, technical, marketing, and information resources in the region. Applicants contend that access to these economies and resources will enable Blackfoot to make the infrastructure investments and operational adjustments necessary for it to compete successfully in the rapidly changing telecommunications industry.

GENERAL INFORMATION

The transfer of control identified herein has been found, upon initial review, to be acceptable for filing as a non-streamlined application. The Commission reserves the right to return any transfer application if, upon further examination, it is determined to be defective and not in conformance with the Commission's rules and policies. Pursuant to section 63.03(a) of the Commission's rules, 47 CFR § 63.03(a), interested parties may file comments **on or before December 27, 2012**, and reply comments **on or before January 3, 2013.** Pursuant to section 63.52 of the Commission's rules, 47 C.F.R. § 63.52, commenters must serve a copy of comments on the Applicants no later than the above comment filing date.

Pursuant to section 63.03 of the Commission's rules, 47 CFR § 63.03, parties to this proceeding should file any documents in this proceeding using the Commission's Electronic Comment Filing System (ECFS): http://fjallfoss.fcc.gov/ecfs2/.

In addition, e-mail one copy of each pleading to each of the following:

- 1) Tracey Wilson, Competition Policy Division, Wireline Competition Bureau, tracey.wilson@fcc.gov;
- 2) Dennis Johnson, Competition Policy Division, Wireline Competition Bureau, dennis.johnson@fcc.gov;
- 3) David Krech, Policy Division, International Bureau, david.krech@fcc.gov; and
- 4) Jim Bird, Office of General Counsel, jim.bird@fcc.gov.

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The proceeding in this Notice shall be treated as a "permit-but-disclose" proceeding in accordance with the Commission's *ex parte* rules.³ Persons making *ex parte* presentations must file a

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³ 47 C.F.R. §§ 1.1200 et seq.

copy of any written presentation or a memorandum summarizing any oral presentation within two business days after the presentation (unless a different deadline applicable to the Sunshine period applies). Persons making oral *ex parte* presentations are reminded that memoranda summarizing the presentation must (1) list all persons attending or otherwise participating in the meeting at which the *ex parte* presentation was made, and (2) summarize all data presented and arguments made during the presentation. If the presentation consisted in whole or in part of the presentation of data or arguments already reflected in the presenter's written comments, memoranda or other filings in the proceeding, the presenter may provide citations to such data or arguments in his or her prior comments, memoranda, or other filings (specifying the relevant page and/or paragraph numbers where such data or arguments can be found) in lieu of summarizing them in the memorandum. Documents shown or given to Commission staff during *ex parte* meetings are deemed to be written *ex parte* presentations and must be filed consistent with rule 1.1206(b), 47 C.F.R. § 1.1206(b). Participants in this proceeding should familiarize themselves with the Commission's *ex parte* rules.

For further information, please contact Tracey Wilson at (202) 418-1394 or Dennis Johnson at (202) 418-0809.