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DA 15-965

Released: August 26, 2015

DOMESTIC SECTION 214 APPLICATION GRANTED FOR THE TRANSFER OF CONTROL OF FREEDOM RING COMMUNICATIONS, LLC D/B/A BAYRING COMMUNICATIONS TO OXFORD COUNTY TELEPHONE & TELEGRAPH COMPANY

## WC Docket No. 15-133

One June 5, 2015, Utel, Inc. (Utel) and Oxford County Telephone & Telegraph Company (Oxford) (together, Applicants) filed an application pursuant to section 214 of the Communications Act of 1934, as amended (Act), seeking approval to transfer control of Freedom Ring Communications, LLC d/b/a BayRing Communications (BayRing) from Utel to Oxford. <sup>1</sup>

On June 16, 2015, the Wireline Competition Bureau (Bureau) released a Public Notice requesting comment on the Application.<sup>2</sup> On June 22, 2015, the Department of Justice (DOJ), including the Federal Bureau of Investigation, with the concurrence of the U.S. Department of Homeland Security and the U.S. Department of Defense (collectively, the Executive Branch Agencies), filed a letter requesting that the Commission defer action on this proceeding while they completed their review of any national security, law enforcement, and public safety issues.<sup>3</sup> We deferred action on the application in response to the Executive Branch Agencies' request.<sup>4</sup>

<sup>&</sup>lt;sup>1</sup> 47 C.F.R § 63.03; see 47 U.S.C. § 214; Joint Application for Transfer of Indirect Control of a Holder of Domestic and International Section 214 Authorizations, WC Docket No. 15-133 (filed June 5, 2015) (Application). BayRing, a Maine limited liability company and subsidiary of Utel, provides competitive local exchange carrier (LEC) and other services in Maine, Massachusetts, and New Hampshire. Oxford, a Maine corporation, and its subsidiaries provide incumbent LEC service to approximately 8,184 access lines in multiple exchanges in Maine. Applicants state that BayRing does not provide telecommunications services in any of the Oxford incumbent LEC territories. Oxford's competitive LEC subsidiary, Oxford County Telephone Service Company (Oxford Service), provides service within the exchanges of Fairpoint NNE in Maine. Oxford's other competitive LEC subsidiary, Revolution Networks, LLC (Revolution), is certified to provide service in New Hampshire and Maine. Applicants state that neither Oxford Service nor Revolution offer competitive LEC services within the certified territory of any independent incumbent LEC, including within Oxford's incumbent LEC territory. In addition, Oxford provides interexchange service to the local service subscribers of its incumbent LECs and Oxford Services. Oxford's subsidiary, Northeast Competitive Access Providers, LLC, offers transport services through fiber facilities from Boston, MA to Bangor, Maine.

<sup>&</sup>lt;sup>2</sup> Domestic Section 214 Application Filed for the Transfer of Control of Freedom Ring Communications, LLC d/b/a BayRing Communications to Oxford County Telephone & Telegraph Company, WC Docket No. 15-133, Public Notice, DA 15-703 (rel. June 16, 2015).

<sup>&</sup>lt;sup>3</sup> See Letter from Kristin A. Taylor, U.S. Department of Justice, to Marlene H. Dortch, FCC, WC Docket No. 15-133 (filed June 22, 2015).

<sup>&</sup>lt;sup>4</sup> Notice of Removal of Domestic Section 214 Application from Streamlined Treatment, WC Docket No. 15-133, Public Notice, DA 15-792 (rel. July 7, 2015).

On August 25, 2015, the Executive Branch Agencies submitted a Petition to Adopt Conditions to Authorizations and Licenses (Petition).<sup>5</sup> In the Petition, the Executive Branch Agencies advise the Commission that they have no objection to the Commission granting its consent in this proceeding, provided the Commission conditions its consent on the compliance by Oxford and its parent, Oxford Networks Holdings, Inc. (together, the Oxford Entities), with the commitments and undertakings set forth in the April 28, 2014 Letter of Agreement (Agreement) from the Oxford Entities to the DOJ. <sup>6</sup> DOJ filed the Petition and Agreement in WC Docket No. 15-133 on August 25, 2015.

The Bureau finds, upon consideration of the record, that grant of the application, subject to compliance with the Agreement, will serve the public interest, convenience, and necessity. Consistent with Commission precedent, the Bureau accords the appropriate level of deference to the Executive Branch Agencies' expertise on national security and law enforcement issues. Therefore, pursuant to section 214 of the Act, 47 U.S.C. § 214, and sections 0.91 and 0.291 of the Commission's rules, 47 C.F.R. §§ 0.91, 0.291, the Bureau hereby grants the Application discussed in this Public Notice subject to compliance with the Agreement described above. A failure to comply with and/or remain in compliance with any of the provisions of the Agreement shall constitute a failure to meet a condition of this authorization and thus grounds for declaring the underlying authorizations terminated without further action on the part of the Commission. Failure to meet a condition of this authorization may also result in monetary sanctions or other enforcement action by the Commission.

Pursuant to section 1.103 of the Commission's rules, 47 C.F.R. § 1.103, the grant is effective upon release of this Public Notice. Petitions for reconsideration under section 1.106 or applications for review under section 1.115 of the Commission's rules, 47 C.F.R. §§ 1.106, 1.115, may be filed within 30 days of the date of this Public Notice.

For further information, please contact Jodie May, Wireline Competition Bureau, Competition Policy Division, (202) 418-0913.

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<sup>&</sup>lt;sup>5</sup> Petition to Adopt Conditions to Authorizations and Licenses, WC Docket No. 15-133 and File No. ITC-T/C-20150604-00140 (filed Aug. 25, 2015).

<sup>&</sup>lt;sup>6</sup> *Id*. at 1-2.

<sup>&</sup>lt;sup>7</sup> See 47 C.F.R. § 63.03(b)(2)(ii).

<sup>&</sup>lt;sup>8</sup> The Commission considers national security, law enforcement, foreign policy, and trade policy concerns when analyzing a transfer of control or assignment application in which foreign ownership is an issue. *See Amendment of the Commission's Regulatory Policies to Allow Non-U.S. Licensed Satellites Providing Domestic and International Service in the United States*, Report and Order, 12 FCC Rcd 24094, 24170-72, paras. 178-82 (1997); *Rules and Policies on Foreign Participation in the U.S. Telecommunications Market*, IB Docket No. 97-142, Market Entry and Regulation of Foreign Affiliated Entities, IB Docket No. 95-22, Report and Order and Order on Reconsideration, 12 FCC Rcd 23891, 23919-21, paras. 61-66 (1997) (*Foreign Participation Order*), Order on Reconsideration, 15 FCC Rcd 18158 (2000). In assessing the public interest, the Commission considers the record and accords the appropriate level of deference to Executive Branch expertise on national security and law enforcement issues. *See Foreign Participation Order*, 12 FCC Rcd at 23919-21, paras. 61-66.