



# PUBLIC NOTICE

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**APPLICATIONS FILED BY CONSOLIDATED COMMUNICATIONS HOLDINGS, INC. AND  
FAIRPOINT COMMUNICATIONS, INC. FOR THE ASSIGNMENT OR  
TRANSFER OF CONTROL OF CERTAIN DOMESTIC AND INTERNATIONAL  
AUTHORIZATIONS**

**PLEADING CYCLE ESTABLISHED**

**WC Docket No. 16-417**

**Comments/Petitions Due: February 13, 2017**  
**Reply/Oppositions Due: February 28, 2017**

Consolidated Communications Holdings, Inc. (Consolidated Holdings) and FairPoint Communications, Inc. (FairPoint) (together, Applicants) filed a series of applications pursuant to sections 214 and 310(d) of the Communications Act of 1934, as amended (Act),<sup>1</sup> seeking approval for various assignments and the transfer of control of licenses and authorizations held by FairPoint to Consolidated Holdings.<sup>2</sup>

FairPoint, a publicly-traded Delaware Corporation, functions as a holding corporation for a number of subsidiaries (the Licensees) that provide telecommunications services.<sup>3</sup> FairPoint's Licensees provide telecommunications services as incumbent local exchange carriers (incumbent LEC), interexchange carriers (IXC), competitive local exchange carriers (competitive LEC), and global resale service carriers.<sup>4</sup> The Licensees provide voice, data and broadband internet access services.<sup>5</sup> Applicants state that these operations include approximately 310,000 broadband subscribers and 377,000 residential voice subscribers, as well as an extensive fiber network with more than 210,000 miles of fiber optic cable and 1,300 communications towers.<sup>6</sup>

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<sup>1</sup> 47 U.S.C. §§ 214, 310(d).

<sup>2</sup> See Consolidated Communications Holdings, Inc. and FairPoint Communications, Inc. Application for authority pursuant to Section 214 of the Communications Act of 1934, as amended, to Transfer Indirect Control of Domestic and International Section 214 Authorization Holders to Consolidated Communications Holdings, Inc., WC Docket No. 16-417 (filed Dec. 21, 2016) (Lead Application). The file numbers for the other applications are listed *infra*.

<sup>3</sup> Lead Application at 4.

<sup>4</sup> *Id.* at 9-15.

<sup>5</sup> *Id.* at 4.

<sup>6</sup> *Id.* Exhibit A and Sections III and IV of the Application detail a list of services provided by the Licensees and the states where they provide them.

Consolidated Holdings, a publicly-traded Delaware corporation, provides a variety of telecommunications services through its subsidiaries including local and long-distance telephone services and high-speed broadband Internet access services.<sup>7</sup> Consolidated Holdings' operating companies include both incumbent LECs and competitive LECs serving approximately 219,000 residential broadband connections, 409,000 business broadband connections, 189,000 residential voice lines, and 269,000 business voice lines in 11 states.<sup>8</sup> The Applicants state that, post-consummation, no person or entity will hold a ten percent or greater interest in Consolidated Holdings.<sup>9</sup>

On December 3, 2016, FairPoint and Consolidated Holdings entered into the Agreement and Plan of Merger (Agreement).<sup>10</sup> Pursuant to the terms of the Agreement, Consolidated Holdings through Falcon Merger Sub (Merger Sub) will acquire all of the outstanding equity interests in FairPoint in exchange for Consolidated Holdings stock valued at approximately \$1.5 billion.<sup>11</sup> Specifically, Merger Sub will merge with and into FairPoint, whereupon the separate existence of Merger Sub will cease and FairPoint will be the surviving corporation.<sup>12</sup> Upon completion of the transaction, Consolidated Holdings will contribute all of the equity interest in FairPoint to its direct, wholly owned subsidiary, Consolidated Communications, Inc. (CCI), so that FairPoint will be a direct, wholly owned subsidiary of CCI.<sup>13</sup> As a result, all of FairPoint's Licensees will become indirect subsidiaries of Consolidated Holdings.<sup>14</sup>

The Applicants state that the proposed transaction is in the public interest. The Applicants assert that FairPoint and Consolidated Holdings do not compete with each other in any service territory, as their service areas do not overlap and are not adjacent.<sup>15</sup> The Applicants further state that FairPoint's customers will not experience any immediate changes in services, rates, terms, or conditions of service.<sup>16</sup> The Applicants contend that Consolidated Holdings' previous experience with integrating, improving, and upgrading broadband networks of incumbent LECs will continue with FairPoint.<sup>17</sup> They maintain that the Applicants' focus on deployment and maintenance of advanced telecommunications networks will improve service for all subscribers, including in rural areas.<sup>18</sup> Further, the Applicants maintain that

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<sup>7</sup> *Id.* at 3.

<sup>8</sup> *Id.* at 3, 6.

<sup>9</sup> *Id.* at 12. Applicants state that at present, the following entities own or control ten percent or more of Consolidated Holdings' stock: BlackRock Institutional Trust Company, BlackRock Inc., and The Vanguard Group Inc. *Id.* at 2-3.

<sup>10</sup> *Id.* at 5.

<sup>11</sup> *Id.*

<sup>12</sup> *Id.*

<sup>13</sup> *Id.*

<sup>14</sup> *Id.* at 5. Applicants state that, after consummation, Bob Udell, the current President and Chief Executive Officer of Consolidated Holdings, will continue to serve as President and CEO of the combined company. One director from the FairPoint Board of Directors will join the Board of Directors of Consolidated Holdings, which will expand from 8 to 9 directors. *Id.*

<sup>15</sup> *Id.* at Exhibit C, pages 10-12.

<sup>16</sup> *Id.* at Exhibit C, page 5.

<sup>17</sup> *Id.* at Exhibit C, page 3.

<sup>18</sup> *Id.* at Exhibit C, pages 2-4.

the consolidated company will improve broadband and speed for all subscribers, specifically those subscribers served by incumbent LECs.<sup>19</sup>

### **Request for Waiver of Section 61.41(c)(2) of the Commission’s Rules**

The Applicants have received prior waivers of section 61.41(c)(2) of the Commission’s rules, sometimes referred to as the “all-or-nothing rule,” with respect to their incumbent LEC rate-of-return operations, and request a waiver of this rule to be granted to the newly consolidated operations.<sup>20</sup> According to the Applicants, this waiver of section 61.41(c)(2) would allow the operating entities of the Applicants to maintain the *status quo*, and continue to be regulated pursuant to rate-of return regulation with regard to tariffing and price regulation while being treated as price cap companies for Connect America Fund purposes.<sup>21</sup> The Applicants submit that the waiver is merited to prevent disruption of the daily operations of the companies.<sup>22</sup> The Applicants state that requiring the operating companies to transition from rate-of-return to price cap regulation while managing the other compensation transitions that the Commission requires would be disruptive and costly with no clear public interest benefit.<sup>23</sup>

### **SECTION 214 AUTHORIZATIONS**

#### **A. International**

The application for consent to the transfer of control of certain international section 214 authorizations from FairPoint to Consolidated Holdings has been assigned the file numbers listed below.

<u>File Number</u>	<u>Authorization Holder</u>	<u>Authorization Number</u>
ITC-T/C-20161220-00361	Chautauqua & Erie Communications, Inc.	ITC-214-19940509-00155
ITC-T/C-20161220-00376	St. Joe Communications, Inc.	ITC-214-19950920-00045
ITC-T/C-20161220-00359	The El Paso Long Distance Company	ITC-214-19960626-00271
ITC-T/C-20161220-00362	C-R Long Distance, Inc.	ITC-214-19960404-00139
ITC-T/C-20161220-00373	ST Long Distance, Inc.	ITC-214-19961118-00578
ITC-T/C-20161220-00366	Germantown Long Distance Company	ITC-214-19970113-00018
ITC-T/C-20161220-00374	Taconic TelCom Corp.	ITC-214-19970219-00095
ITC-T/C-20161220-00357	Berkshire Cable Corp.	ITC-214-19970416-00213
ITC-T/C-20161220-00360	BE Mobile Communications, Inc.	ITC-214-19970710-00391
ITC-T/C-20161220-00367	FairPoint Carrier Services, Inc.	ITC-214-19980610-00403
ITC-T/C-20161220-00365	Elltel Long Distance Corp.	ITC-214-19981228-00891
ITC-T/C-20161220-00371	Quality One Technologies, Inc.	ITC-214-19990713-00464
ITC-T/C-20161220-00362	C-R Long Distance, Inc.	ITC-214-20000320-00156

<sup>19</sup> *Id.* at Exhibit C, pages 4-10.

<sup>20</sup> *Id.* at Exhibit C, pages 13-15. Section 61.41(c)(2) of the Commission’s rules requires that a telephone company or group of telephone companies that become affiliated with a price cap carrier by merger, acquisition or similar transaction “shall become subject to price cap regulation no later than one year following the effective date” of the transaction. 47 CFR § 61.41(c)(2).

<sup>21</sup> Lead Application at Exhibit C, page 14.

<sup>22</sup> *Id.* at Exhibit C, pages 14-15.

<sup>23</sup> *Id.* at 15.

ITC-T/C-20161220-00372	Orwell Communications, Inc.	ITC-214-20001019-00628
ITC-T/C-20161220-00374	People Mutual Long Distance Company	ITC-214-20001207-00717
ITC-T/C-20161220-00368	GTC, Inc.	ITC-214-20011019-00531
ITC-T/C-20161220-00370	Marianna Tel., Inc.	ITC-214-20011025-00599
ITC-T/C-20161220-00358	UI Long Distance, Inc.	ITC-214-20030206-00049
ITC-T/C-20161220-00369	Northern New England Telephone Operations LLC	ITC-214-20030516-00243
ITC-T/C-20161220-00363	Comerco, Inc.	ITC-214-20030521-00254
ITC-T/C-20161220-00364	Enhanced Communications of Northern New England, Inc.	ITC-214-20070206-00437

## B. Domestic

The Applicants request transfer of control of domestic section 214 authority in connection with the proposed transaction.<sup>24</sup> In light of the complexity and number of license transfers contemplated by the Application and the associated public interest review, the domestic transfer of control applications are not subject to streamlined treatment.<sup>25</sup>

## WIRELESS AUTHORIZATIONS

<u>File Number</u>	<u>Authorization Holder</u>	<u>Lead Call Sign</u>
0007597973	Northern New England Telephone Operations LLC	WBB246
0007600311	Ellensburg Telephone Company	WBA948
0007600313	Telephone Operating Company of Vermont LLC	WQJB443
0007600316	FairPoint Communications, Inc.	WQIM469

## GENERAL INFORMATION

The applications referenced herein have been found, upon initial review, to be acceptable for filing. The Commission reserves the right to return any application if, upon further examination, it is determined to be defective and not in conformance with the Commission's rules and policies. Interested parties may file comments **on or before** February 13, 2017, and reply comments **on or before February 28, 2017**.

Pursuant to sections 1.415 and 1.419 of the Commission's rules, 47 CFR §§ 1.415, 1.419, interested parties may file comments and reply comments on or before the dates indicated on the first page of this document. Comments may be filed using the Commission's Electronic Comment Filing System (ECFS). 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://apps.fcc.gov/ecfs/>.

<sup>24</sup> See *Id.* at Exhibit A.

<sup>25</sup> See 47 C.F.R. § 63.03(c)(1).

- Paper Filers: Parties who choose to file by paper must file an original and one copy 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. All filings must be addressed to the Commission's Secretary, Office of the Secretary, Federal Communications Commission.

- All hand-delivered or messenger-delivered paper filings for the Commission's Secretary must be delivered to FCC Headquarters at 445 12<sup>th</sup> St., SW, Room TW-A325, Washington, DC 20554. The filing hours are 8:00 a.m. to 7:00 p.m. All hand deliveries must be held together with rubber bands or fasteners. Any envelopes and boxes 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 must be addressed to 445 12<sup>th</sup> 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](mailto:fcc504@fcc.gov) or call the Consumer & Governmental Affairs Bureau at 202-418-0530 (voice), 202-418-0432 (tty).

**In addition, provide one copy of each pleading to each of the following:**

- 1) Dennis Johnson, Wireline Competition Bureau, [dennis.johnson@fcc.gov](mailto:dennis.johnson@fcc.gov);
- 2) David Krech, International Bureau, [david.krech@fcc.gov](mailto:david.krech@fcc.gov);
- 3) Linda Ray, Wireless Telecommunications Bureau, [linda.ray@fcc.gov](mailto:linda.ray@fcc.gov);
- 4) Neil Dellar, Office of General Counsel, [TransactionTeam@fcc.gov](mailto:TransactionTeam@fcc.gov).  
<mailto:>

The proceeding in this Notice shall be treated as a “permit-but-disclose” proceeding in accordance with the Commission's *ex parte* rules.<sup>26</sup> Persons making *ex parte* presentations must file a 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.

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<sup>26</sup> 47 C.F.R. §§ 1.1200 *et seq.*

To allow the Commission to consider fully all substantive issues regarding the Applications in as timely and efficient a manner as possible, petitioners and commenters should raise all issues in their initial filings. New issues may not be raised in responses or replies.<sup>27</sup> A party or interested person seeking to raise a new issue after the pleading cycle has closed must show good cause why it was not possible for it to have raised the issue previously. Submissions after the pleading cycle has closed that seek to raise new issues based on new facts or newly discovered facts should be filed within 15 days after such facts are discovered. Absent such a showing of good cause, any issues not timely raised may be disregarded by the Commission.

For further information, please contact Dennis Johnson, Wireline Competition Bureau, (202) 418-0809; David Krech, International Bureau, (202) 418-7443; or Linda Ray, Wireless Telecommunications Bureau, (202) 418-0257.

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<sup>27</sup> See 47 C.F.R. §1.45(c).