



PUBLIC NOTICE

Federal Communications Commission
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DA 13-2244
Released: November 22, 2013

**DOMESTIC SECTION 214 APPLICATION FILED FOR THE TRANSFER OF CONTROL OF
DALTON TELEPHONE COMPANY, INC., ELSIE COMMUNICATIONS, INC., DALTON
TELECOMMUNICATIONS, INC., NEWCASTLE HOLDINGS, INC. TO
USCONNECT HOLDINGS INC. AND USCONNECT ACQUISITIONS IV, INC.**

STREAMLINED PLEADING CYCLE ESTABLISHED

WC Docket No. 13-279

Comments Due: December 6, 2013

Reply Comments Due: December 13, 2013

On November 18, 2013, Dalton Telephone Company, Inc. (Dalton), Elsie Communications, Inc. (Elsie), Dalton Telecommunications, Inc. (DTI), Newcastle Holdings, Inc. (Newcastle), and USConnect Holdings Inc. (USConnect) and its subsidiary, USConnect Acquisitions IV, Inc. (USConnect Acquisitions), (collectively, Applicants) filed an application pursuant to section 63.03 of the Commission's rules¹ to transfer control of Dalton, Elsie, DTI, and Newcastle to USConnect and USConnect Acquisitions.

Dalton, a Nebraska corporation, provides incumbent local exchange carrier (LEC) services in five exchanges in southwestern Nebraska. It is a wholly owned subsidiary of Newcastle, a North Carolina corporation that is a wholly owned subsidiary of American Broadband Acquisition Corp. IV (ABAC IV), a Delaware corporation.² Elsie, a Nebraska corporation, is also a wholly owned subsidiary of Newcastle and provides incumbent LEC services in one exchange in southwestern Nebraska. DTI, a North Carolina corporation and wholly owned subsidiary of Newcastle, provides interstate services in and around the service areas of its affiliates, Dalton and Elsie.

¹ 47 C.F.R § 63.03; *see* 47 U.S.C. § 214. Applicants also filed applications for transfer of control associated with authorization for international services. Any action on this domestic section 214 application is without prejudice to Commission action on other related, pending applications.

² On November 7, 2013, Dalton, Elsie, SKT Ventures, Inc., Dalton Holdings, Inc., and Newcastle filed a domestic section 214 application to correct errors in Newcastle's ownership information as originally reported to and approved by the Commission for a 2006 transaction involving the companies. Domestic Section 214 Application Filed for the Transfer of Control of Elsie Communications, Inc. and Dalton Telephone Company, Inc. to Newcastle Holdings, Inc., WC Docket No. 13-265, Public Notice, DA 13-2164 (rel. Nov. 12, 2013). The ownership errors resulted in an unauthorized transaction. On November 12, 2013, the Wireline Competition Bureau granted for a period of 60 days the companies' Applicants' request for special temporary authority for authorization to continue to provide service pending approval of the application in WC Docket No. 13-265.

USConnect, a Delaware corporation, was created to purchase and operate rural LECs. USConnect owns 100 percent of USConnect Acquisitions, a Delaware corporation formed for the purpose of acquiring the shares of ABAC IV. Applicants state that the following U.S.-based LECs will hold a ten percent or greater attributable interest in USConnect when the proposed transaction closes: Brazoria Telephone Company (serving Brazoria County, Texas), Dickey Rural Telephone Cooperative, Inc. (serving counties in North Dakota and South Dakota), FTC Management Group, Inc. (subsidiary of Farmers Telephone Cooperative, Inc. that serves counties in South Carolina), Golden West Telecommunications Cooperative, Inc. (serving counties in Nebraska, South Dakota, Wyoming), Horry Telephone Cooperative, Inc. (serving counties in South Carolina). Applicants state that each LEC will own 19.2857 percent of the preferred stock of US Connect and have a 17.357 percent voting interest in US Connect. They further state that the LECs are all organized as cooperatives in which no stockholder owns or votes as much as a one percent interest and that none of the service territories of the LECs adjoins or overlaps the service territory of Dalton or Elsie. Applicants state that, in addition to the preferred stock issued by US Connect, Leo Staurulakis and Manny Staurulakis, both U.S. citizens, each own one-third of the common stock of US Connect and jointly own MLStar, LLC, a Virginia limited liability company that will own 3.6 percent of the preferred stock of USConnect. Neither individual owns any other telecommunications entities.³

ABAC IV, USConnect, and USConnect Acquisitions have entered into an Agreement and Plan of Merger whereby USConnect Acquisitions will merge with and into ABAC IV, with ABAC IV to be the surviving corporation after the merger. As a result, ABAC IV and its subsidiaries will be controlled by USConnect. Applicants assert that the proposed transaction is entitled to presumptive streamlined treatment under section 63.03(b)(2)(iii) of the Commission's rules and that a grant of the application will serve the public interest, convenience, and necessity.⁴

Domestic Section 214 Application Filed for the Transfer of Control of Dalton Telephone Company, Inc., Elsie Communications, Inc., Dalton Telecommunications, Inc., Newcastle Holdings, Inc. to USConnect Holdings Inc. and USConnect Acquisitions IV, Inc., WC Docket No. 13-279 (filed Nov. 18, 2013).

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 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 6, 2013**, and reply comments **on or before December 13, 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. Unless otherwise notified by the Commission, the Applicants may transfer control on the 31st day after the date of this notice.

³ US Connect has filed applications to acquire control of several other incumbent LECs and interexchange service providers in WC Docket Nos. 13-186 (Livingston Telephone Company), 13-237 (The Rye Telephone Company and South Park Telephone Company), and 13-243 (S&A Telephone Company, Inc. and Waverly Hall Telephone, LLC). Applicants state that none of the LECs that US Connect proposes to control in other pending applications have a local exchange territory that adjoins or overlaps the local exchange territories of Dalton and Elsie.

⁴ 47 C.F.R. § 63.03(b)(2)(iii).

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) Myrva.Charles, Competition Policy Division, Wireline Competition Bureau, myrva.charles@fcc.gov;
- 2) Jodie May, Competition Policy Division, Wireline Competition Bureau, jodie.may@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. 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.

For further information, please contact Myrva Charles at (202) 418-1506 or Jodie May at (202) 418-0913.

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