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Streamlined
COMMUNICATIONS DESIGN, INC.

ITC-ASG-20010531-00326

Federal Communications Commission
IB Telecommunications Division
P.O. Box 358115
Pittsburgh, PA 15251-5115

Re: Assignment of International Section 214 Authority

Dear Sir or Madam:

Please find enclosed an original and five (5) copies of an application requesting FCC streamlined approval of an assignment of Communications Design, Inc.'s international Section 214 global facilities-based authority to CRC Communications of Maine, Inc. d/b/a Pine Tree Networks, an indirect wholly-owned subsidiary of Country Road Communications, Inc. If you have any questions concerning this submission, please contact the undersigned at (202) 429-4726 or via e-mail at akronenberg@willkie.com.

Respectfully submitted,


Angie Kronenberg

Enclosure

cc: George Li
Claudia Fox
David Krech

BEFORE THE
Federal Communications Commission
WASHINGTON, D.C.

In the Matter of)
)
)
Assignment of Communications Design, Inc.'s) File No. _____
International Section 214 Global Facilities-Based)
Authority to CRC Communications of Maine)
Inc. d/b/a Pine Tree Networks, An Indirect)
Wholly-Owned Subsidiary of Country Road)
Communications, Inc.)

APPLICATION TO ASSIGN INTERNATIONAL SECTION 214 AUTHORITY

Pursuant to Section 214 of the Communications Act of 1934, as amended, 47 U.S.C. § 214, and Section 63.18 of the Commission's rules, 47 C.F.R. § 63.18, Communications Design, Inc. ("CDI") and CRC Communications of Maine, Inc. d/b/a Pine Tree Networks ("Pine Tree Networks"), an indirect wholly-owned subsidiary of Country Road Communications, Inc. ("Country Road"), hereby seek authority to assign CDI's international Section 214 global facilities-based authority to Pine Tree Networks. As described below, the proposed transaction will serve the public interest.

I. DESCRIPTION OF THE TRANSACTION

On May 21, 2001, CDI and its affiliated companies, Rural Cellular Corporation and Saco River Telegraph and Telephone Company ("SRT&T"), entered into an Asset Purchase Agreement whereby CDI agreed to sell its long distance assets, including its customers, to Communications Design Acquisition Corporation ("CDAC"), an indirect wholly-owned subsidiary of Country Road, in exchange for cash, pending governmental and regulatory approvals. In addition, SRT&T also agreed to sell its incumbent local exchange carrier assets in

the Bar Mills, Waterboro and West Buxton exchanges in the State of Maine, in exchange for cash, to Saco River Acquisition Corporation ("SRAC"), an indirect wholly-owned subsidiary of Country Road, pending governmental and regulatory approvals. Upon completion of the transaction, CDAC will enter into a services agreement with Pine Tree Networks pursuant to which Pine Tree Networks will provide IXC services directly to the customers acquired from CDI. Similarly, SRAC will provide local telephone service to those customers acquired from SRT&T.

II. DESCRIPTION OF THE PARTIES

CDI is an interexchange carrier incorporated in the State of Maine. CDI is a wholly-owned subsidiary of Saco River Communications Corporation which is an indirect, wholly-owned subsidiary of Rural Cellular Corporation ("RCC"). As described above, CDI is selling its interexchange assets, and SRT&T, a wholly-owned subsidiary of RCC, is selling its local exchange assets, to Country Road's indirect wholly-owned subsidiaries CDAC and SRAC, respectively.

Country Road is based in New Jersey and wholly-owns two rural local exchange companies -- Pine Tree Telephone & Telegraph Company in Gray, Maine and War Telephone Company in War, West Virginia. Country Road has FCC approval to purchase control of Evans Telephone Company which serves the Turlock area in the Central Valley area of California and is currently awaiting approval from the California Public Utilities Commission to close that transaction.

¹ Another wholly-owned subsidiary of Country Road Communications, Inc., Saco River Acquisition Corporation, will be acquiring the local exchange carrier facilities from SRT&T.

In addition, Country Road, through its wholly-owned subsidiary CRC Communications, Inc., wholly-owns Pine Tree Networks. Pine Tree Networks is a competitive local exchange carrier in Maine and offers interexchange carrier services. On August 30, 2000, the FCC granted Pine Tree Networks an international Section 214 to provide global resale services.² Through this application, it seeks to obtain CDI's international Section 214 global facilities-based authority.

III. PUBLIC INTEREST CONSIDERATIONS

Country Road, through its wholly-owned subsidiaries, seeks to become a leading telecommunications provider in communities that lie outside of major metropolitan areas. To meet its objectives, it seeks to acquire rural telephone companies or their assets. It intends to provide new, enhanced communications services, including high-speed broadband services, to its customers. Indeed, Country Road is committed to providing the latest technology and systems support to its acquired companies. Through the efficiency and proximity of its facilities in rural areas, Country Road then intends to implement a competitive local exchange carrier build-out in adjacent urban areas. Pine Tree Networks is an integral part of Country Road's build-out plans. With the assignment of CDI's customers and its international Section 214 global facilities-based authority, Pine Tree Networks will be able to provide consumers facilities-based IXC services. As such, it is in the public interest for the FCC to grant the instant application.

² See *International Authorizations Granted; Section 214 Applications*, Public Notice, DA 00-2003 (rel. Aug. 31, 2000).

IV. INFORMATION REQUIRED BY SECTION 63.18

In accordance with Section 63.18(e)(3) of the Commission's Rules, the Applicants submit the following information in support of this Application.

CDI -- Assignor

- (a) Name, Address, and Telephone Number of CDI is:
 Communications Design, Inc.
 P. O. Box 48
 Bar Mills, ME 04004-0048
 (207) 929-9911

(b) CDI is a company formed under the laws of the State of Maine.

(c) Correspondence concerning CDI should be sent to:³

David L. Nace
 Lukas Nace Gutierrez & Sachs, Chrd.
 1111 19th St., N.W.
 Suite 1200
 Washington, D.C. 20036
 (202) 828-9469

- (d) CDI has the following authority pursuant to Section 214 of the Communications Act: (i) global facilities-based authority pursuant to Section 63.18(e)(1) of the FCC's rules, 47 C.F.R. § 63.18 (e)(1), to acquire ownership interests in U.S.-licensed facilities, other than those excluded by the Exclusion List, to provide international telecommunications services between the United States and all non-excluded international points; and (ii) authority pursuant to Section 63.18 (e)(2) of the FCC's rules, 47 C.F.R. § 63.18(e)(2), to resell international switched services of all authorized carriers, other than affiliated carriers with market power on the proposed route, to provide international switched services between the United States and all international points served by those carriers.

Pine Tree Networks -- Assignee

- (a) Name, address, and telephone number of Pine Tree Networks is:

³ Correspondence concerning the Application should be sent to those parties listed for both CDI and Pine Tree Networks.

CRC Communications of Maine, Inc. d/b/a Pine Tree Networks
35 Airport Road
Suite 120
Morristown, NJ 07960
(973) 656-0616

(b) Pine Tree Networks is a corporation formed under the laws of the State of Delaware.

(c) Correspondence concerning Pine Tree Networks should be sent to:

Michael G. Jones
Angie Kronenberg
Willkie Farr & Gallagher
Three Lafayette Centre
1155 21st St., N.W., Suite 600
Washington, D.C. 20036
202-328-8000

(d) Pine Tree Networks has received authority pursuant to Section 214 of the Communications Act to provide international telecommunications services on a resale basis.⁴

Country Road's affiliate, Pine Tree Telephone & Telegraph Co. currently provides local exchange services in Gray, Maine. As explained above, Country Road, through its wholly-owned subsidiary, SRAC, is acquiring assets from the separate affiliate of CDI, SRT&T, and will provide local exchange services in the Bar Mills, Waterboro and West Buxton exchanges in the State of Maine. Country Road intends for its interexchange ("IXC") services to be structurally separate from its local exchange ("LEC") services as defined in the FCC's *Fifth Report & Order* in the *Competitive Carrier* proceeding.⁵ In particular, Country Road will keep separate books of account for its IXC and LEC affiliates, will not jointly own transmission and switching facilities between its IXC and LEC affiliates, and its IXC affiliates will acquire any LEC services from its LEC affiliates only pursuant to tariff. Accordingly, upon grant of this application, Pine Tree Networks will become an authorized non-dominant facilities-based carrier subject to Section 214 of the Communications Act and the Commission's rules. Pine Tree Networks lacks the market power that would allow it to control prices to the detriment of market competition.

⁴ See *International Authorizations Granted*; Section 214 Applications, Public Notice, DA 00-2003 (rel. Aug. 31, 2000).

⁵ *In re Policy and Rules Concerning Rates for Competitive Common Carrier Services and Facilities Authorizations Therefore*, Fifth Report & Order, 98 FCC 2d 1191 (1984).

- (e) This application seeks authority for CDI to assign its international 214 global facilities-based authority to Pine Tree Networks.
- (f) Not applicable.
- (g) Not applicable.
- (h) The following entity holds a ten percent (10%) or greater equity interest in Pine Tree Networks:

<u>Name/Address</u>	<u>% Held</u>	<u>Citizenship</u>	<u>Principal Business</u>
CRC Communications, Inc. 35 Airport Road Suite 120 Morristown, NJ 07960	100%	U.S.	Parent company of CLEC businesses in Maine and California

The following entity holds a ten percent (10%) or greater equity interest in CRC Communications, Inc.:

<u>Name/Address</u>	<u>% Held</u>	<u>Citizenship</u>	<u>Principal Business</u>
Country Road Communications, Inc. 35 Airport Road Suite 120 Morristown, NJ 07960	100%	U.S.	Parent company of rural local exchange telephone companies

The following entities/persons hold a ten percent (10%) or greater equity interest in Country Road Communications, Inc.:

Name/Address	% Held	Citizenship	Principal Business
Prudential Insurance Company of America ⁶ Four Gateway Center 9 th Floor Newark, NJ 07102-4069	86.5%	U.S.	Mutual insurance company, providing a variety of services, including insurance, brokerage, investment services, banking and real estate.

- (i) Pine Tree Networks certifies that it is not affiliated with any foreign carriers.
- (j) Pine Tree Networks certifies that it does not seek to provide international telecommunications services to any destination country where (i) it is a foreign carrier in that country; (ii) it controls a foreign carrier in that country; or (iii) any entity that owns more than 25% of Pine Tree Networks or controls Pine Tree Networks, controls a foreign carrier in that country. Pine Tree Networks also certifies that it does not seek to provide international telecommunications services to any destination country where two or more foreign carriers (or parties that control foreign carriers) own, in the aggregate, more than 25% of Pine Tree Networks and are parties to, or the beneficiaries of, a contractual relation affecting the provision or marketing of international basic telecommunications services in the United States.
- (k) Not applicable.
- (l) Not applicable.
- (m) Not applicable.
- (n) Pine Tree Networks certifies that it has not agreed to accept special concessions directly or indirectly from any foreign carrier with respect to any U.S. international route where the foreign carrier possesses market power on the foreign end of the route and will not enter into such agreements in the future.

⁶ Prudential holds its interest in Country Road Communications, Inc. through shares held in Prudential's name, shares held by Prudential's indirect wholly-owned subsidiary, Prudential Securities Incorporated, and through two investment funds that also are affiliates of Prudential.

- (o) Pine Tree Networks certifies that, pursuant to Sections 1.2001-1.2003 of the Commission's rules, it is not subject to a denial of Federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988.
- (p) Pine Tree Networks requests streamlined processing of this Application. Pine Tree Networks qualifies for streamlined processing because no part of Section 63.12(c) applies to Pine Tree Networks.

V. CONCLUSION

For the foregoing reasons, the Applicants request that the Commission authorize the assignment of the international Section 214 global facilities-based authorization held by CDI to Pine Tree Networks.

COMMUNICATIONS DESIGN, INC.

Respectfully Submitted,

**COUNTRY ROAD COMMUNICATIONS
INC.
CRC COMMUNICATIONS OF MAINE,
INC. d/b/a PINE TREE NETWORKS**

By: 

By: _____

Ann K. Newhall
Executive Vice President and
Chief Operating Officer
Communications Design, Inc.
c/o Rural Cellular Corporation
P. O. Box 2000
3905 Dakota Street SW
Alexandria, MN 56308
(320) 630-4968

Thomas Mendenhall
Vice President - Finance, Treasurer &
Secretary
Country Road Communications, Inc.
35 Airport Road
Suite 120
Morristown, NJ 07960
(973) 656-0616

David L. Nace
Lukas Nace Gutierrez & Sachs, Chtd.
1111 19th St., N.W.
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Willkie Farr & Gallagher
Three Lafayette Centre
1155 21st St., N.W.
Suite 600
Washington, D.C. 20036
(202) 429-4726

Dated: May 31, 2001

V. CONCLUSION

For the foregoing reasons, the Applicants request that the Commission authorize the assignment of the international Section 214 global facilities-based authorization held by CDI to Pine Tree Networks.

Respectfully Submitted,

COMMUNICATIONS DESIGN, INC.

COUNTRY ROAD COMMUNICATIONS
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CRC COMMUNICATIONS OF MAINE,
INC. d/b/a PINE TREE NETWORKS

By: _____

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(202) 429-4726

Dated: May 31, 2001

CERTIFICATION OF APPLICANT

On behalf of CRC Communications of Maine, Inc. d/b/a Pine Tree Networks ("Pine Tree Networks") and Country Road Communications, Inc. ("Country Road"), and in accordance with Sections 1.2001-1.2003 of the Commission's rules, 47 C.F.R. §§ 1.2001-1.2003, I hereby certify that neither Pine Tree Networks nor Country Road is subject to a denial of Federal benefits that includes FCC benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988. See 21 U.S.C. § 853a. I also hereby certify that the statements in the foregoing application for Section 214 authority are true, complete, and correct to the best of my knowledge and are made in good faith.

Except as permitted by the FCC's rules, neither Pine Tree Networks nor Country Road has agreed to accept any concessions directly or indirectly from any carrier or administration with respect to traffic or revenue flow between the United States and various international points, under the authority granted under Section 214 of the Communications Act of 1934, as amended, and the Commission's rules, and they have not agreed to enter into such agreements in the future.

**COUNTRY ROAD COMMUNICATIONS, INC.
CRC COMMUNICATIONS OF MAINE,
INC. d/b/a PINE TREE NETWORKS**

By: 

Thomas Mendenthal
Vice President - Finance, Treasurer &
Secretary
Country Road Communications, Inc.
35 Airport Road
Suite 120
Morristown, NJ 07960
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Dated: May 31, 2001