

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of)
)
LINE SYSTEMS, INC.)
)
INFINITE COMMUNICATION, LLC)
)
And)
)
MAGELLAN HILL TECHNOLOGIES, LLC)
)
Assignors)
)
And)
)
BLOCK COMMUNICATIONS, INC.)
)
And its wholly-owned subsidiary:)
)
BLOCK LINE SYSTEMS, LLC)
)
Assignees)
)
For Consent to Assign Authorizations for Domestic and)
International Telecommunications Pursuant to Section)
214 of the Communications Act of 1934, as amended)

WC Docket No. _____

File No. ITC- _____

JOINT APPLICATION

Line Systems, Inc. (“LSI”), Infinite Communication, LLC (“IC”), and Magellan Hill Technologies, LLC (“MHT”), on their own behalf and behalf of their respective shareholders or members (jointly, the “Assignors”), and Block Communications, Inc. (“BCI”) and its wholly-owned subsidiary Block Line Systems, LLC (“BLS”), hereby request approval of the Federal Communications Commission (“Commission”) pursuant to Section 214 of the Communications Act of 1934, as amended, 47 U.S.C. §214, and Sections 1.763, 63.03, 63.04, 63.18, and 63.24(e) of the Commission’s rules, 47 C.F.R. §§1.763, 63.03, 63.04, 63.18, and 63.24(e), to transfer

certain customers and assets to BLS and to assign the domestic and international Section 214 authorizations from the Assignors to BLS. All parties are collectively referred to herein as the “Applicants.”

This Application is being filed simultaneously with the International Bureau and the Wireline Competition Bureau. For the reasons stated herein, Applicants respectfully submit that a prompt grant of both applications will serve the public interest.

I. Applicants

A. Line Systems, Inc.

LSI is a Pennsylvania corporation whose address is 1645 West Chester Pike, Suite 200 West Chester, Pennsylvania 19382. LSI is authorized to provide competitive local exchange service in Delaware, Maryland, New Jersey, New York and Pennsylvania and provides long distance services in California, Delaware, Florida, Illinois, Maryland New Jersey, New York, Ohio, Pennsylvania, Texas and Virginia. As a Competitive Local Exchange Carrier (“CLEC”), LSI provides its facilities-based local exchange service and its resale interexchange services in competition with other non-IC and non-MHT carriers, including the applicable incumbent local exchange carrier within the geographic services area within which LSI operates. The ownership and control of LSI is provided in Section IV, below.

B. Infinite Communication, LLC

IC is a limited liability company organized under the laws of the Commonwealth of Pennsylvania whose address is 1645 West Chester Pike, Suite 200 West Chester, Pennsylvania 19382. IC is authorized to provide competitive local exchange service and resold interexchange service in Delaware, New Jersey and Pennsylvania. As a CLEC, IC provides its facilities-based local exchange service and its resale interexchange services in competition with other non-LSI

and non-MHT carriers, including the applicable incumbent local exchange carrier within the geographic services area within which IC operates. The ownership and control of IC is provided in Section IV, below.

C. Magellan Hill Technologies, LLC

MHT is a limited liability company organized under the State of New Jersey whose address is 1645 West Chester Pike, Suite 200 West Chester, Pennsylvania 19382. MHT is authorized to provide competitive local exchange service in the District of Columbia, Delaware, Massachusetts, Maryland, New York, New Jersey, Pennsylvania and Rhode Island and provides resold interexchange services in these same jurisdictions as well as Ohio and Virginia. As a CLEC, MHT provides its facilities-based local exchange service and its resale interexchange services in competition with other non-LSI and non-IC carriers, including the applicable incumbent local exchange carrier within the geographic services area within which MHT operates. MHT is a wholly-owned subsidiary of (and thus controlled by) LSI.

D. Block Communications, Inc.

BCI is a corporation organized under the laws of the State of Ohio. Its address is 405 Madison Avenue, Suite 2100, Toledo, Ohio 43604. BCI is a multi-media corporation, operating full-service television stations, low-power television stations, newspapers and cable television systems.¹ BCI is not a carrier.² The ownership and control of BCI is provided in Section IV, below.

¹ A BCI wholly-owned subsidiary provides cable television service but, to the best of its knowledge, operates outside of the geographic areas in which LSI, MHT and IC operate. To the extent there is any overlap in the service areas of BCI's cable subsidiary, LSI, MHT and IC, the Commission has forbore from application of Section 652(b) of the Communications Act of 1934, as amended - which prohibits a cable operator's acquisition of a local exchange carrier providing telephone exchange service within the cable operator's franchise area - in cases where the cable operator acquires a competitive local exchange carrier. *See In re: Petition from*
(continued on next page)

E. Block Line Systems, LLC

BLS is a limited liability company recently formed under Ohio law for the purpose of operating the assets of LSI, IC and MHT upon the consummation of the instant transaction described in Section IV of this application. BLS's address is 405 Madison Avenue, Suite 2100, Toledo, Ohio 43604. BLS is a wholly-owned subsidiary of BCI.

II. Description of the Transaction

The Applicants have entered into an Asset Purchase Agreement ("Agreement") whereby BLS will acquire certain assets including, for example, operating assets and agreements, certain customer accounts, contracts and agreements, certain vendor agreements and contracts, certain equipment and certain intellectual property from LSI, IC and MHT. As part of the purchase of assets, BLS will receive such assets related to the provision of local exchange and exchange access services and the provision of interexchange domestic and international resold long distance services (the "Transaction").

The proposed Transaction is not expected to result in any loss or impairment of service to any of the customers being assigned from Assignors to BLS. Immediately following consummation of the transaction, the customers will continue to receive their existing services at

Declaratory Ruling to Clarify 47 U.S.C. § 572 in the Context of Transactions Between Competitive Local Exchange Carriers and Cable Operators; Conditional Petition for Forbearance from Section 652 of the Communications Act for Transactions Between Competitive Local Exchange Carriers and Cable Operators, 27 FCC Rcd 11532 (2012). BCI has also announced plans to acquire MetroCast Mississippi, a cable system that provides cable television, telephone, and Internet services in Mississippi and to the best of BCI's knowledge, MetroCast Mississippi operates outside of the geographic areas in which LSI, MHT and IC operate.

² Buckeye TeleSystem, Inc. ("Buckeye") is a wholly-owned subsidiary of BCI, and provides CLEC services in Ohio and Michigan and resold domestic (blanket authority provided under 47 C.F.R. §63.01) and international interexchange services (provided under File No. ITC-214-
(continued on next page)

the same rates, terms and conditions as at present. If any changes in the rates, terms and conditions of service are made in the future, those changes will be made consistent with Commission requirements. The only material change as part of this transaction will be in the customers' service provider. Customers will be notified of the change in accordance with Section 64.1120 of the Commission's Rules. Customers will remain responsible for any applicable early contract termination charges or other fees under their current terms of service, if they choose a service provider other than BLS.

The Applicants also have agreed to transfer the Section 214 authorizations currently held by the Assignors to BLS. The authorizations to be assigned were originally issued on April 9, 2000 in File No. ITC-214-20000301-00170 to LSI, on March 17, 2006 in File No. ITC-214-20060228-00127 to MHT, and on June 6, 2007 in File No. ITC-214-20070511-00186 to IC. These licenses authorize provision of global facilities-based and resale international services. The transfer of the Assignors' international authorizations to BLS will occur after the required regulatory approvals have been obtained. In addition, as part of the transaction, BLS will hire a number of employees from LSI including certain key individuals within LSI's senior management, including Michael Miller and Kevin McGeary, and day-to-day technical and commercial operations. Consummation of the Transaction is contingent upon receipt of Commission approval and all other necessary regulatory approvals.

III. Public Interest Statement

The Transaction furthers the public interest, convenience and necessity. BLS will, upon consummation, provide the competitive local exchange and the domestic and international

19981117-00803; *see also* File No. ITC-ASG-20040715-00316 and File No. ITC-T/C-20120621-00166)).

interexchange services currently offered by the Assignors, thereby continuing the development of these two competitive service markets in the areas within which BLS will operate.

Additionally, the proposed transfer of customers and assets will benefit existing customers of Sellers through increased efficiencies that will result from the use of the advanced service platform that is currently being used by BLS's affiliate, Buckeye, coupled with the continuing commitment to provide high quality, competitive services in response to customer need.

Moreover, with the support of BCI and the continued top management provided by Michael Miller and Kevin McGear, BLS possesses the requisite financial, technical and managerial resources to maintain and, as market conditions permit, expand the services provided by all of the Assignors.

Upon consummation of the Transaction and after completion of the customer transfer, BLS will provide the Assignors' customers with the same services and quality they have come to expect without any immediate change to the service offerings, rates, or terms and conditions. Applicants will provide written notice of the Transaction to current customers as required by 47 C.F.R. §64.1120(e) of the Commission's rules and applicable state customer notice rules. To ensure a seamless transition and avoid customer confusion or inconvenience, Assignors will provide advance written notice to the affected retail end user customers at least thirty (30) days prior to the transfer. The advance written notice will explain the change in service provider in accordance with applicable Commission and state requirements for a transaction of this type. Applicants will file the required notice with the Commission in CC Docket No. 00-257 pursuant to Section 64.1120 of the Commission's Rules, 47 C.F.R. § 64.1120.

Finally, the proposed Transaction does not present any anticompetitive issues. After consummation of the Transaction, BLS's share of the interstate interexchange market (along with its affiliate Buckeye) will be less than ten percent (10%) of the interexchange market. Moreover, as the Commission's telecommunications carrier records will attest (<http://apps.fcc.gov/cgb/form499/499a.cfm>), there are other local exchange carriers and interexchange carriers operating in the States, Commonwealths and the District of Columbia. Thus, the Transaction will not harm the public interest and is expected to preserve and increase competition in the domestic and international telecommunications markets within which Assignors operate.

IV. Information Required by Section 63.24(e) of the Commission's Rules for an Assignment of International Section 214 Authorizations

In accordance with Section 63.24(e) of the Commission's rules, Applicants submit the following information:

(1) Name, address and telephone number of each applicant:

Assignors

Line Systems, Inc.
Infinite Communication, LLC
Magellan Hill Technologies, LLC

1645 West Chester Pike
Suite 200
West Chester, Pennsylvania 19382
Attention: John West
Tel: 610-355-9733

Assignees:

Block Communications, Inc.
Block Line Systems, LLC
405 Madison Avenue, Suite 2100
Toledo, Ohio 43604
Attention: John Martin

Tel: 419-724-3860

- (2) **Government, state or territory under the law of which each corporate or partnership applicant is organized.**

LSI is a corporation organized under the laws of Commonwealth of Pennsylvania. IC is a limited liability company organized under the laws of the Commonwealth of Pennsylvania.

MHT is a limited liability company organized under the laws of the State of New Jersey. BCI is a corporation organized under the laws of the State of Ohio. BLS is a limited liability company organized under the laws of the State of Ohio.

- (3) **The name, title, post office address, and telephone number of the officer and any other contact point, such as legal counsel, to whom correspondence concerning the application is to be addressed.**

For the Assignors:

Line Systems, Inc.
Infinite Communication, LLC
Magellan Hill Technologies, LLC

John West
1645 West Chester Pike
Suite 200
West Chester, Pennsylvania 19382
Tel: 610-355-9733
E-mail: jwest@linesystems.com

With copies to:

Steven A. Augustino
Denise N. Smith
Kelley Drye & Warren LLP
3050 K Street, NW
Suite 400
Washington, DC 20007
Tel: 202-342-8400
E-mail: saugustino@kelleydrye.com
dsmith@kelleydrye.com

For the Assignees:

Block Communications, Inc.
Block Line Systems, LLC
405 Madison Avenue, Suite 2100
Toledo, Ohio 43604
Attn: John Martin
Tel: 419-724-3860
E-mail: jmartin@telesystem.us

With copies to:

Thomas J. Moorman, Esq.
Woods & Aitken, LLP
5151 Wisconsin Avenue, NW, Suite 310
Washington, DC 20016
Tel: 202-944-9502
E-mail: tmoorman@woodsaitken.com

And

David F. Waterman, Esquire
Shumaker, Loop & Kendrick, LLP
1000 Jackson
Toledo, Ohio 43604
Tel: 419-321-1212
E-mail: dwaterman@slk-law.com

- (4) **A statement as to whether the applicant has previously received authority under Section 214 of the Act and, if so, a general description of the categories of facilities and services authorized (i.e., authorized to provide international switched services on a facilities basis)**

LSI is authorized to provide global or limited global facilities-based and global or limited global resale international telecommunications pursuant to Section 214 authorization issued in File No. ITC-214-20000301-00170 and holds blanket domestic Section 214 authority to provide interstate interexchange telecommunications services.

IC is authorized to provide global or limited global facilities-based and global or limited global resale international telecommunications pursuant to Section 214 authorization issued in File No. ITC-214-2007051-00186 (*see also* File No. ITC-ASG-20070228-00089) and holds

blanket domestic Section 214 authority to provide interstate interexchange telecommunications services.

MHT is authorized to provide global or limited global facilities-based service and global or limited global resale international telecommunications pursuant to Section 214 authorization issued in File No. ITC-214-20060228-00127 (*see also* File No. ITC-T/C-20111110-00342) and holds blanket domestic Section 214 authority to provide interstate interexchange telecommunications services.

BLS does not currently provide telecommunications services and does not hold any Section 214 authorization.

- (5) The name, address, citizenship and principal businesses of any person or entity that directly or indirectly owns at least ten percent of the equity of the applicant, and the percentage of equity owned by each of those entities (to the nearest one percent). The applicant shall also identify any interlocking directorates with a foreign carrier.**

LSI is owned by four United States citizens – Kevin McGeary (Vice President), Michael Miller (Secretary), Barry Fireman (Treasurer), and Raymond Fireman (President). Each of these individuals owns twenty-five percent (25%) of the issued and outstanding stock of LSI.

IC is owned by four United States citizens – Kevin McGeary (President), Michael Miller (Secretary), Barry Fireman (Treasurer), and Raymond Fireman (Vice President). These four individuals also own the issued and outstanding shareholder interests of IC in the same percentages. As indicated above, MHT is a wholly-owned subsidiary of LSI. MHT's management team is comprised of the following: Kevin McGeary (Vice President), Michael Miller (President), John West (Vice President).

BLS is a wholly-owned subsidiary of BCI. The 10% or greater shareholders of BCI are noted below and are determined based on the direct and indirect interests of the shareholders in

the three (3) classes of stock issued by BCI, only one of which is voting. Control of BCI resides in the four shareholders which effectively vote 25% of the voting stock of BCI as explained below.

There are 29,400 outstanding shares of Voting Common Stock that are owned as follows:

<u>Name</u>	<u>Citizenship</u>	<u>Principal Business</u>	<u>Voting Shares</u>	<u>Percentage</u>
1. Allen J. Block	U.S.	Communications	7,350	25
2. John R. Block	U.S.	Communications	7,350	25
3. Block Family Trust No. 2 ³	U.S.	Trust	7,350	25
4. Block Remainder Trusts ⁴	U.S.	Trust	<u>7,350</u>	<u>25</u>
TOTAL:			29,400	100%

Control of BCI rests with these four shareholders.

The shareholders currently owning 10% or more of the total outstanding equity of BCI are as follows:

<u>Name</u>	<u>Total Shares⁵</u>	<u>Total Percentage</u>
1. Allan J. Block	55,014.16	17.59%
2. John R. Block	55,014.16	17.59%
3. William Block, Jr.	40,365.25	12.91%
4. Donald G. Block	39,642.25	12.68%
5. Barbara L. Block	35,936.25	11.49%
6. Karen D. Johnese	31,666.25	10.13%

³ By virtue of the underlying trust instruments, the Block Family Trust No. 2 has five (5) trustees but William Block, Jr. has veto power over the trust action.

⁴ There are eight (8) Block Remainder Trusts. Karen D. Johnese is the Voting Trustee of each Block Remainder Trusts and votes all of the shares of Voting Common Stock owned by such trusts.

⁵ "Total Shares" reflects total ownership of all equity interests (the three (3) authorized classes of stock (only one (1) of which is voting)) for each individual, including both direct and indirect beneficial ownership.

Except for John R. Block, the address for each of the individuals and each of the Trusts identified above is 405 Madison Avenue, Suite 2100, Toledo, Ohio 43603. John R. Block's address is 34 Blvd. of the Allies, Pittsburgh, Pennsylvania 15222.

- (6) **Certification as to whether or not the applicant is, or is affiliated with, a foreign carrier.**

Assignees hereby certify that neither is a foreign carrier and neither is affiliated with a foreign carrier.

- (7) **A certification as to whether or not the applicant seeks to provide international telecommunications services to any destination country for which any of the following is true.**

Assignees certify that they do not seek to provide international telecommunications services to any destination county to which 47 C.F.R. §§ 63.18(j)(1) through (j)(4) applies.

- (8) **Showing regarding provision of international telecommunications services to a county where the applicant is a foreign carrier or is affiliated with a foreign carrier.**

N/A

- (9) **Regulatory classification under Section 63.10 of the Commission's Rules for foreign-affiliated carrier.**

N/A

- (10) **Certification that applicant has not agreed to accept special concessions directly or indirectly from a foreign carrier.**

Assignees certify that they have 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 that they will not enter into such agreements in the future.

- (11) **Certification pursuant to §§1.2001 through 1.2003 of this chapter that no party to the application is subject to a denial of Federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988. See 21 U.S.C. 853a.**

Applicants hereby certify that, pursuant to 47 C.F.R. §§ 1.2001-1.2003, that to the best of their knowledge, information, and belief, no party to the application is subject to a denial of Federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988, 21 U.S.C. 853a.

(12) Qualification for Streamlined Treatment

This Application qualifies for streamlined treatment under Section 63.12(c) of the Commission's Rules because (i) BLS is not affiliated with a foreign carrier and will not become affiliated with any foreign carrier as a result of the proposed Transaction; (ii) BLS is not affiliated with any dominant U.S. carrier whose international switched or private line services BLS seeks authority to resell, nor will BLS be so affiliated once the proposed Transaction is consummated, and (iii) none of the other scenarios outlined in Section 63.12(c) of the Commission's Rules, 47 C.F.R. § 63.12, apply.

V. Additional Information Required by Section 63.04(b) of the Commission's Rules or Assignment/Transfer of Control

Pursuant to Section 63.04(b) of the Commission's rules, Applicants provide the following information in connection with the proposed assignment:

(1) §63.04(a)(6) – Description of the transaction

The Transaction is summarized in Section II, *supra*.

(2) §63.04(a)(7) – Description of the geographic areas in which the transferor and transferee (and their affiliates) offer domestic telecommunications services, and what services are provided in each area

Descriptions of the geographic service areas and the services provided in each area are provided in Section I.A. through Section I.C, *supra*.

(3) §63.04(a)(8) – Statement as to how the application fits into one or more of the presumptive streamlined categories in this section or why it is otherwise appropriate for streamlined treatment

The Applicants request streamlined treatment of this Application pursuant to

Sections 63.03 of the Commission's Rules, 47 C.F.R. § 63.03. This Application is eligible for streamlined processing pursuant to Section 63.03(b)(2) of the Commission's Rules because (i) the proposed transaction will result in the Applicants (including their affiliates) having a market share in the interstate, interexchange market of less than 10 percent; (ii) the Applicants (including their affiliates) will provide competitive telephone exchange services or exchange access services exclusively in geographic areas served by a dominant local exchange carrier that is not a party to the transaction; and (iii) neither the Applicants nor any of their affiliates are regulated as dominant with respect to any service.

(4) **§63.04(a)(9) – Identification of all other Commission applications related to the same transaction**

None

(5) **§63.04(a)(10) – Statement of whether the applicants are requesting special consideration because either party to the transaction is facing imminent business failure**

None of the Applicants to the Transaction is facing imminent business failure. Therefore, Applicants are not requesting special consideration of this reason.

(6) **§63.04(a)(11) – Identification of any separately filed waiver requests being sought in conjunction with the transaction**

No separately filed waiver requests are being sought in conjunction with the Transaction.

(7) **§63.04(a)(12) – Statement showing how grant of the application will serve the public interest, convenience and necessity, including any additional information that may be necessary to show the effect of the proposed transaction on competition in domestic markets.**

The Transaction is in the public interest for the reasons stated in Section III, *supra*.

VII. Conclusion

In view of the foregoing, Applicants respectfully submit that the public interest, convenience and necessity would be furthered by an expeditious grant of this Application.

Respectfully submitted,

LINE SYSTEMS, INC.
on its own behalf and on behalf of its shareholders

By: Michael Miller
Michael Miller, Secretary

Date: 7-14-14

INFINITE COMMUNICATION, LLC
on its own behalf and on behalf of its member

By: Michael Miller
Michael Miller, Secretary

Date: 7-14-14

MAGELLAN HILL TECHNOLOGIES, LLC
on its own behalf and on behalf of its member

By: Michael Miller
Michael Miller, President

Date: 7-14-14

BLOCK COMMUNICATIONS, INC.
on its own behalf and on behalf of its shareholders

By: _____
Jodi Miehl, Chief Financial Officer

Date: _____

BLOCK LINE SYSTEMS, LLC
on its own behalf and on behalf of its member

By: _____
John E. Martin
President

Date: _____

Respectfully submitted,

LINE SYSTEMS, INC.

on its own behalf and on behalf of its shareholders

By: _____
Michael Miller, Secretary

Date: _____

INFINITE COMMUNICATION, LLC

on its own behalf and on behalf of its member

By: _____
Michael Miller, Secretary

Date: _____

MAGELLAN HILL TECHNOLOGIES, LLC

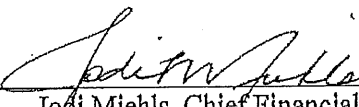
on its own behalf and on behalf of its member

By: _____
Michael Miller, President

Date: _____

BLOCK COMMUNICATIONS, INC.

on its own behalf and on behalf of its shareholders

By:  _____
Joeli Miehl, Chief Financial Officer

Date: 7/14/14

BLOCK LINE SYSTEMS, LLC

on its own behalf and on behalf of its member

By: _____
John E. Martin
President

Date: _____

Respectfully submitted,

LINE SYSTEMS, INC.

on its own behalf and on behalf of its shareholders

By: _____
Michael Miller, Secretary

Date: _____

INFINITE COMMUNICATION, LLC

on its own behalf and on behalf of its member

By: _____
Michael Miller, Secretary

Date: _____

MAGELLAN HILL TECHNOLOGIES, LLC

on its own behalf and on behalf of its member

By: _____
Michael Miller, President

Date: _____

BLOCK COMMUNICATIONS, INC.

on its own behalf and on behalf of its shareholders

By: _____
Jodi Miehl, Chief Financial Officer

Date: _____

BLOCK LINE SYSTEMS, LLC

on its own behalf and on behalf of its member

By: _____
John E. Martin
President

Date: _____ 7-14-14