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

In the Matter of	)
BCN TELECOM, INC. Assignee,	) ) )
AMI COMMUNICATIONS, INC. D/B/A AMI COMMUNICATIONS Assignor,	) ) WC Docket No ) ) )
-	) IB File No
Application for Consent to Assign Certain Assets of a Company Holding an International Authorization and a Blanket Domestic Authorization Pursuant to Section 214 of the Communications Act of 1934. as Amended	) ) ) ) ) )

#### <u>APPLICATION</u>

BCN Telecom, Inc. ("BCN", "Assignee" or "Buyer") and AMI Communications, Inc. d/b/a AMI Communications ("AMI", "Assignor" or "Seller" and together with BCN, the "Applicants"), pursuant to Section 214 of the Communications Act of 1934, as amended, 47 U.S.C. §214 (the "Act"), and Sections 63.04 and 63.24(e) of the Commission's Rules, 47 CFR §§ 63.04, 63.24(e), hereby request authority to enable BCN to acquire all assets related to and comprising the customer base of AMI (the "Business").

Pursuant to the terms of an Asset Purchase Agreement ("Agreement") executed on or about June 1, 2014, BCN will acquire all assets of AMI relating to and comprising the telecommunications services Customer Base of the Seller that constitute the Business. Accordingly, the Applicants request that the Commission approve the transfer of these assets, including the telecommunications customer base of AMI ("Customers") and contractual and other rights with respect to customer accounts to BCN. The assets being transferred do not include any Section 214 authorizations. The Applicants note that BCN already holds authority

under Section 214 of the Act to provide domestic and international telecommunications services.<sup>1</sup>

The proposed transaction is not expected to result in any loss or impairment of service to the Customers. Customers will continue to receive their existing services at the same rates, terms, and conditions that they have prior to the transfer and any future changes in the rates, terms, and conditions of service will be made consistent with Commission requirements. The only material change will be in the Customers' service provider. Notice of the change will be provided to Customers in accordance with Section 64.1120 of the Commission's Rules.

Pursuant to Section 63.04(b) of the Commission's Rules, 47 CFR § 63.04(b), the Applicant's are filing a combined application for the proposed transfer of assets. The Applicants provide below the information required by Section 63.24(e)(2) of the Commission's Rules 47 CFR § 63.24(e)(2). **Exhibit A** provides the additional information requested by Section 63.04(a)(6) through (a)(12) of the Commission's Rules, 47 CFR § 63.04(a)(6)-(12).

The Applicant's respectfully request streamlined treatment of this Application pursuant to Sections 63.03 and 63.12 of the Commission's Rules, 47 CFR §§ 63.03 and 63.12. This Application is eligible for streamlined processing pursuant to Section 63.03(b)(2)(i) of the Commission's Rules, 47 CFR § 63. 03(b)(2)(i), because (1) after the proposed transaction, BCN (including its affiliates) will have a market share in the interstate, interexchange market of substantially less than 10 percent, and will provide competitive services exclusively in areas served by a dominant local carrier not a party to the transaction; and (2) BCN and AMI are not currently dominant with respect to any domestic service, and will not become dominant with respect to any domestic service after consummation of the proposed transaction. The Application also qualifies for streamlined treatment under Section 63.12 because (1) BCN is not affiliated with a dominant foreign carrier; (2) BCN will not become affiliated with any foreign

<sup>&</sup>lt;sup>1</sup> BCN received its international Section 214 authority in File Nos. ITC-214-19951228-00061 (granted March 11, 1996) and ITC-214-19960529-00214 (granted July 22, 1996). BCN holds blanket authority to provide domestic interstate service pursuant to Section 63.01 of the Commission's Rules.

carrier as a result of the proposed transaction; and (3) none of the other provisions contained in Section 63.12(c) of the Commission's Rules, 47 CFR § 63.12, apply.

The Applicants provide the following in support of this request:

#### I. **APPLICANTS**

#### Α. BCN Telecom, Inc. (FRN: 0016071862)

BCN is a non-dominant carrier providing international (as well as intrastate and interstate) facilities-based and/or resold local exchange and long distance services through the sale of purchased services from various facilities-based carriers. BCN is headquartered at:

> 550 Hills Drive, Suite 110 Bedminster, NJ 07921-0760 Telephone: (908) 470-4700 Fax: (908) 470-4707

BCN is a wholly-owned subsidiary of Telecom Acquisition Company, LLC ("TAC"), which is a New Jersey limited liability company and a holding company. No other entity holds a 10 percent (10%) or greater interest in BCN.

The following entities hold a 10 percent or greater equity interest in TAC.

Richard M. Boudria Family Trust 550 Hills Drive, Suite 110 Bedminister, NJ 07921-0760 Citizenship: U.S.

Principal business: telecommunications management

Percent ownership: 67.1%

George F. Burns, Jr. 550 Hills Drive. Suite 110 Bedminster NJ 07921-0760 Citizenship: U.S.

Principal business: telecommunications management

Percent ownership: 15.0%

No other entity holds a 10 percent (10%) or greater interest in TAC.

Currently, BCN is authorized as a reseller of intrastate interexchange telecommunications services throughout the United States, with the exception of Alaska, and has resold and/or facilities-based local exchange authority in the states of Alabama, California, Colorado, Connecticut, Delaware, District of Columbia, Florida, Georgia, Idaho, Illinois, Indiana, Iowa, Kentucky, Maine, Maryland, Massachusetts, Michigan, Minnesota, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, Washington, West Virginia, Wisconsin and Wyoming.

#### B. AMI Communications, Inc. d/b/a AMI Communications (FRN: 0004933099)

AMI is a privately-held corporation organized under the laws of the State of Illinois and is headquartered at:

> 300 Cardinal Drive, Suite 280 St. Charles, IL 60175 Telephone: (630) 389-9000

The following holds a 10 percent or greater beneficial ownership in AMI.

Robert M. Buchta Trust 300 Cardinal Drive, Suite 280 St. Charles, IL 60175 Citizenship: U.S.

Principal Business: Telecommunications

% Ownership: 67.2%

Franklin and Georgia Buchta Trust 300 Cardinal Drive, Suite 280 St. Charles, IL 60175 Citizenship: U.S.

Principal Business: Telecommunications

% Ownership: 12.8%

Edward J. Stern 300 Cardinal Drive, Suite 280 St. Charles, IL 60175 Citizenship: U.S. Principal Business: Telecommunications

% Ownership: 12.0%

No other entity holds a 10 percent or greater equity interest in AMI under the Commission's attribution rules.

Currently AMI has authority to provide intrastate, interexchange service in the states of: California, Florida, Illinois, Indiana, Kentucky and Wisconsin, and authority to provide competitive local exchange services in Illinois and Wisconsin.

#### II. DESCRIPTION OF TRANSACTION

Pursuant to an Asset Purchase Agreement ("Agreement") executed on or about June 1, 2014, AMI agrees to convey, transfer, assign and deliver to the Buyer, and BCN agrees to acquire and assume from the Seller, all of the Seller's right, title and interest in and to, and obligations under, all assets related to and comprising the telecommunications services Customer Base of the Seller summarized as follows: (1) the Customer Base; (2) all Customer Base deposits or prepayments; and (3) all supporting documentation and Customer Base account information and files; (4) all agreement and arrangements with the Customer Base and suppliers including customer letter of authorizations and customer service term agreements; (5) all Post Start Date Accounts Receivables; (6) all cash, including cash deposits and cash collateral, marketable securities and other cash equivalents, relating to or arising out of the operation of the Business after the Start Date except for cash attributable to Pre Start Date Accounts Receivable; (7) assumed Contracts of Seller.

After the Closing, BCN will provide telecommunications services to the Customers pursuant to its own telecommunications authorizations. After consummation of the Transaction, AMI will surrender its authorization.

The proposed transfer of customers to BCN will have no adverse impact on the Customers. Customers will continue to receive their existing services at the same rates, terms, and conditions that they have prior to the transfer and any future changes in the rates, terms, and conditions of service will be made consistent with Commission regulations. To avoid Customer confusion and ensure a seamless transition, the Applicants will provide advance written notice to the affected Customers at least thirty (30) days prior to the transfer, explaining the change in service provider in accordance with applicable Commission and state regulations

for changing a customer's presubscribed carrier. BCN 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, to comply with the Commission's slamming requirements.

III. **PUBLIC INTEREST STATEMENT** 

The transaction contemplated by the Agreement will serve the public interest. BCN is a

strong company that will continue to provide high quality services to the Customers. The

purchase of AMI's assets will strengthen BCN, enable it to expand and better ensure that it

remains a viable long-term competitor in the telecommunications market.

At the same time, the proposed transfer of assets does not present any anticompetitive

issues. The Applicants emphasize that, following the transfer the Customers will continue to

receive services from an experienced and qualified carrier, which services will be consistent

with the quality of services currently provided by AMI. The Applicants anticipate that Customers

will experience a seamless transition of service provider. Further, these Customers will be

sufficiently notified of the transaction and their rights. The contact for Commission inquiries will

be:

Patrick D. Crocker

Crocker & Crocker

107 W. Michigan Ave, 4th Floor

Kalamazoo, MI 49007

Phone:

(269) 381-8893

Fax:

(269) 381-4855

Email:

patrick@crockerlawfirm.com

The proposed transfer does not present any competitive issues. The Applicants note that

there are a number of other carriers operating in each market, including the incumbent carrier,

which controls a substantial market share.

In sum, grant of the Application will serve the public interest by strengthening the

competitive position of BCN without negatively impacting either the Customers or competition in

the markets in which the Applicants operate.

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## IV. INFORMATION REQUIRED BY § 63.24(e) OF THE COMMISSION'S RULES

Applicants submit the following information pursuant to Section 63.24(e) of the Commission's Rules, including the information requested in Section 63.18:

(a) Name, address, and telephone number of Applicants:

BCN Telecom, Inc. (Assignee) FRN: 0016071862

550 Hills Drive, Suite 110 Bedminster, NJ 07921-0760 Telephone: (908) 470-4700

AMI Communications, Inc. (Assignor) FRN: 0004933099

d/b/a AMI Communications 300 Cardinal Drive, Suite 280

St. Charles, IL 60175

Telephone: (630) 389-9000

- (b) BCN is a corporation organized under the laws of New Jersey and is a wholly owned subsidiary of TAC, a New Jersey limited liability company and holding company. AMI is a privately-held corporation organized under the laws of Illinois.
  - (c) Correspondence concerning this Application should be sent to:

Patrick D. Crocker Crocker & Crocker 107 W Michigan Ave, 4<sup>th</sup> Floor Kalamazoo, MI 49007

Telephone: (269) 381-8893 Facsimile: (269) 381-4855

Email: <u>patrick@crockerlawfirm.com</u>

- (d) BCN received its international Section 214 authority in File Nos. ITC-214-19951228-00061 (granted March 11, 1996) and ITC-214-19960529-00214 (granted July 22, 1996). BCN holds blanket authority to provide domestic interstate service pursuant to Section 63.01 of the Commission's Rules.
- (h) As indicated in Section I.A. of the Application, BCN is a wholly-owned subsidiary of TAC. No other entity holds a 10 percent or greater equity interest in BCN under the Commission's attribution rules.

The following entities hold a 10 percent (10%) or greater equity interest in TAC

Richard M. Boudria, Family Trust

550 Hills Drive, Suite 110 Bedminster, NJ 07921-0760

Citizenship: U.S.

Principal business: telecommunications management

Percent Ownership: 67.1%

George F. Burns, Jr.

550 Hills Drive. Suite 1110

Bedminster, NJ 07921-0760

Citizenship: U.S.

Principal business: telecommunications management

Percent Ownership: 15.0%

No other entity owns a 10 percent (10%) or greater equity interest in TAC.

BCN states that following the consummation of the transaction, no officer or director of BCN will also be an officer or director of any foreign carrier.

- (i) As evidenced by the signatures to this Application, BCN certifies that (1) BCN is not a foreign carrier and is not affiliated with a foreign carrier, and (2) BCN will not become a foreign carrier or become affiliated with a foreign carrier post-close.
- (j) As evidenced by the signatures to this Application, BCN certifies that, through its acquisition of the assets of AMI, it does not seek to provide international telecommunications services to any destination country where (1) BCN is a foreign carrier; (2) BCN controls a foreign carrier; (3) any entity owns more than 25 percent of BCN, controls BCN, or controls a foreign carrier; and (4) two or more foreign carriers (or Applicants that control foreign carriers) own, in the aggregate, more than 25 percent of BCN 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.
  - (I) Not applicable.
  - (m) Not applicable.

(n) As evidenced by the signatures to this Application, BCN 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 that BCN will not enter into such agreements in the future.

(o) As evidenced by the signatures to this Application, BCN certifies that, pursuant to Sections 1.2001 through 1.2003 of the Commission's Rules, they are not subject to denial of Federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988.

(p) Applicants request streamlined processing of this Application pursuant to Section 63.12 of the Commission's Rules 47 C.F.R. § 63.12. This Application qualifies for streamlined treatment under Section 63.12(c) of the Commission's Rules, because (1) BCN is not affiliated with a dominant foreign carrier; (2) BCN will not become affiliated with any foreign carrier as a result of the proposed transaction; and (3) none of the other scenarios outlined in Section 63.12(c) of the Commission's Rules 47 C.F.R. § 63.12 apply.

# V. INFORMATION REQUIRED BY § 63.04(b) OF THE COMMISSION'S RULES

In accordance with the requirements of Section 63.04(b) of the Commission's Rules, the additional information required for the domestic Section 214 transfer of control application is provided in Exhibit A.

## VI. CONCLUSION

Based on the foregoing, Applicants respectfully submit that the public interest, convenience, and necessity would be furthered by grant of this Application.

Respectfully submitted,

BCN Telecom, Inc.

Patrick D. Crocker, Attorney

By:

## **EXHIBIT A**

## **Domestic Section 214 Transfer of Control Information**

In accordance with the requirements of Section 63.04(b) of the Commission's Rules, 47 C.F.R. § 63.04, regarding the information described in paragraphs (a)(6)-(a)(12) of Section 63.04, Applicants provide the following information in support of their request.

63.04(a)(6): Description of the Transaction

The proposed transaction is described in Section II of the Application.

63.04(a)(7): Description of Geographic Service Area and Services in Each Area

A description of the geographic service areas and services provided in each area is provided in Section I of the Application.

63.04(a)(8): Presumption of Non-Dominance and Qualification for Streamlining

This Application is eligible for streamlined processing pursuant to Section 63.03(b)(2)(i) of the Commission's Rules, 47 C.F.R. § 63.03(b)(2)(i). Following the consummation of the proposed transaction, BCN (including its affiliates) will have a market share in the interstate, interexchange market of substantially less than 10 percent, and will provide competitive telephone exchange services or exchange access services exclusively in geographic areas served by a dominant local exchange carrier that is not party to the transaction. Finally, neither BCN nor AMI, nor any affiliate of either company, is dominant with respect to any service it provides.

63.04(a)(9): Other Commission Applications Related to the Proposed Transaction
None.

63.04(a)(10): Special Considerations

None.

# 63.04(a)(11): Separately Filed Waiver Requests

None.

# 63.04(a)(12): Public Interest Statement

The proposed transaction is in the public interest for the reasons detailed in Section III of the Application.

#### **VERIFICATION**

I, Julian Jacquez, Jr., am the Executive Vice President of BCN Telecom, Inc., and am authorized to make this verification on its behalf. I do hereby verify that I have read the foregoing Application and the statements made therein are true, correct, and complete to the best of my knowledge, information, and belief.

Executed on the <u>/5</u> day of <u>July</u>, 2014.

BCN Telecom, Inc.

Julian Jacquez, Jr.

Subscribed and sworn before me this 15 day of July, 20

Notary Public

KATHLEEN GOREY
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires 11/24/2015

#### VERIFICATION

I, Robert M. Buchta, am the President and CEO of AMI Communications, Inc., and am authorized to make this verification on its behalf. I do hereby verify that I have read the foregoing Application and the statements made therein are true, correct, and complete to the best of my knowledge, information, and belief.

Executed on the 17 day of Tuly , 2014.

AMI Communications, Inc.

Subscribed and sworn before me this day of July, 2014.