

Categories of Services for 214 Applications
(Streamline/Non-streamline)

- ASSIGNMENT OF LICENSE
- GLOBAL FACILITIES-BASED SERVICE
- GLOBAL FACILITIES-BASED/GLOBAL RESALE SERVICE
- GLOBAL RESALE SERVICE
- INDIVIDUAL FACILITIES-BASED SERVICE
- INTERCONNECTED PRIVATE LINE RESALE SERVICE
- LIMITED GLOBAL FACILITIES-BASED SERVICE/LIMITED GLOBAL RESALE SERVICE
- LIMITED GLOBAL FACILITIES-BASED SERVICE
- LIMITED GLOBAL RESALE SERVICE
- INMARSAT AND MOBILE SATELLITE SERVICE
- SWITCHED RESALE SERVICE
- TRANSFER OF CONTROL
- SUBMARINE CABLE LANDING LICENSE
- INTERNATIONAL SPECIAL PROJECT

Description of Application: _____

**READ INSTRUCTIONS CAREFULLY
BEFORE PROCEEDING**

APPROVED BY OMB 3060-0589

FEDERAL COMMUNICATIONS COMMISSION
REMITTANCE ADVICE

FCC PAGE NO. 1 OF 1 DEC 14 1998

SPECIAL USE

FCC USE ONLY

(1) LOCKBOX # 358115

SECTION A - PAYER INFORMATION

(2) PAYER NAME (if paying by credit card, enter name exactly as it appears on your card)

Fox Paine & Company, L.I.C.

(3) TOTAL AMOUNT PAID (dollars and cents)

\$ 780.00

(4) STREET ADDRESS LINE NO. 1

950 Tower Lane

(5) STREET ADDRESS LINE NO. 2
Suite 1950

(6) CITY

Foster City

(7) STATE

CA

(8) ZIP CODE

94404

(9) DAYTIME TELEPHONE NUMBER (include area code)

(650) 525-1300

(10) COUNTRY CODE (if not in U.S.A.)

**IF PAYER NAME AND THE APPLICANT NAME ARE DIFFERENT, COMPLETE SECTION B
IF MORE THAN ONE APPLICANT, USE CONTINUATION SHEETS (FORM 159-C)**

SECTION B - APPLICANT INFORMATION

(11) APPLICANT NAME (if paying by credit card, enter name exactly as it appears on your card)

Alaska Communications Systems Sub, Inc.

(12) STREET ADDRESS LINE NO. 1

100 West 11th Street

(13) STREET ADDRESS LINE NO. 2

(14) CITY

Vancouver

(15) STATE

WA

(16) ZIP CODE

98660

(17) DAYTIME TELEPHONE NUMBER (include area code)

(360) 993-5150

(18) COUNTRY CODE (if not in U.S.A.)

COMPLETE SECTION C FOR EACH SERVICE, IF MORE BOXES ARE NEEDED, USE CONTINUATION SHEETS (FORM 159-C)

SECTION C - PAYMENT INFORMATION

(19A) FCC CALL SIGN/OTHER ID

ITC-96-328

(20A) PAYMENT TYPE CODE (PTC)

C U T

(21A) QUANTITY

1

(22A) FEE DUE FOR (PTC) IN BLOCK 20A

\$ 780.00

FCC USE ONLY

(23A) FCC CODE 1

(24A) FCC CODE 2

(19B) FCC CALL SIGN/OTHER ID

(20B) PAYMENT TYPE CODE (PTC)

(21B) QUANTITY

(22B) FEE DUE FOR (PTC) IN BLOCK 20B

FCC USE ONLY

(23B) FCC CODE 1

(24B) FCC CODE 2

(19C) FCC CALL SIGN/OTHER ID

(20C) PAYMENT TYPE CODE (PTC)

(21C) QUANTITY

(22C) FEE DUE FOR (PTC) IN BLOCK 20C

FCC USE ONLY

(23C) FCC CODE 1

(24C) FCC CODE 2

(19D) FCC CALL SIGN/OTHER ID

(20D) PAYMENT TYPE CODE (PTC)

(21D) QUANTITY

(22D) FEE DUE FOR (PTC) IN BLOCK 20D

FCC USE ONLY

(23D) FCC CODE 1

(24D) FCC CODE 2

SECTION D - TAXPAYER INFORMATION (REQUIRED)

(25) COMPLETE THIS BLOCK ONLY IF APPLICANT NAME IN B-11 IS DIFFERENT FROM PAYER NAME IN A-2

PAYER TIN

0 5 3 0 0 8 4 7 0 4

APPLICANT TIN

0 5 2 2 1 2 4 8 4 6

(27) CERTIFICATION STATEMENT

I, _____, certify under penalty of perjury that the foregoing and supporting information are true and correct to the best of my knowledge, information and belief. SIGNATURE _____

(PRINT NAME)

(28) SECTION F - CREDIT CARD PAYMENT INFORMATION

MASTERCARD/VISA ACCOUNT NUMBER

MASTERCARD

EXPIRATION DATE

MONTH YEAR

VISA

I hereby authorize the FCC to charge my VISA or MASTERCARD for the service(s)/authorization(s) herein described

AUTHORIZED SIGNATURE

DATE

SEE PUBLIC BURDEN ESTIMATE ON REVERSE

FCC FORM 159 JULY 1997 (REVISED)

HOGAN & HARTSON

L.L.P.

COLUMBIA SQUARE
555 THIRTEENTH STREET, NW
WASHINGTON, DC 20004-1109
TEL (202) 637-5600
FAX (202) 637-5910

December 14, 1998

BY HAND DELIVERY

Federal Communications Commission
International Bureau - Telecommunications
P.O. Box 358115
Pittsburgh, PA 15251-5115

**Re: Application for Consent to Transfer of Control of Section
214 Limited Global Resale Authority, ITC-96-328, held by
ATU Long Distance, Inc., from Anchorage Telephone
Utility to Alaska Communications Systems, Inc.**

Dear Sir or Madam:

Enclosed for filing please find an original and two copies of an application seeking Commission consent to the transfer of control of ATU Long Distance, Inc., holder of the limited global resale authority ITC-96-328, issued pursuant to Section 214 of the Communications Act of 1934, as amended, 47 U.S.C. § 214, from Municipality of Anchorage d/b/a Anchorage Telephone Utility ("ATU") to Alaska Communications Systems, Inc. ("ACS"). Also enclosed is a check in the amount of \$780 for the prescribed filing fee.

Please direct questions or correspondence concerning the transferor's portion of this application to:

Alane Weixell
Covington & Burling
1201 Pennsylvania Avenue
P.O. Box 7566
Washington, DC 20044-7566
(202) 662-6000.

HOGAN & HARTSON L.L.P.

Federal Communications Commission

December 14, 1998

Page 2

Please direct questions or correspondence concerning the transferee's portion of this application to the undersigned counsel for ACS.

Sincerely,



Ronnie London

Enclosures

cc: Alaska Telephone Utility
Alaska Communications System, Inc.
Michael Maslansky
David Nace

CHECK NO. CHECK DATE VENDOR NO.

214136 12/09/98 F07025

HOGAN & HARTSON L.L.P.

CHECK NO. 214136

ATTORNEYS AT LAW
555 13TH STREET, N.W.
WASHINGTON, D.C. 20004

NATIONS BANK
WASHINGTON, D.C.

15-55
540

SEVEN HUNDRED EIGHTY AND 00/100

PAY TO THE ORDER OF FEDERAL COMMUNICATIONS COMM.

CHECK AMOUNT

780.00

AMOUNT OVER \$500 REQUIRE TWO SIGNATURES

AUTHORIZED SIGNATURE

⑈ 214136⑈ ⑆054000551⑆20⑈885 39 194⑈

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

In the Matter of

MUNICIPALITY OF ANCHORAGE
d/b/a ANCHORAGE TELEPHONE UTILITY

Transferor,

and

ALASKA COMMUNICATIONS SYSTEMS, INC.

Transferee,

Application for Consent to Transfer of
Control of Authorization Under
Section 214 of the Communications
Act of 1934, As Amended, for Limited
Global Authority to Offer Resale Service

To: Chief, International Bureau

File No: _____

APPLICATION FOR TRANSFER OF CONTROL

I. PREAMBLE

Applicants Municipality of Anchorage, d/b/a Anchorage Telephone Utility (“Transferor”) and Alaska Communications Systems, Inc. (“Transferee” or “ACST”), hereby request Commission consent to the transfer of control of the limited global resale authority issued pursuant to Section 214 of the Communications Act, 1/ and Section 63.18(e)(5) of the Commission’s Rules, 2/ held by ATU Long Distance, Inc. (“ATU-LD”), a corporation solely owned by the Transferor.

1/ 47 U.S.C. § 214.

2/ 47 C.F.R. § 63.18(e)(5).

Transferee, a new entrant into the international services market, has no foreign carrier affiliations, and its primary business is the provision of telecommunications services. Transferee, and its wholly owned subsidiary Alaska Communications Systems Sub, Inc., 3/ were formed solely to acquire the assets and stock of numerous entities holding various telecommunications licenses and authorizations issued by the FCC for operation in Alaska, 4/ as well as certain solely intrastate wireline communications facilities in Alaska. The operation of the facilities under the FCC licenses, and of the acquired wireline facilities, will be the Transferee's principal and sole business.

The parent of ACSI, ALEC Acquisition Corporation ("ALEC"), was formed solely to acquire the capital stock of numerous entities holding the various

3/ The subsidiary will be the Assignee to the BETRS application referenced at note 1 *supra*.

4/ The Transferor owns and controls Anchorage Telephone Utility ("ATU") and owns all of the issued and outstanding shares of ATU Long Distance, Inc. ("ATU-LD"), as well as those of MACtel, Inc., and MACtel Fairbanks, Inc. (collectively, "MACtel").

Pursuant to the Asset Purchase Agreement of October 20, 1998, between the Transferor and ACSI, the Transferor has agreed to sell, and ACSI has agreed to purchase, all of the assets of ATU, including all of the outstanding capital stock of ATU-LD and MACtel. ATU holds an authorization in the Basic Exchange Telecommunications Radio Service and certain Microwave licenses, ATU-LD holds the limited global resale authorization pursuant to Section 214 (which is subject of the instant Application) and MACtel owns certain Microwave and Cellular licenses. A complete list of the FCC licenses and authorizations being acquired appears at Attachment 1 hereto. Applications for FCC consent to the assignment and transfer of control of the FCC licenses and authorizations listed in Attachment 1 are being concurrently filed with the instant Application.

wireless telecommunications licenses issued by the FCC for operation in Alaska, 5/ as well as certain solely intrastate wireline communications facilities in Alaska. The operation of the facilities under the FCC licenses, and of the acquired wireline facilities, will be the principal and sole business of ALEC's subsidiary, and sister corporation to ACSI, ALEC Acquisition Sub Corp. ("ALEC Sub").

Ultimate control of ALEC is vested in Fox Paine Capital Fund, L.P. ("Fox Paine Fund"). In addition to serving as directors and officers of Sub Corp., ACSI, ALEC and ALEC Sub, W. Dexter Paine, III is President, and Sanjay Swami is a Director, of the general partner in Fox Paine Fund, Fox Paine Capital, L.L.C., a privately held investment firm, and certain of its affiliates. Fox Paine Fund is a \$500 million investment fund focused on investing equity capital in management buy-outs, start-ups and restructurings of companies in diverse industries. The

5/ ALEC, which is owned 100% by ALEC Holdings, Inc., owns 100% of the issued and outstanding shares of ALEC Acquisition Sub Corp. ("ALEC Sub"). Pursuant to a Purchase Agreement between ALEC and CenturyTel of the Northwest, Inc., f/k/a Pacific Telecom, Inc., and CenturyTel Wireless, Inc., f/k/a Century Cellunet, Inc., ("Century"), Century has agreed to sell, and ALEC has agreed to purchase (the "Century Acquisition"), through ALEC Sub, all of the issued and outstanding shares of capital stock of Telephone Utilities of Alaska, Inc. ("TUA"), Telephone Utilities of the Northland, Inc. ("TUNI"), PTI Communications of Alaska, Inc. ("PTI"), Pacific Telecom Cellular of Alaska, Inc. ("PTCA-Cellular"), Pacific Telecom Cellular of Alaska RSA #1, Inc. ("RSA1"), and Pacific Telecom Cellular of Alaska PCS, Inc. ("PTCA-PCS"). TUA, TUNI, PTI, PTCA-Cellular, RSA1 and PTCA-PCS hold numerous Cellular, PCS, Aeronautical, Experimental Earth Station, Microwave, Rural Radio, and Telephone Maintenance licenses issued by the FCC as reflected on Attachment 2 hereto. Applications for FCC consent to the transfer of control of these licenses were filed concurrently several months ago and are either pending before the Commission, or have been granted, as indicated on Attachment 2.

Fund does not currently own, or have rights to acquire a controlling interest in, any company other than as contemplated herein, but is currently engaged in negotiations with respect to a number of potential acquisitions in various industries.

Transferee also requests consent to have interlocking directorates with ATU-LD or any of its licensed affiliates, as upon closing it is expected that ACSI, ACSI and/or ATU-LD may have officers and/or directors in common.

Applicants request that the Commission streamline the processing of this application pursuant to Section 63.12. 6/ Grant of this Application will serve the public interest, convenience and necessity by infusing ATU-LD with new capital with which to compete in the international services market.

Pursuant to Section 63.18 of the Commission's Rules, Applicants set forth the following information in support of its request for authorization.

II. SECTION 63.18 INFORMATION

(a) The names, addresses and phone numbers of Applicants are:

Municipality of Anchorage
d/b/a Anchorage Telephone Utility
600 Telephone Avenue
Anchorage, Alaska 99503-6091
Attn: Office of the Mayor
Phone: (907) 564-1627
Fax: (907) 563-4023

6/ 47 C.F.R. § 63.12.

Alaska Communications Systems, Inc.
510 L Street
Anchorage, AK 99501
Phone: (907) 564-3023
Fax: (907) 561-1325

(b) The Transferor is a municipal corporation organized and existing under the laws of the State of Alaska; the transferred entity is a corporation organized and existing under the laws of the State of Alaska; the Transferee is a corporation organized and existing under the laws of the State of Delaware.

(c) Correspondence concerning this matter should be addressed to:
for Municipality of Anchorage

Anchorage Telephone Utility
600 Telephone Avenue
Anchorage, Alaska 99503-6091
Phone: (907) 564-1627
Fax: (907) 563-4023

with copies to

William S. Lamb
LeBoeuf, Lamb, Greene & MacRae, L.L.P.
125 West 55th Street
New York, NY 10019-5389
Phone: (212) 424-8000

Mary K. Hughes, Esq.
Municipal Attorney
P.O. Box 196650
Anchorage, AK
Phone: (907) 343-4545
Fax: (907) 343-4550

for ACSI:

James H. Huesgen
Alaska Communications Systems, Inc.
100 W. 11th Street
Vancouver, WA 98660
Phone: (360) 993-5150
Fax: (360) 993-5156

with copies to:

Mitchell S. Presser
Wachtell, Lipton, Rosen & Katz
51 West 52nd Street
New York, NY 10019
Phone: (212) 403-1000
Fax: (212) 403-2000

Michele C. Farquhar
Hogan & Hartson, L.L.P.
555 13th Street, N.W.
Washington, DC 20004
Phone: (202) 637-5663
Fax: (202) 637-5910

(d) Anchorage Telephone Utility, a separate department of the Transferor, has received authority under Section 214 of the Communications Act to provide basic exchange telecommunications service (BETRS) to Fire Island, Alaska, File No. W-P-C-6710, granted June 20, 1991.

Transferee has not received authority under Section 214 of the Communications Act. 7/

(e)(1) Not applicable.

(2) Not applicable.

(3) Not applicable.

7/ However, concurrently with this Application, the parties are filing an application for Commission consent to the assignment of the BETRS authorization to ACSI.

- (4) Not applicable.
- (5) See (a)-(d) above.
- (6) Not applicable.
- (f) No response required.
- (g) Not applicable.
- (h) (1) Transferee hereby certifies that it is not, nor does it have an affiliation with, a foreign carrier.
- (2) The ownership structure of the Transferee is as follows:

ALEC Acquisition Corporation (parent of Alaska Communications Systems, Inc.)

ALEC Holdings, Inc. 100%
The officers and directors of ALEC Acquisition Corporation
are W. Dexter Paine and Sanjay Swani

ALEC Holdings, Inc. (parent of ALEC Acquisition Corporation)

Fox Paine Capital Fund, L.P. 8/ 100%
The officers and directors of ALEC Holdings, Inc.
are W. Dexter Paine and Sanjay Swani

Fox Paine Capital Fund, L.P. (owns 100% of ALEC Holdings, Inc.)

Fox Paine Capital, L.L.C. General Partner

W. Dexter Paine, Sanjay Swani, Jason Hurwitz, James H. Huesgen,
Wesley E. Carson, Wayne P. Graham and Deborah J. Harwood are
officers and directors of the Transferee.

All of the shareholders, officers and directors of each of the
foregoing entities, all of which are U.S. corporations or
partnerships, are U.S. citizens.

8/ Upon consummation of the Century Acquisition, certain members of
Holdings' management will own up to 4.5% of the common equity of Holdings, and
Fox Paine Capital Fund, L.P., will hold the remainder.

- (3) Applicant hereby certifies that it does not have an affiliation with any U.S. carrier whose facilities-based service Applicant proposes to resell (either directly or indirectly through the resale of another reseller's service).
- (4) No response required.
- (5) Not applicable.
- (6) Not applicable.
- (7) Not applicable.
- (8) Not applicable.
- (i) Transferee hereby 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 sufficient market power on the foreign end of the route to affect competition adversely in the U.S. market and will not enter into such agreements in the future.
- (j) Transferee hereby certifies that no party to this application, as defined in 47 C.F.R. § 1.2002(b), is subject to denial of Federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988, 21 U.S.C. § 853(a).
- (k) The Application qualifies for streamlined treatment pursuant to Section 63.12 because Transferee has no affiliations.

III. CONCLUSION


Accordingly, Applicants respectfully request that the Commission grant this transfer of control.

MUNICIPALITY OF ANCHORAGE
d/b/a ANCHORAGE TELEPHONE UTILITY

ALASKA COMMUNICATIONS
SYSTEMS, INC.

Respectfully submitted,

By: _____
Thomas Edrington
600 Telephone Avenue
Anchorage, Alaska 99503-6091
(907) 564-1627

By:  _____
James R. Huesgen
100 W. 11th Street
Vancouver, WA 98660
(360) 993-5150

William S. Lamb
LeBoeuf, Lamb, Greene &
MacRae, L.L.P.
125 West 55th Street
New York, NY 10019-5389
(212) 424-8000

Mitchell S. Presser
Wachtell, Lipton, Rosen & Katz
51 West 52nd Street
New York, NY 10019
(212) 403-1000

Attorney for Municipality of Alaska

Michele C. Farquhar
Hogan & Hartson, L.L.P.
555 13th Street, N.W.
Washington, DC 20004
(202) 637-5600

Attorneys for Alaska
Communications Systems, Inc.

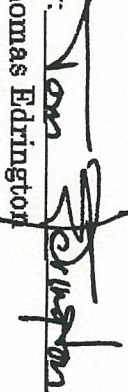
Dated: December  1998

III. CONCLUSION

Accordingly, Applicants respectfully request that the Commission grant this transfer of control.

Respectfully submitted,

MUNICIPALITY OF ANCHORAGE ALASKA COMMUNICATIONS
d/b/a ANCHORAGE TELEPHONE UTILITY SYSTEMS, INC.

By: 
Thomas Edrington
600 Telephone Avenue
Anchorage, Alaska 99503-6091
(907) 564-1627

By: _____
James H. Huesgen
100 W. 11th Street
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Mitchell S. Presser
Wachtell, Lipton, Rosen & Katz
51 West 52nd Street
New York, NY 10019
(212) 403-1000

Attorney for Municipality of Alaska

Michele C. Farquhar
Hogan & Hartson, L.L.P.
555 13th Street, N.W.
Washington, DC 20004
(202) 637-5600

Attorneys for Alaska
Communications Systems, Inc.

Dated: December __, 1998

Attachment 1

Licensee	Service	Call Sign(s)
Anchorage Telephone Utility	Microwave	WHB63 WLC603 WLC604 WLC605 WLC606
Anchorage Telephone Utility	BETRS	W-P-C-6710
MACTel, Inc.	Microwave	WMN700
MACTel Fairbanks, Inc.	Cellular	KNKN204
MACTel, Inc.	Cellular	KKKQ398 KKKR274 KKA480
ATU Long Distance, Inc.	Section 214 Limited Global Resale Authorization	ITC-96-328

Attachment 2

Licensee	Service	Call Sign(s)	Grant Date
Pacific Telecom Cellular of Alaska	Temporary Fixed Microwave	WMP367	10/8/98
PTI Communications of Alaska	Microwave	WMS884	10/8/98
		WPND459 WPNJ814 WMN885 WPNJ813	
Telephone Utilities of the Northland	Microwave	WNM284	11/9/98
		WLK671	
		WMS499	
		WLA344	
		WLA343	
		WMR576	
		KWW96	
		WMQ534	
		WML567	
		WMS498	
		WML566	
		WMLV951	
		WMQ535	
		WMN283	
		WLK581	
		WLK670	
		WPNG599	
Pacific Telecom Cellular of Alaska PCS	PCS	KWW97	pending
		WLK669	
		WPJB359	
		WLW391	
		WPJB358	
Pacific Telecom Cellular of Alaska PCS	Cellular	KNLF936	pending
		KNLG973 KNLG981	
Pacific Telecom Cellular of Alaska	Cellular	KNKN261 KNKN407	pending

Telephone Utilities of the Northland	Rural Radio	KNKO622 KNKL938 KNKG791 KNKH871 KWIY80 KNKM770 KNKO922 KNKP492 KNKP549 KNKO613 KNKO856 WBB818 KNKP848 KNLM933 KNKO481 KNKP491 KNKO755 KNKP434 KNKK780 KNKL383 KNKO623 KNKO922	pending
Telephone Utilities of the Northland	Experimental Mobile Earth Station	WA2XOW	9/10/98
PTI Communications of Alaska	Telephone Maintenance	WNNWV749 WNXH700	9/9/98
Telephone Utilities of the Northland	Telephone Maintenance	WZN410 KNCM586 KNAC931 WGI929 KR4087 WZN409 KNAA256 WZN408	9/9/98
Telephone Utilities of the Northland	Aeronautical	KQ9568	9/3/98