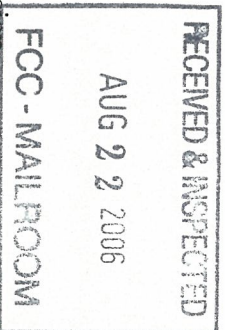


August 18, 2006

*Via Overnight Delivery*

Marlene H. Dortch, Secretary  
Federal Communications Commission  
International Bureau  
445 - 12<sup>th</sup> Street S.W.  
Washington, D.C. 20554



**RECEIVED**

Re: In the Matter of **OneEightyCommunications, Inc.**, Transferor, and **Eschelon Telecom, Inc.**, Transferee, Joint Application for Consent to a Transfer Pursuant to Section 214 of the Communications Act of 1934, as Amended  
International Docket No. **ITC-T/C-20060810-00386**      **AUG 23 2006**  
**Policy Division**  
**International Bureau**

Dear Ms. Dortch:

Per Staff request, Eschelon Telecom, Inc. (ETI) and OneEighty Communications, Inc. (OCI) (together, Applicants) hereby supplement and clarify the above-referenced Application with the following requested information.

In the Applicants' response to Question 10(d), contained in Attachment 1, Applicants stated that "OCI received its international authorization to provide resale services on June 30, 2004, in File No. ITC-214-20040426-00243." That statement should read "OCI received its Section 214 international authorization from the Commission in File No. ITC-214-20011210-00626, as assigned in File No. ITC-ASG-20040426-00243."

In all other respects the Application remains as filed.

Please do not hesitate to contact me should there be any questions about the information provided in the Application or this Supplement.

Respectfully submitted,

Dennis D. Ahlers  
Assistant Secretary, Associate General Counsel  
Eschelon Telecom, Inc.  
612.436.6249 (direct)  
612.436.6349 (fax)  
[ddahlers@eschelon.com](mailto:ddahlers@eschelon.com)

cc: Sumnita Mukhoty, FCC International Bureau (email and U.S. Mail)  
Christopher Dimnock, OneEighty (U.S. Mail)

**Joann Ekblad**

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**From:** Wagner, Kim K. [kkwagner@eschelon.com]  
**Sent:** Thursday, August 17, 2006 6:06 PM  
**To:** Joann Ekblad  
**Cc:** Murray, Catherine A.  
**Subject:** Eschelon/OneEighty Section 214 Additional Information  
  
Ms. Ekblad,

Attached is a PDF copy of Eschelon's Domestic 214 Application containing the ownership information you requested. Please see pages 10 and 11.

<<FCC 214 Domestic.Application.filing.final.08.09.06.pdf>>

Sent on behalf of Cathy Murray (612-436-1632)

*Kim K. Wagner*

*Senior Legal Secretary*

*Eschelon Telecom, Inc.*

*612.436.6225 (direct)*

*612.436.6816 (department fax)*

*kkwagner@eschelon.com*



**I. APPLICANTS**

**(a) OneEighty Communications, Inc. (FRN # 0005075866)**

OneEighty Communications, Inc. (“OCI”) is a privately owned corporation organized under the laws of the state of Montana. OCI is located at 206 North 29th Street, Billings, MT 59101. OCI is authorized to provide and does provide telecommunications services only in the state of Montana, where, it provides resold and facilities-based local, resold long distance, and data services to small and medium-sized businesses and residential customers. Altogether, OCI provides voice, data, Internet services and business telephone systems to over 3,400 customers and has over 7,900 access lines<sup>5</sup> in service.

OCI holds Section 214 authorizations from the Federal Communications Commission to provide domestic and international resold telecommunications services.<sup>6</sup> OCI is considered a non-dominant carrier under the Commission’s Rules. OCI has no affiliates that offer telecommunications services. The company has no affiliation, within the meaning of Section 63.09(e) of the Commission’s Rules, 47 C.F.R. § 63.09(e), with a dominant U.S. or foreign facilities-based carrier.

**(b) ESCHELON TELECOM, INC. (FRN #0010289114)**

Eschelon Telecom, Inc. is a corporation organized under the laws of the state of Delaware. ETI’s principal place of business is located at 730 2<sup>nd</sup> Avenue South, Suite 900, Minneapolis, Minnesota 55402. Eschelon Operating Company (“OPCO”) is a Minnesota corporation that functions as a holding company, which in turn is a direct, wholly owned subsidiary of ETI, the ultimate parent corporation. ETI itself is authorized to provide telecommunications services in California, Idaho, New Mexico and New

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<sup>5</sup> Applicants define “access lines” as 64bps channels.

cease and OCI will continue as the surviving corporation of the merger as a wholly owned subsidiary of OPCO, which is a wholly owned subsidiary of ETI. Thus, ETI will be the ultimate parent company for OCI after consummation of the transactions contemplated by the Agreement and Plan of Merger.

## **II. DESCRIPTION OF THE TRANSACTION**

On August 9, 2006, ETI and OCI signed an Agreement and Plan of Merger (“Agreement”) providing for the merger of OCI and Degree Merger Sub, Inc., a Montana corporation and a direct wholly owned subsidiary of Eschelon Operating Company, Inc., (“OPCO”), which is a Minnesota Corporation and a direct wholly owned subsidiary of ETI. Pursuant to the terms of the Agreement, Degree Merger Sub, Inc. will be merged into OCI, with OCI to be the surviving corporation of the merger (the “Transaction”). As a result of the merger, the separate corporate existence of Degree Merger Sub, Inc. will cease and OCI shall continue as the surviving corporation of the merger as a wholly owned subsidiary of OPCO. Thus, following the completion of the Transaction, OCI will be wholly owned by OPCO, which will continue to be wholly owned by ETI. Closing of the Transaction is contingent upon, among other things, receipt of necessary regulatory approvals from the Commission and other Governmental approvals.

Applicants emphasize that the proposed Transaction will be entirely transparent to customers of OCI. Because of the nature of this merger, the transfer of control will not result in a change of carrier for any OCI customers. Immediately after consummating the transaction, OCI will continue to provide the identical end user telecommunications and other services to the affected customers and will continue to provide these services at the rates and pursuant to the terms and conditions of service these customers currently receive from OCI. Any future changes in the rates, terms and conditions of service will be made

squarely within ETI's market niche and therefore make an ideal fit with ETI's long term expansion goals.

Consummation of the proposed Transaction will allow ETI to make its technical, product development, and service resources available to help support and service OCI customers. ETI is committed to exceeding customer expectations and understands that service and support are just as important as having the latest technology at competitive prices. That is why ETI supports its products and services with dedicated and skilled account teams. OCI customers can expect the same dedicated attention if the proposed Transaction is consummated.

The transfer of control of OCI to ETI does not result in any anticompetitive effects. OCI and ETI do not currently provide services in the same markets. The transfer of control will facilitate ETI's entrance into the market currently served by OCI (Montana). The combined market share post-closing, in the interstate, interexchange market in the relevant markets will not exceed 10 percent. In all instances where OCI and ETI provide local exchange services, the incumbent local exchange carrier has a virtual monopoly and this Transaction will not diminish the ILEC's dominant market position. Furthermore, other competitive carriers are participants in these markets. Accordingly, the transfer of control of OCI to ETI will increase, not degrade, the competitiveness of these markets.

For each of the foregoing reasons, grant of the proposed transaction is in the public interest.

#### **IV. INFORMATION REQUIRED BY SECTION 63.24(e) OF THE RULES**

As required by Section 63.24(e) (2) of the Commission's Rules, Applicant submits the following information:

730 2<sup>nd</sup> Avenue South, Suite 900  
Minneapolis, MN 55402  
Telephone: (612) 436-6692  
Facsimile: (612) 436-6792  
E-mail: jjoxley@eschelon.com

**(d) Statement as to previous Section 214 authorization:**

ETI, then known as Advanced Telecommunications, Inc., received its international authorization to provide resale telecommunications services on August 27, 1999 in ITC-214-19990729-00490. On May 2, 2000, the Commission was advised by letter of a change in name from Advanced Telecommunications, Inc. to Eschelon Telecom, Inc. ETI's subsidiaries provide interstate and international service pursuant to their parent's Section 214 authorization.

OCI received its international authorization to provide resale services on June 30, 2004, in File No. ITC-214-20040426-00243.

- (e)** Not applicable.
- (f)** Not applicable.
- (g)** Not applicable.
- (h) The following persons or entities hold a 10% or greater direct ownership interest in ETI:**

Upon consummation of the Transaction, OCI will become a wholly owned subsidiary of OPCO, which in turn is the wholly owned subsidiary of ETI. Thus, ETI will be the new ultimate parent corporation and indirectly own 100% of the equity interest in OCI. ETI is a Delaware corporation with its principal offices located at 720 2<sup>nd</sup> Avenue South, Suite 900, Minneapolis, Minnesota 55402. OPCO is a Minnesota Corporation, also located at 720 2<sup>nd</sup> Avenue South, Suite 900, Minneapolis, Minnesota 55402 and functions as a holding company. ETI and its subsidiaries currently provide local and/or long distance telecommunications services in the states of Arizona, California, Colorado, Idaho, Minnesota, Nevada, New York, Oregon, Utah and Washington.

The following entity owns a ten percent or greater direct or indirect interest in OPCO:

Name: Eschelon Telecom, Inc. ("ETI")  
Address: 730 2<sup>nd</sup> Avenue South, Suite 900  
Minneapolis, Minnesota 55402  
Citizenship: US - Delaware Corporation  
Principal business: Provide of local and long distance telecommunications services

Principal business: Investments  
Percent of ownership: 20.9%

No limited partner of Bain Capital holds a ten percent or greater ownership interest in ETI under the Commission's ownership attribution rules. The general partner of Bain Capital is:

Name: Bain Capital Partners VI, L.P. ("Bain Partners")  
Address: 111 Huntington Avenue  
Boston, MA 02199  
Citizenship: US – Delaware LP  
Principal business: Investments

Bain Capital Partners VI, L.P. has a 5.2% ownership interest in one other telecommunications company—US LEC Corp. Other Bain entities, who do not have an ownership interest in ETI, own an additional 7.1% in US LEC Corp. US LEC Corp. does not provide service in any of the markets served by ETI.

No limited partner of Bain Partners holds a ten percent or greater ownership interest in ETI under the Commission's ownership attribution rules. The Bain Partners investment in Eschelon is made through ten separate funds with multiple limited partners, none of whom own a ten percent or greater ownership interest in ETI. The general partner of Bain Partners is:

Name: Bain Capital Investors, LLC ("Bain Investors")  
Address: 111 Huntington Avenue  
Boston, MA 02199  
Citizenship: US – Delaware LLC  
Principal business: Investments

Bain Investors has no economic interest in Bain Partners. There is no managing member of Bain Investors and no member of Bain Investors has a ten percent or greater ownership interest in ETI under the Commission's ownership attribution rules.

No other entity will hold a 10% or greater direct or indirect interest in ETI.

Following consummation of the proposed Transaction, there will be no interlocking directorates with any foreign carrier.

(i) **Certification that ETI is not a foreign carrier and is not affiliated with a foreign carrier:**

As evidenced by the signatures to this Application, ETI certifies that following consummation of the proposed Transaction, ETI will not be a foreign carrier and will not be affiliated with any foreign carriers. As evidenced by the signatures to this Application, OCI certifies that following consummation of the



**(p) Streamlined Processing.**

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 is eligible for streamlined processing pursuant to Section 63.12 of the Commission's Rules because: (1) ETI, the transferee, is not affiliated with a foreign carrier; (2) ETI is not affiliated with a dominant U.S. carrier; and (3) ETI does not seek authority to provide switched basic services over private lines to a country for which the Commission has not previously authorized the provision of switched services over private lines, and none of the other scenarios outlined in Section 63.12(c) of the Commission's Rules apply. See 47 C.F.R. §§ 63.12(a)-(c).

**V. CONCLUSION**

For the reasons stated above, Applicants respectfully submit that the public interest, convenience, and necessity would be furthered by a grant of this Application.

Respectfully submitted,

By: \_\_\_\_\_

Dennis D. Ahlers  
Associate General Counsel  
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Minneapolis, MN 55402  
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E-mail: ddahlers@eschelon.com

By: \_\_\_\_\_

Christopher Dimock  
President and CEO  
OneEighty Communications, Inc.  
206 North 29th Street  
Billings, MT 59101  
Telephone: (406) 294-4006  
Facsimile: (406) 294-4004  
E-mail:cdimock@oneeighty.com

identical end user telecommunications and other services to the affected customers and will continue to provide these services at the rates and pursuant to the terms and conditions of service these customers currently receive from OCI. Any future changes in the rates, terms and conditions of service will be made consistent with applicable law. Further, OCI will continue to provide services under the OCI name. The Transaction is not expected to result in any discontinuance of service for the OCI customers. In sum, consummation of the Transaction will result in no perceivable changes to OCI's customers.

**(7) A description of the geographic areas in which the transferor and transferees offer domestic telecommunications services, and what services are provided in each area:**

ETI and its subsidiaries provide local and/or long-distance voice, data, internet services and business telephone systems in Minnesota, California, Colorado, Arizona, Utah, Nevada, Washington and Oregon, Idaho and New York. OCI provides resold and facilities-based local, resold long distance, and data services to small and medium-sized businesses and residential customers in Montana.

**(8) A statement as to how the Application fits into one or more of the presumptive streamlined categories in Section 63.03 or why it is otherwise appropriate for streamlined treatment:**

ETI, as transferee, will have less than a 10 percent market share in the interstate, interexchange market as a result of the transaction and will provide services exclusively in geographic areas served by a dominant local exchange carrier that is not a party to this transaction. Further, neither ETI nor OCI is dominant with respect to any service. Therefore, this Application is appropriate for streamlined treatment pursuant to 47 C.F.R. § 63.03(b) (2).

combine its financial, technical and market resources and expertise with that of OCI, thereby enhancing its ability to provide reliable, competitively priced services to customers in Montana. The Transaction will facilitate the entrance of Eschelon into the markets presently served by OCI. Accordingly, the transfer of control of OCI to ETI will increase, not degrade, the competitiveness of the markets served by the Applicants.

Consummation of the proposed Transaction will allow ETI to make its technical, product development, and service resources available to help support and service OCI customers. ETI is committed to exceeding customer expectations and understands that service and support are just as important as having the latest technology at competitive prices. That is why ETI supports its products and services with dedicated and skilled account teams. OCI customers can expect the same dedicated attention upon consummation of the proposed Transaction.

The transfer of control of OCI to ETI does not result in any anticompetitive effects. OCI and ETI do not presently provide services in the same markets and the combined interstate, interexchange market share post-closing will not exceed 10 percent in any market. In all instances where OCI and ETI provide local exchange services, the incumbent local exchange carrier has a virtual monopoly and this Transaction will not diminish the ILEC's dominant market position. Furthermore, in all instances where OCI and ETI provide telecommunications services other competitive carriers participants in these markets. For each of the foregoing reasons, grant of the proposed transaction is in the public interest.