



PUBLIC NOTICE

FEDERAL COMMUNICATIONS COMMISSION
445 TWELFTH STREET, S.W.
WASHINGTON, D.C. 20554

DA 09-1285

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Stanford Springel as Chapter 11 Bankruptcy Trustee for Innovative Communication Corporation, Transferor and Assignor, and National Rural Utilities Cooperative Finance Corporation and its Subsidiaries, Transferees and Assignees, Seek FCC Consent to Assign and Transfer Control of the Assets and Authorizations of Innovative Communication Corporation

WC Docket No. 09-82

PLEADING CYCLE ESTABLISHED

Comments/Petitions to Deny Due: July 7, 2009

Reponses/Oppositions Due: July 22, 2009

Stanford Springel as Chapter 11 Trustee for the Bankruptcy Estate of Innovative Communication Corporation (Trustee), Innovative Communication Corporation, acting by and through its Chapter 11 bankruptcy trustee (New ICC), National Rural Utilities Cooperative Finance Corporation (CFC), DTR Holdings, LLC (CFC USVI Holdco), VI PowerNet, LLC (VIPN), Vitelcom Cellular, Inc. (Innovative Wireless), New ICC's Innovative Business Systems Division (IBS), Innovative Long Distance, Inc. (ILD), Virgin Islands Telephone Corporation (Vitelco); Caribbean Communications Corp. d/b/a Innovative Cable TV-St. Thomas-St. John (Innovative Cable STT-STJ), St. Croix Cable TV, Inc. d/b/a Innovative Cable TV St. Croix (Innovative Cable STX, ICC TV, Inc. d/b/a ICC TV2 (TV2), and Atlantic Aircraft, Inc. (collectively, Applicants) have filed a series of applications, pursuant to sections 214 and 310(d) of the Communications Act of 1934, as amended (Act), seeking approval to transfer control of New ICC's subsidiaries to CFC and its subsidiaries as well as the assignment of certain authorizations and assets from subsidiaries of New ICC to subsidiaries of CFC.¹

New ICC is a holding company organized in the U.S. Virgin Islands. It and its subsidiaries hold blanket domestic section 214 authorization, international section 214 authorizations, a broadband PCS license, advanced wireless services licenses, common carrier point-to-point licenses, and cable television relay service (CARS) licenses. Applicants state that New ICC was placed into involuntary Chapter 11 bankruptcy by the U.S. District Court of the U.S. Virgin Islands, Division of St. Thomas and St. John, Bankruptcy Division (Bankruptcy Court) on July 5, 2007.²

¹ 47 U.S.C. §§ 214, 310(d).

² On October 4, 2007, the Bankruptcy Court appointed Mr. Springel as Chapter 11 Trustee for the bankruptcy estate of New ICC. *Order Approving Selection of Trustee*, Case No. 07-30012 (Bankr. V.I., entered Oct. 4, 2007). Mr. Springel, a U.S. citizen and the Trustee, does not provide telecommunications services. Applicants state that the Rural Telephone Finance Cooperative (RTFC), a District of Columbia corporation, is a privately-owned, non-governmental lending cooperative for rural utilities and the principal secured creditor of debtor New ICC in the ongoing bankruptcy proceedings. CFC founded RTFC, manages it, and funds it, although RTFC is governed by a

New ICC has the following operating entities related to the proposed transaction: ILD provides interstate and international services to and from the U.S. Virgin Islands; Vitelco is the incumbent local exchange carrier (LEC) in the U.S. Virgin Islands and holds common carrier point-to-point microwave, industrial/business pool-conventional, and paging and radiotelephone licenses; IBS, an operating division of ICC, is primarily a telephone equipment provider, but provided pay telephone service in the U.S. Virgin Islands until September 2008 and has domestic common carrier transmission lines; Innovative Wireless is a commercial mobile radio services (CMRS) carrier operating in the U.S. Virgin Islands and holds cellular licenses; Innovative Cable STT-STJ is the principal cable operator on St. Thomas and St. John in the U.S. Virgin Islands and holds CARS licenses and a receive-only earth station authorization; Innovative Cable STX is the principal cable operator on St. Croix and holds an industrial/business pool-conventional license; TV2 is a local cable channel in the U.S. Virgin Islands and holds CARS licenses; Group B-200, Inc. owns an aircraft license; and Atlantic Aircraft, Inc. holds an aeronautical and fixed license.³

CFC USVI Holdco is a U.S. Virgin Islands limited liability company organized to hold the U.S. Virgin Island interests of Caribbean Asset Holdings, LLC (CFC Holdco). CFC Holdco, a Delaware limited liability company, is the umbrella holding company created by CFC for the purpose of acquiring the stock and assets of the New ICC operating entities. CFC is CFC Holdco's sole member. CFC Holdco, in turn, is the sole member of CFC USVI Holdco. VIPN is a U.S. Virgin Islands limited liability company, and CFC USVI Holdco is VIPN's sole member. CFC, a District of Columbia corporation, is a privately-owned, non-governmental financial institution that provides financial services to its rural utility member-owners. As of fiscal year-end 2008, it had 1,538 members in 49 states, the District of Columbia, and two U.S. territories.⁴ Applicants state that CFC is not a telecommunications provider and that no person or entity directly or indirectly owns at least 10 percent of the equity of CFC.

On March 13, 2009, the Trustee and RTFC signed a stock and asset purchase agreement to implement RTFC's credit bid. On April 3, 2009, RTFC notified the Bankruptcy Court that it had designated CFC Holdco and CFC USVI Holdco as the purchaser entities with respect to the New ICC U.S. Virgin Islands businesses. Prior to the consummation of the proposed transaction, RTFC will consummate assignments of its acquisition rights under the purchase agreement between RTFC and the Trustee to CFC. Pursuant to the terms of the proposed transaction, CFC will acquire all the outstanding stock and assets of New ICC's existing subsidiaries. CFC will not acquire the stock of New ICC, itself. All of the New ICC operating entities will become wholly-owned subsidiaries of CFC USVI Holdco.

board of directors that is separate and independent from CFC's board. Applicants state that RTFC elected to bid to acquire the assets of New ICC to which its liens are attached, and RTFC designated the CFC subsidiaries as the purchaser entities because CFC provided the funds that RTFC originally loaned to New ICC. On April 9, 2009, the Bankruptcy Court entered an interim sale order and authorized the Trustee and CFC to seek regulatory approval for the proposed transaction. *Interim Order (A) Approving Sale of Group 1 Assets Free and Clear of All Liens, Claims, Encumbrances, and Other Interests; (B) Approving Assumption and Assignment of Certain Executory Contracts and Unexpired Leases and (C) Granting Related Relief*, Case No. 07-30012 (Bankr. V.I., entered Apr. 9, 2009).

³ All of these operating entities are U.S. Virgin Islands corporations, except for Group B-200, which is a Puerto Rico corporation. Applicants state that the operating entities are direct subsidiaries of New ICC, but are not, themselves, in bankruptcy.

⁴ Applicants state that CFC's consolidated membership consists of 511 telecommunications providers, in addition to electric utilities and other entities.

Applicants assert that grant of the Applications will serve the public interest, convenience, and necessity by facilitating the resolution of the bankruptcy of New ICC and permitting the uninterrupted and improved operation of the telecommunications and cable television businesses in the U.S. Virgin Islands. They state that the proposed transaction will improve disaster planning and recovery on the islands, which are vulnerable to hurricanes and tropical storms. Applicants further assert that the proposed transaction will not harm competition because CFC is neither a carrier nor a multichannel video programming provider, and that it will enhance competition by improving infrastructure and service quality and allowing the New ICC businesses to become more robust competitors.

I. SECTION 310(d) APPLICATIONS

The following applications for consent to the transfer of control of licenses from the Chapter 11 Trustee to CFC have been assigned the file numbers listed below.

<u>File No.</u>	<u>Licensee</u>	<u>Lead Call Sign</u>
0003824713 ⁵	Vitelcom Cellular, Inc.	KNKN845
0003825339	Atlantic Aircraft, Inc.	WMU3
0003824877	St. Croix Cable TV, Inc.	WPAP546
0003824912	Virgin Islands Telephone Corporation	KNKI943

The following applications for consent to assign licenses from Innovative Communication Corporation, Stan Springel, Chapter 11 Trustee to DTR Holdings, LLC have been assigned the file numbers listed below.

<u>File No.</u>	<u>Licensee</u>	<u>Lead Call Sign</u>
0003825113	Innovative Communication Corporation, Stan Springel, Chapter 11 Trustee	KNLG242

II. CABLE TELEVISION RELAY SERVICE AUTHORIZATIONS

<u>File Number</u>	<u>Licensee</u>	<u>Call Sign</u>
CAR-20090526AA-09	Caribbean Communications Corporation	WHZ-442
CAR-20090526AB-09	Caribbean Communications Corporation	WLY-863
CAR-20090526AC-09	Caribbean Communications Corporation	WLY-864
CAR-20090526AD-09	Caribbean Communications Corporation	WLY-865
CAR-20090526AE-09	Caribbean Communications Corporation	WLY-866
CAR-20090526AF-09	ICC TV, Inc.	WLY-875
CAR-20090526AG-09	ICC TV, Inc.	WLY-876

⁵ ULS File No. 0003824713 has been designated the lead application for the wireless radio services.

III. SECTION 214 AUTHORIZATIONS

The following applications for consent to the transfer of control of international Section 214 authorizations held by subsidiaries of New ICC have been assigned the file numbers listed below.

International

File No.	Authorization Holder	Authorization Number
ITC-T/C-20090519-00229	Vitelcom Cellular, Inc.	C2141999033000207
ITC-T/C-20090519-00230	Vitelcom Cellular, Inc.	C2141993031200048

The following application for consent to assign an international Section 214 authorization held by New ICC has been assigned the file number listed below.

File No.	Authorization Holder	Authorization Number
ITC-ASG-20090519-00231	Innovative Communication Corporation	C2141999033000206

Domestic

Applicants filed an application for consent to assign the domestic common carrier transmission lines of IBS from New ICC to VIPN, to transfer control of ILD's domestic common carrier transmission lines from the Trustee to CFC, and to transfer control of Vitelco's domestic common carrier transmission lines from the Trustee to CFC. Applicants assert that this transaction is entitled to presumptive streamlined treatment under section 63.03(b)(1)(ii) of the Commission's rules,⁶ but do not request such treatment given the multiple applications they have filed. In light of the multiple applications pending before the Commission with respect to this transaction and the public interest review associated with them, we conclude that Applicants' domestic section 214 transfer of control application is not subject to streamlined treatment.

EX PARTE STATUS OF THIS PROCEEDING

Pursuant to section 1.1200(a) of the Commission's rules,⁷ the Commission may adopt modified or more stringent *ex parte* procedures in particular proceedings if the public interest so requires. We announce that this proceeding will be governed by permit-but-disclose *ex parte* procedures that are applicable to non-restricted proceedings under section 1.1206 of the Commission's rules.⁸

We direct parties making oral *ex parte* presentations to the Commission's statement re-emphasizing the public's responsibility in permit-but-disclose proceedings. Parties are reminded that memoranda summarizing the presentation must contain the presentation's substance and not merely list the subjects discussed.⁹ More than a one- or two-sentence description of the views and arguments

⁶ 47 C.F.R. 63.03(b)(1)(ii).

⁷ 47 C.F.R. § 1.1200(a).

⁸ *Id.* § 1.1206.

⁹ See *Commission Emphasizes the Public's Responsibilities in Permit-But-Disclose Proceedings*, Public Notice, 15

presented is generally required.¹⁰ Other rules pertaining to oral and written presentations are set forth in section 1.1206(b) as well.¹¹ We urge parties to use the Electronic Comment Filing System (ECFS) to file *ex parte* submissions.

GENERAL INFORMATION

The applications referenced herein have been found, upon initial review, to be acceptable for filing. The Commission reserves the right to return any application if, upon further examination, it is determined to be defective and not in conformance with the Commission's rules or policies. Final action on these applications will not be taken earlier than thirty-one days following the date of this Public Notice.¹²

Interested parties must file comments or petitions to deny no later than **July 7, 2009**. Persons and entities that timely file comments or petitions to deny may participate fully in the proceeding, including seeking access to any confidential information that may be filed under a protective order (subject to the restrictions contained in the protective order) and seeking reconsideration of decisions. Responses or oppositions to comments and petitions must be filed no later than **July 22, 2009**. All filings concerning matters referenced in this Public Notice should refer to **DA 09-1285** and **WC Docket No. 09-82**, as well as the specific file numbers of the individual applications or other matters to which the filings pertain.

Under the Commission's procedures for the submission of filings and other documents,¹³ submissions in this matter may be filed electronically (*i.e.*, though ECFS) or by hand delivery to the Commission's Massachusetts Avenue location.

- **Electronic Filers:**¹⁴ Comments may be filed electronically using the Internet by accessing the ECFS: <http://www.fcc.gov/cgb/ecfs/>. In completing the transmittal screen, filers should include their full name, U.S. Postal Service mailing address, and the applicable docket number. Parties also may submit an electronic comment by Internet e-mail. To get filing instructions, filers should send an e-mail to ecfs@fcc.gov, and include the following words in the body of the message, "get form." A sample form and directions will be sent in response.
- **Paper Filers:** Parties who choose to file by paper must file an original and four copies of each filing.

Filings can be sent by hand or messenger delivery, by commercial overnight courier, or by first-class or overnight U.S. Postal Service mail (although we continue to experience delays in receiving U.S. Postal Service mail). All filings must be addressed to the Commission's

FCC Rcd 19945 (2000).

¹⁰ See 47 C.F.R. § 1.1206(b)(2).

¹¹ *Id.* § 1.1206(b).

¹² See 47 U.S.C. § 309(b).

¹³ See *Implementation of Interim Electronic Filing Procedures for Certain Commission Filings*, Order, 16 FCC Rcd 21483 (2001); see also *FCC Announces a New Filing Location for Paper Documents and a New Fax Number for General Correspondence*, Public Notice, 16 FCC Rcd 22165 (2001); *Reminder: Filing Locations for Paper Documents and Instructions for Mailing Electronic Media*, Public Notice, 18 FCC Rcd 16705 (2003).

¹⁴ See *Electronic Filing of Documents in Rulemaking Proceedings*, GC Docket No. 97-113, Report and Order, 13 FCC Rcd 11322 (1998).

Secretary, Office of the Secretary, Federal Communications Commission.

The Commission's contractor will receive hand-delivered or messenger-delivered paper filings for the Commission's Secretary at 236 Massachusetts Avenue, N.E., Suite 110, Washington, D.C. 20002. The filing hours at this location are 8:00 a.m. to 7:00 p.m. All hand deliveries must be held together with rubber bands or fasteners. Any envelopes must be disposed of before entering the building.

Commercial overnight mail (other than U.S. Postal Service Express Mail and Priority Mail) must be sent to 9300 East Hampton Drive, Capitol Heights, MD 20743.

U.S. Postal Service first-class, Express, and Priority mail should be addressed to 445 12th Street, S.W., Washington, D.C. 20554.

One copy of each pleading must be delivered electronically, by e-mail or facsimile, or if delivered as paper copy, by hand or messenger delivery, by commercial overnight courier, or by first-class or overnight U.S. Postal Service mail (according to the procedures set forth above for paper filings), to the Commission's duplicating contractor, Best Copy and Printing, Inc., at fcc@bcpiweb.com or 202 / 488-5563 (facsimile).

Additionally, filers must deliver courtesy copies by email or facsimile to the following Commission staff:

- David Krech, Policy Division, International Bureau, at David.Krech@fcc.gov or 202 / 418-2824 (facsimile);
- Jodie May, Competition Policy Division, Wireline Competition Bureau, at jodie.may@fcc.gov or 202 / 418-1413 (facsimile);
- Kathy Harris, Mobility Division, Wireless Telecommunications Bureau, at kathy.harris@fcc.gov or 202 / 418-7224 (facsimile);
- Jeff Tobias, Mobility Division, Wireless Telecommunications Bureau, at jeff.tobias@fcc.gov or 202 / 418-7224 (facsimile);
- Linda Ray, Broadband Division, Wireless Telecommunications Bureau, at linda.ray@fcc.gov or 202 / 418-8188 (facsimile);
- Wayne McKee, Engineering Division, Media Bureau, at wayne.mckee@fcc.gov or 202 / 418-1189 (facsimile); and
- Jim Bird, Office of General Counsel, at jim.bird@fcc.gov or 202 / 418-2822 (facsimile).

Copies of the Applications and any subsequently-filed documents in this matter may be obtained from Best Copy and Printing, Inc., in person at 445 12th Street, S.W., Room CY-B402, Washington, D.C. 20554, via telephone at 202 / 488-5300, via facsimile at 202 / 488-5563, or via e-mail at fcc@bcpiweb.com. The Applications and any associated documents are also available for public inspection and copying during normal reference room hours at the following Commission office: FCC Reference Information Center, 445 12th Street, S.W., Room CY-A257, Washington, D.C. 20554. The

Applications also are available electronically through the Commission's ECFS, which may be accessed on the Commission's Internet website at <http://www.fcc.gov>.

People with Disabilities: To request this Public Notice in accessible formats (computer diskette, large print, audio recording, and Braille) send an email to fcc504@fcc.gov or call the Consumer & Governmental Affairs Bureau at 202 / 418-0530 (voice), 202 / 418-0432 (tty).

For further information, contact Jodie May, Competition Policy Division, Wireline Competition Bureau, at 202 / 418-0913; David Krech, Policy Division, International Bureau, at 202 / 418-7443; Jeff Tobias, Mobility Division, Wireless Telecommunications Bureau, at 202 / 418-1617; Wayne McKee, Engineering Division, Media Bureau, at 202 / 418-2355.

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