

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

In the Matter of)
)
PIEDMONT COMMUNICATIONS SERVICES, INC.)
(FRN 0010104388))
International Section 214 Authorization Holder)
)
PIEDMONT TELEPHONE MEMBERSHIP)
CORPORATION (FRN 0004329280))
Transferor of Control)
)
SURRY TELEPHONE MEMBERSHIP)
CORPORATION (FRN 0001952605))
Transferee of Control)
)
Application for Section 214 Authorization for a)
Transfer of Control of International)
Telecommunications Resale Operations)

File No. _____

APPLICATION FOR TRANSFER OF CONTROL AUTHORITY

Pursuant to Section 214 of the Communications Act of 1934, as amended, and Section 63.24 of the Commission’s Rules (47 C.F.R. § 63.24), authorization is hereby requested for a transfer of control of Piedmont Communications Services, Inc. (“PCS”), as a provider of resold telecommunications services to international points on a non-dominant basis, from Piedmont Telephone Membership Corporation (“PTMC”) to Surry Telephone Membership Corporation (“STMC”). It is requested that the application be processed on a streamlined basis pursuant to Section 63.12 of the Commission’s rules.

Information responsive to the format of the IBFS Main Form application follows.

ANSWER TO QUESTION 10 - Section 63.18(c)-(d):

(c) Correspondence concerning this application relating to the transferor, transferee and authorization holder should be sent to:

Curtis R. Taylor, Chief Executive Officer
Surry Telephone Membership Corporation
PO Box 385
819 East Atkins Street
Dobson, NC 27017-0385
Tel: 336-374-5021

With a copy to:

David L. Nace, Esq.
Lukas, Nace, Gutierrez & Sachs, LLP
8300 Greensboro Drive, Suite 1200
McLean, VA 22102
Tel: 703-584-8661
Email: dnace@fcclaw.com

(d) PCS holds the following international Section 214 authorization which is the subject of this transfer application: File No. ITC-214-20010323-00152. A subsidiary of STMC, Surry Telecommunications, Inc., was granted international Section 214 authorization granted under the file number ITC-214-20001220-00742.

ANSWER TO QUESTION 11 – Section 63.18(h)

PCS is a corporation organized under the laws of North Carolina. It is a wholly owned subsidiary of STMC. The address of STMC is PO Box 385, 819 East Atkins Street, Dobson, NC 27017-0385. STMC is also a corporation organized in the State of North Carolina. It is an incumbent local exchange carrier that is a rural telephone company, and its principal business is the provision of landline communications services to its member owners. As a member owned cooperative, no owner holds as much as a one percent interest in the company. There are no interlocking directorates between PCS or STMC with a foreign carrier.

ANSWER TO QUESTION 13 – Narrative of Transfer of Control and Public Interest Statement

The transfer of control occurred on January 1, 2009 upon a merger of PTMC into STMC.¹ PCS was a wholly owned subsidiary of PTMC at the time of the merger and, as a result of the merger, PCS became a wholly owned subsidiary of STMC. The merging companies were both member-owned cooperatives providing local exchange services in the State of North Carolina. The parties regret that the need for Commission authorization as to PCS's international resale operations was not recognized before the merger occurred.

The proposed transaction is in the public interest. In 2008, the Board of Directors of PTMC concluded that PTMC was not of a size to operate effectively and efficiently in the current telecommunications environment. As background, notice had been received that equipment used by PTMC to provide landline and Internet access services would not be supported by the manufacturer within a thirty-six (36) month period. Financial considerations did not appear favorable for PTMC to borrow sufficient funds to replace the equipment. About the same time, STMC was planning an upgrade to its network with equipment that would be suitable for service to both STMC and PTMC. To maintain a high quality of service a merger of the two companies was recommended by the Board of Directors of each company and approved by the member owners.

PCS is authorized by the North Carolina Public Service Commission to provide resold telecommunications services in North Carolina. The customers of PCS were notified of the

¹ Simultaneously herewith there is filed a request for Special Temporary Authority for a period of sixty (60) days to allow PCS to continue to resell international telecommunications services pending action on this application for permanent Section 214 authority.

proposed transaction.² Since the transaction occurred PCS has provided the same high quality telecommunications services as was offered previously. The transaction has no potential to harm the public interest or to impair competition in any local exchange or in long distance toll markets. PCS did not change the services offered by the company after the transaction was completed.³

ANSWER TO QUESTION 20 – Section 63.18(p)

This application qualifies for streamlined processing pursuant to Section 63.12 of the Commission's Rules (47 C.F.R. § 63.12). STMC qualifies for streamlined processing procedures in accordance to Section 63.12 and its requirements. None of the circumstances listed in subpart (c) of Section 63.12 is applicable to STMC or its operations.

STMC has no affiliation with any foreign carrier. Customers of STMC will complete international calls by means of STMC's resale of the facilities of unaffiliated international telecommunications carriers.

CONCLUSION

For the reasons set forth above, the public interest, convenience and necessity would be furthered by grant of this application. As requested herein, the Commission should thus consent to the transfer of control to STMC of the international Section 214 authorization held by PCS.

² Because PCS was and remains the carrier of record to customers, and no change of service plans was implemented as the result of the merger, the parties did not provide customer notice in the form outlined by Section 64.1120 (e)(3) of the Commission's rules.

³ In a separate filing notice is provided of a *pro forma* assignment that occurred July 1, 2009 when Surry Telecommunications, Inc., an international services reseller and subsidiary of STMC, was merged into PCS.