## BINGHAM

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October 31, 2012

#### **VIA IBFS**

Marlene H. Dortch, Secretary Federal Communications Commission International Bureau Applications P.O. Box 979093 St. Louis, MO 63197-9000

Re: In the Matter of the Joint Application For Grant of Authority Pursuant to Section 214 of the Communications Act of 1934, as amended, for Transfer Control of Authorized International Section 214 Carriers

Dear Ms. Dortch:

On behalf of First Communications, Inc. ("Transferor") and Summit Data Services, Inc., ("Transferee"), enclosed please find an application for approval to complete a transfer of control of authorized international Section 214 license holders First Communications, LLC, Globalcom, Inc. and Xtension Services, Inc. (collectively "Licensees"), and together with the Transferor and Transferee ("Applicants").

Pursuant to Section 63.04(b) of the Commission's Rules, Applicants submit this filing as a combined international section 214 and domestic 214 transfer of control application ("Combined Application"). Applicants are simultaneously filing the Combined Application with the Wireline Competition Bureau, in accordance with the Commission's rules.

This filing and the applicable credit card payment in the total amount of \$3,150.00, which satisfies the filing fee required for this application under line 2.b of Section 1.1105 of the Commission's Rules, are being submitted electronically through the MyIBFS.

Please direct any questions regarding this filing to the undersigned.

Respectfully submitted,

Jean L. Kiddoo Danielle C. Burt

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# Before the FEDERAL COMMUNICATIONS COMMISSION Washington, DC 20554

In the Matter of the Joint Application of	)	
First Communications, Inc.	)	
First Communications, LLC,	)	
Globalcom, Inc.,	)	
Xtension Services, Inc.	)	
	)	WC Docket No. 12-
and	)	IB File No. ITC-T/C-2012-
	)	IB File No. ITC-T/C-2012-
Summit Data Services, Inc.	)	IB File No. ITC-T/C-2012-
•	)	
For Grant of Authority Pursuant to	)	
Section 214 of the Communications Act of 1934,	)	
as amended, and Sections 63.04 and 63.24 of the	)	
Commission's Rules to Complete a	)	
Transfer of Control of Authorized Domestic and	Ś	
International Section 214 Carriers	Ś	
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#### **JOINT APPLICATION**

First Communications, Inc. ("FCI"), First Communications, LLC ("FCL"), Globalcom, Inc. ("Globalcom"), Xtension Services, Inc. ("Xtension" and, together with FCL and Globalcom, "Licensees"), and Summit Data Services, Inc. ("Summit" and, together with FCI and Licensees, "Applicants"), through their undersigned counsel and pursuant to Section 214 of the Communications Act, as amended, 47 U.S.C. § 214, and Sections 63.04 and 63.24 of the Commission's Rules, request approval for the transfer of control of Licensees to Summit, a company newly formed for the purposes of completing the transaction by current and former management of FCI and Licensees ("Transaction").

The Transaction will result in a change in the ownership and control of the Licensees.

The Transaction will not result in any assignment of authorizations, assets or customers. Upon

completion of the Transaction, Licensees will continue to provide service to their existing customers pursuant to their authorizations under the same rates, terms and conditions. Accordingly, the Transaction will be transparent to the customers of Licensees.

In support of this Application, Applicants provide the following information.

#### I. REQUEST FOR STREAMLINED PROCESSING

Applicants respectfully submit that this Application is eligible for streamlined processing pursuant to Sections 63.03 and 63.12 of the Commission's Rules, 47 C.F.R. §§ 63.03 and 63.12. With respect to the domestic Section 214 authority held by Licensees, this Application is eligible for streamlined processing pursuant to Section 63.03(b)(2)(i) because, immediately following the transactions, (1) Applicants and their affiliates, as defined in Section 3(1) of the Communications Act ("Affiliates") together will hold less than a ten percent (10%) share of the interstate, interexchange market; (2) Applicants and their Affiliates will provide local exchange service only in areas served by dominant local exchange carriers (none of whom is a party to the proposed transaction); and (3) none of the Applicants or their Affiliates is dominant with respect to any service.

With respect to the international authority held by Licensees, this Application is eligible for streamlined processing pursuant to Section 63.12(a)-(b). Summit qualifies for streamlined treatment under Section 63.12(c) because it is not a foreign carrier itself and is not affiliated with any foreign carrier and none of the scenarios outlined in Section 63.12(c) apply.

#### II. DESCRIPTION OF THE APPLICANTS

#### A. First Communications, Inc. and Licensees

FCI is a Delaware corporation located at 3340 West Market Street, Akron, Ohio 44333.

FCI is a holding company that operates through three distinct subsidiary groups: (1) a business

services group of carriers comprised of Licensees that offers data and switched voices services in 49 states; (2) First Telecom Services, LLC ("FTS"), an entity that offers high capacity metro and long-haul fiber optic network facilities and services across the Midwest and Mid-Atlantic states; and (3) First Summit Services, LLC, a business services and call center outsource business. Only the Licensees are affected by the instant Transaction.<sup>1</sup>

FCI does not directly hold any domestic or international Section 214 authority. Its Licensee subsidiaries offer telecommunications services pursuant to their respective FCC authorizations:

<u>First Communications, LLC</u> is an Ohio limited liability company authorized to provide local, private line, and/or long distance services to both business and residential customers in 49 states. FCL holds international Section 214 authority (ITC-214-19951215-00030) granted in File No. ITC-ASG-20011001-00509 and holds blanket domestic Section 214 authority.

Globalcom, Inc. is an Illinois corporation that provides voice and data services primarily to small and medium sized business customers. Globalcom holds international Section 214 authority granted in File No. ITC-214-19960718-00323 (previous File No. ITC-96-406) and holds blanket domestic Section 214 authority.

<u>Xtension Services, Inc.</u> is a Delaware corporation authorized to provide long distance telecommunications services in 13 states and resold local exchange services in New Jersey. Xtension holds international Section 214 authority granted in File No. ITC-214-20010305-00116 and holds blanket domestic Section 214 authority.

#### B. Summit Data Services, Inc.

Summit is a newly formed Ohio corporation formed for the purposes of this Transaction with offices located at 3421 Ridgewood Road, Suite 125, Akron, Ohio 44333. Summit's owners are Joseph R. Morris, Mark Sollenberger, and Sandi R. Murphy. Mr. Morris was an officer of FCI since 1998, most recently serving as the President of FCI and Licensees until June 30, 2012.

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FCI has separately sought Commission approval to transfer control of FTS to Zayo Group, LLC. That application is currently pending in Docket No. 12-315 and File No. ITC-T/C-INTR2012-02472.

Mr. Sollenberger is the Chief Financial Officer of FCI and Licensees, and Ms. Murphy is the Senior Vice President and General Counsel of FCI and Licensees.

Summit has the managerial and technical qualifications to acquire control of Licensees. In addition to the management experience of Summit's owners, other well-qualified management and operations personnel of Licensees will remain with the companies following consummation of the Transaction, thereby assuring continuity of existing operations.

#### III. DESCRIPTION OF THE TRANSACTION

Summit will acquire control of Licensees by acquiring from FCI 100 percent of the membership interests of FCL, 100 percent of the shares of Xtension, and 100 percent of the shares of First Global Telecom, Inc., the direct parent of Globalcom, for a cash purchase price of \$30 million and assumption of certain liabilities. As a result, Licensees will become whollyowned subsidiaries of Summit. For the Commission's convenience, pre- and post-transaction illustrative charts are provided as Exhibit A.

Immediately following consummation of the Transaction, Licensees will be owned by Summit but otherwise the Transaction will be seamless and virtually transparent to customers of Licensees. Licensees will continue to offer service with no immediate change in the name of the companies, or their rates or terms and conditions of service.

#### IV. PUBLIC INTEREST STATEMENT

Applicants submit that the Transaction described herein will serve the public interest. Licensees will continue to provide competitive and innovative products and services following the Transaction. There will be no adverse effect on competition as no existing or potential competitors will be eliminated as a result of the Transaction. Instead, Licensees will continue to provide service to their customers, furthering the Commission's policies favoring competition and diversity of services.

The Transaction will be conducted in a manner that will be transparent to customers of the

Licensees. As noted above, Licensees' management will continue to be actively involved in

ongoing management and operations. The transfer of control of the Licensees will not result in a

change of carrier for customers or any assignment of authorizations. In addition, the Licensees will

continue to provide high-quality communications services to their customers without interruption

and without immediate change in rates, terms or conditions. Accordingly, the Transaction will be

virtually transparent to customers, and in no event will it result in the discontinuance, reduction,

loss, or impairment of service to customers.

V. <u>INFORMATION REQUIRED BY SECTION 63.24(e)</u>

Pursuant to Section 63.24(e)(3) of the Commission's Rules, the Applicants submit the

FRN: 0015806979

FRN: 0022151625

following information requested in Section 63.18 (a)-(d) and (h)-(p) in support of this

Application:

(a) Name, address and telephone number of each Applicant:

Transferor:

First Communications, Inc.

3340 West Market Street

Akron, Ohio 44333

(330) 835-2323

Transferee:

Summit Data Services, Inc.

3421 Ridgewood Road, Suite 125

Akron, Ohio 44333

(330) 835-2664

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A/75230220.5

#### Licensees:

First Communications, LLC
Globalcom, Inc.
Xtension Services, Inc.
3340 West Market Street
Akron, Ohio 44333
(330) 835-2323
FRN: 0003764487
FRN: 0004325320
FRN: 0004289658

#### (b) Jurisdiction of Organizations:

<u>Transferor</u>: FCI is a corporation formed under the laws of Delaware.

<u>Transferee</u>: Summit is a corporation formed under the laws of Ohio.

<u>Licensees</u>: FCL is a limited liability company organized under the laws of Ohio.

Globalcom is a corporation formed under the laws of Illinois.

Xtension is a corporation formed under the laws of Delaware.

## (c) (Answer to Question 10) Correspondence concerning this Application should be sent to:

Jean L. Kiddoo
Danielle C. Burt
BINGHAM MCCUTCHEN LLP
2020 K Street, N.W.
Washington, DC 20006
(202) 373-6000 (Tel)
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jean.kiddoo@bingham.com
danielle.burt@bingham.com

#### With copies to:

Sandi R. Murphy SVP and General Counsel FIRST COMMUNICATIONS, LLC 3340 West Market Street Akron, OH 44333 (330) 835-2664 smurphy@firstcomm.com

#### (d) Section 214 Authorizations

#### Licensees:

<u>FCL</u> holds international Section 214 authority (ITC-214-19951215-00030) granted in File No. ITC-ASG-20011001-00509 and holds blanket domestic Section 214 authority.

Globalcom holds international Section 214 authority granted in File No. ITC-214-19960718-00323 (previous File No. ITC-96-406) and holds blanket domestic Section 214 authority.

<u>Xtension</u> holds international Section 214 authority granted in File No. ITC-214-0010305-00116 and holds blanket domestic Section 214 authority.

Transferor: FCI does not hold international or domestic Section 214 authority. In

addition to Licensees, its subsidiary FTS holds international Section 214 authority granted in File No. ITC-214-20100827-00347 and holds blanket

domestic Section 214 authority.

Transferee: Summit does not hold international or domestic Section 214 authority.

(h) (Answer to Questions 11 & 12) The following entities hold, directly or indirectly, a 10% or greater interest in Applicants as calculated pursuant to the Commission ownership attribution rules for wireline and international telecommunications carriers:<sup>2</sup>

#### Pre- Transaction Ownership of FCI:

The following entities own a ten percent or greater equity interest, or controlling interest, in First Communications, Inc.:

(a) Name: Marbel Investments, LLC ("Marbel")

Address: 612 Market Ave., South

Canton, OH 44702

Citizenship: U.S.
Percentage Owned: 19.3%
Principal Business: Investment

No person or entity holds a 10% or greater indirect ownership interest in FCI through Marbel.

(b) Name: FirstEnergy Corp. ("FirstEnergy")

Address: 76 S. Main Street, Suite 1600

Akron, OR 44308

Citizenship: U.S.
Percentage Owned: 24.7%
Principal Business: Energy

FirstEnergy is a publicly traded company and no person or entity holds a 10% or greater indirect ownership interest in FCI through FirstEnergy.

While the Commission's rules for combined domestic and international applications require this information only for the assignee/transferee, *see* 47 C.F.R. §§ 63.04(b), 63.24(e)(2), Applicants are providing ownership information for all parties.

#### <u>Pre- and Post-Transaction Ownership of Transferee:</u>

The following individual owns a ten percent or greater equity interest, or controlling interest, in **Summit Data Services**, **Inc.**:

Name:

Joseph R. Morris

Address:

3421 Ridgewood Road

Akron, OH 44333

Citizenship:

U.S.

Ownership:

90%

Principal Business:

Individual

To the best of Applicants' knowledge, there are no officers or directors of Applicants who also serve as an officer of director of a foreign carrier as defined in Section 63.09(d).

- (i) (Answer to Question 14) The Applicants certify that following consummation of the Transaction: (i) Transferee will not be a foreign carrier within the meaning of Section 63.09(d) of the Commission's Rules, 47 C.F.R. § 63.09(d); and (ii) Transferee will not become affiliated with a foreign carrier.
- (j) (Answer to Question 15) The Applicants certify that upon consummation of the transaction, they do not seek to provide international telecommunications services to any destination country where:
  - (1) An Applicant is a foreign carrier in that country; or
  - (2) An Applicant controls a foreign carrier in that country; or
  - (3) Any entity that owns more than 25 percent of an Applicant, or that controls an Applicant, controls a foreign carrier in that country; or
  - (4) Two or more foreign carriers (or parties that control foreign carriers) own, in the aggregate more than 25 percent of an Applicant 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) Applicants certify that they have 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 will not enter into such agreements in the future.

- (o) Applicants certify that they are not subject to denial of federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988. See 21 U.S.C. § 853a; see also 47 C.F.R. §§ 1.2001-1.2003.
- (p) Applicants respectfully submit that this Application is eligible for streamlined processing pursuant to Section 63.12(a)-(b) of the Commission's Rules, 47 C.F.R. §63.12(a)-(b). In particular, Section 63.12(c) is inapplicable because Transferee is not a foreign carrier and is not affiliated with any foreign carrier and none of the scenarios outlined in Section 63.12(c) of the Commission's Rules, 47 C.F.R. § 63.12(c), apply.

#### VI. INFORMATION REQUIRED BY SECTION 63.04

Pursuant to Commission Rule 63.04(b), 47 C.F.R. § 63.04(b), Applicants submit the following information in support of their request for domestic Section 214 authority in order to address the requirements set forth in Commission Rule 63.04(a)(6)-(12):

- (a)(6) A description of the proposed transaction is set forth in Section III above.
- (a)(7) FCL is authorized to provide telecommunications services in Alabama, Arizona, Arkansas, California, Colorado, Connecticut, Delaware, District of Columbia, Florida, Georgia, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Massachusetts, Maryland, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, Washington, West Virginia, Wisconsin, and Wyoming. In these states, FCL is authorized to provide competitive local and/or long distance telecommunications services. All of the services provided by FCL are competitive in nature and neither FCL nor any affiliated company holds a dominant position in any market.

Globalcom is authorized to provide telecommunications services in Arizona, Arkansas, California, Colorado, Florida, Georgia, Hawaii, Illinois, Indiana, Iowa, Kansas, Kentucky, Maryland, Massachusetts, Michigan, Minnesota, Nevada, New Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, Tennessee, Texas, Washington, Wisconsin, and Wyoming. All of the services provided by Globalcom are competitive in nature and neither Globalcom nor any affiliated company holds a dominant position in any market.

Xtension is authorized to provide telecommunications services in California, Colorado, Florida, Illinois, Iowa, Kansas, Michigan, Nevada, New Jersey, New York, North Carolina, Pennsylvania, Texas, Utah, Virginia and Washington. In these states, Xtension is authorized to provide competitive local and/or long

- distance telecommunications services. All of the services provided by Xtension are competitive in nature and neither Xtension nor any affiliated company holds a dominant position in any market.
- (a)(8) Applicants respectfully submit that this Application is eligible for streamlined processing pursuant to Section 63.03(b)(2)(i) because, immediately following the transaction, Transferee (and its Affiliates) will have a market share in the interstate, interexchange market of less than 10 percent, and the Transferee (and its Affiliates) will provide competitive telephone exchange services or exchange access services (if at all) exclusively in geographic areas served by a dominant local exchange carrier that is not a party to the transaction, and none of the Applicants (or their Affiliates) are dominant with respect to any service.
- (a)(9) By this Application, Applicants seek authority with respect to both international and domestic Section 214 authorizations (this Application is being separately and concurrently filed with respect to both types of authorities in compliance with Commission Rule 63.04(b), 47 C.F.R. § 63.04(b)). An application will also be filed with the Commission to seek authority with respect to radio authorizations held by FCL.
- (a)(10) Prompt completion of the proposed transaction is important to ensure that Applicants can obtain the benefits described in the foregoing application. Accordingly, Applicants respectfully request that the Commission approve this Application expeditiously in order to allow Applicants to consummate the proposed transaction as soon as possible.
- (a)(11) Not applicable.
- (a)(12) A statement showing how grant of the application will serve the public interest, convenience and necessity is provided in **Section IV** above.

#### VII. 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 for the transfer of control of Applicants.

Respectfully submitted,

Jean L. Kiddoo Danielle C. Burt

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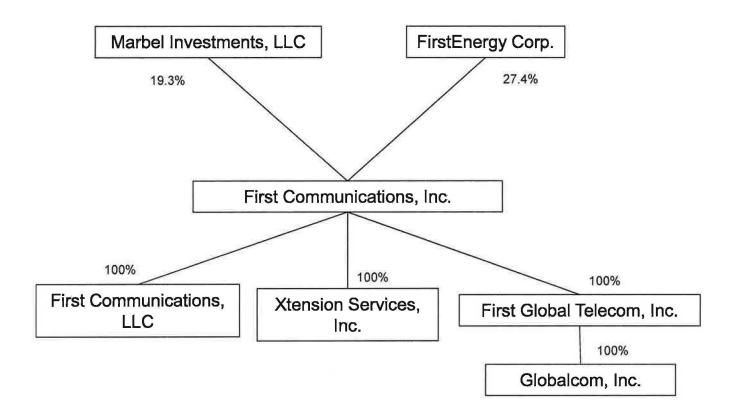
Counsel for Applicants

Dated: October 31, 2012

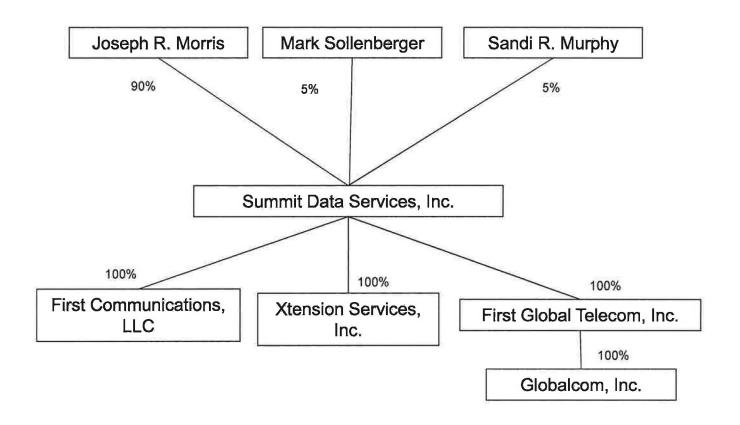
## **EXHIBIT A**

## **Illustrative Pre- and Post-Transaction Charts**

## **Pre-Transaction Illustrative Chart**



## **Post-Transaction Illustrative Chart**



#### VERIFICATION

I, Sandi R. Murphy, state that I am Senior Vice President and General Counsel for First Communications, Inc. and its operating companies ("FCI"); that I am authorized to make this Verification on behalf of FCI; that the foregoing application as it pertains to FCI is true and accurate to the best of my knowledge, information and belief; and that FCI is not subject to a denial of Federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988, 21 U.S.C. § 853(a), as amended.

I declare under penalty of perjury that the foregoing is true and accurate. Executed this 31 day of October, 2012.

Sandi R. Murphy

Senior Vice President and General Counsel

#### VERIFICATION

I, Joseph R. Morris, state that I am authorized to make this Verification on behalf of Summit Data Services, Inc. ("Summit"); that the foregoing application as it pertains to Summit is true and accurate to the best of my knowledge, information and belief; and that Summit is not subject to a denial of Federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988, 21 U.S.C. § 853(a), as amended.

I declare under penalty of perjury that the foregoing is true and accurate. Executed this 31st day of October, 2012.

Joseph O. Morris