

**ATTACHMENT 1  
INTERNATIONAL SECTION 214  
ASSIGNMENT APPLICATION**

Pursuant to Section 214 of the Communications Act of 1934, as Amended,<sup>1</sup> and Section 63.24 of the Federal Communications Commission's ("Commission" or "FCC") rules,<sup>2</sup> NTCNet Long Distance, Inc. ("NTC" or "Assignor"), and The Middleburgh Telephone Company ("Middleburgh") and Joseph A. Tomaino ("Tomaino"), together ("Assignees"), and, together with NTC, ("Applicants") hereby request Commission consent to assignment of the international Section 214 authorization held by NTC to Middleburgh. NTC is a wholly owned subsidiary of NTC Net, Inc., which, in turn, is a wholly owned subsidiary of Newport Telephone Company, Inc. ("Newport"). The international Section 214 authorization of NTC is being assigned to Middleburgh as part of Middleburgh's purchase of 80.10% of the stock of Newport, in association with the purchase of 19.90% of Newport's stock by Joseph A. Tomaino.<sup>3</sup>

**ANSWER TO QUESTION 10**

**63.18 (c) and (d) Information for NTC - Transferor**

- Contact Information for Transferor NTC (FRN.: 0004314522)

Company Contact:

Joseph A. Tomaino  
Newport Telephone Company  
Bridge Street  
Box 201  
Newport, NY 13416  
Tel.: 315-845-8112  
Email: [jtomaino@ntcnet.com](mailto:jtomaino@ntcnet.com)

Legal Counsel:

Keith J. Roland  
O'Connell and Aronowitz  
54 State Street  
Albany, NY 12207  
Tel.: 518-462-5601  
Email: [kroland@oalaw.com](mailto:kroland@oalaw.com)

---

<sup>1</sup> 47 U.S.C. § 214.

<sup>2</sup> 47 C.F.R. §§ 63.04 and 63.24.

<sup>3</sup> An Application is also being filed to assign the domestic Section 214 authorizations held by Newport, NTC, and NTCNet Telecom, Inc. (a "sister" company of NTC) to Middleburgh.

- NTC is organized under the laws of New York
- NTC holds Section 214 authority to provide international and domestic telecommunications services. *See* File No.: ITC 97-760 and 47 C.F.R. § 63.01.

**63.18 (c) and (d) Information for The Middleburgh Telephone Company and Joseph A. Tomaino - Assignees**

- Contact Information for The Middleburgh Telephone Company (FRN: 00034544-10)

Company Contact

Jason Becker  
 Executive Vice President  
 103 Cliff Street, Box 191  
 Middleburgh, NY 12122  
 Tel.: 518-827-5211  
 Email: [jasonb@midtel.net](mailto:jasonb@midtel.net)

Legal Counsel

Keith J. Roland  
 O'Connell and Aronowitz  
 54 State Street  
 Albany, NY 12207  
 Tel.: 518-462-5601  
 Email: [kroland@oalaw.com](mailto:kroland@oalaw.com)

- Middleburgh is organized under the laws of New York
- Middleburgh holds Section 214 authority to provide domestic telecommunications services. *See* 47 C.F.R. § 63.01. Its wholly owned subsidiary, Seamless Geoport Communications, Inc. (FRN: 0003749389), holds Section 214 authority to provide international telecommunications services. *See* ITC 214-20070726-00310.

- Contact Information for Joseph A. Tomaino

Company Contact

Joseph A. Tomaino (FRN: 0025385519)  
c/o Newport Telephone Company  
Bridge Street  
Box 201  
Newport, NY 13416  
Tel.: 315-845-8112  
Email: [jtomaino@ntenet.com](mailto:jtomaino@ntenet.com)

Legal Counsel

Keith J. Roland  
O'Connell and Aronowitz  
54 State Street  
Albany, NY 12207  
Tel.: 518-462-5601  
Email: [kroland@oalaw.com](mailto:kroland@oalaw.com)

- Joseph A. Tomaino is a US Citizen. He is currently General Manager of Newport Telephone Company.

**ANSWER TO QUESTION 11**

**Assignor Ownership (NTC)**

NTC is wholly owned by NTC Net, Inc., a New York Corporation, which is in turn owned by Newport Telephone Company, Inc. The following have a ten percent or greater interest in Newport Telephone Company, Inc.:

Harley M. Ruppert Telecommunications Executive	52.17%	US Citizen
Ruppert Family LLC	47.83%	New York Limited Liability Company

**Equity/Ownership of Ruppert Family LLC**

Ruppert Family Trust c/o Harley M. Ruppert Box 201 Newport, NY 13416	100%	New York Trust
---	------	----------------

**Beneficial Ownership of Ruppert Family Trust (Beneficiaries)**

Michelle R. Ruppert 20 Walker Road Limerick, PA 19468	US Citizen
---	------------

Michael D. Ruppert 32 Old Farms Road Poughkeepsie, NY 12603	US Citizen
---	------------

**Assignor Ownership (NTCNet Long Distance, Inc. and NTCNet Telecom, Inc.)**

NTC Net, Inc.	100%	New York Corporation
---------------	------	----------------------

**Ownership of NTC Net, Inc.**

Newport Telephone Company, Inc.	100%	New York Corporation
---------------------------------	------	----------------------

**Ownership of Newport Telephone Company, Inc.**

(See Above)

**Assignee Ownership (The Middleburgh Telephone Company)**

The following entities will hold a direct or indirect ten percent or greater equity ownership interest in The Middleburgh Telephone Company:

Marjorie Becker Telecommunications Executive	5.09%	US Citizen
---	-------	------------

Trust U/W Randall F. Becker Article IV	15.17%	New York Testamentary Trust
---	--------	-----------------------------

RF and MR Becker Irrevocable Trust II	79.74%	New York Trust
---------------------------------------	--------	----------------

**Beneficiaries of RF and RM Becker Irrevocable Trust II**

Bruce T. Becker 207 Main Street Middleburgh, NY 12122 Telecommunications Executive	US Citizen
---	------------

Christopher L. Becker 2031 Huntersland Road Middleburgh, NY 12122 Telecommunications Executive	US Citizen
Edmund R. Becker 2774 Hawthorne Drive, NE Atlanta, GA 30345 College Professor	US Citizen
James R. Becker 6023 Baneberry Drive Schenectady, NY 12303 Telecommunications Executive	US Citizen
Jason S. Becker 380 Oak Meadows Drive Middleburgh, NY 12157 Telecommunications Executive	US Citizen
Lorraine M. Becker 821 West Fulton Road West Fulton, NY 12194	US Citizen
Keith M. Becker 106 McCarthy Cook Circle Middleburgh, NY 12122 Telecommunications Employee	US Citizen
Jordan T. Becker 180 S. Clarendon Street, Unit 1 Cranston, RI 02910	US Citizen

**Beneficiaries under Trust U/W Randall F. Becker Article IV**

Bruce T. Becker 207 Main Street Middleburgh, NY 12122 Telecommunications Executive	US Citizen
Christopher L. Becker 2031 Huntersland Road Middleburgh, NY 12122 Telecommunications Executive	US Citizen

Edmund R. Becker 2774 Hawthorne Drive, NE Atlanta, GA 30345 College Professor	US Citizen
James R. Becker 6023 Baneberry Drive Schenectady, NY 12303 Telecommunications Executive	US Citizen
Jason S. Becker 380 Oak Meadows Drive Middleburgh, NY 12157 Telecommunications Executive	US Citizen
Lorraine M. Becker 821 West Fulton Road West Fulton, NY 12194	US Citizen
Keith M. Becker 106 McCarthy Cook Circle Middleburgh, NY 12122 Telecommunications Employee	US Citizen
Jordan T. Becker 180 S. Clarendon Street, Unit 1 Cranston, RI 02910	US Citizen

Charts showing the pre and post transaction corporate structures are attached hereto as Exhibits A and B.

**ANSWER TO QUESTION 13**

***Description of the Applicants***

Middleburgh is an incumbent local exchange carrier servicing mostly rural areas of Schoharie and Albany counties in Upstate New York. It provides traditional local exchange services to business and residential customers over approximately 4,700 access lines. Through

subsidiaries, it offers competitive long distance, local exchange (outside the Middleburgh franchise area), internet, and cable TV services.

Newport Telephone Company is also an incumbent local exchange carrier, servicing mostly rural areas of Herkimer, Hamilton, and Oneida counties in Upstate New York. It provides traditional local exchange services to business and residential customers over approximately 2,300 access lines. Through its subsidiaries, it provides competitive internet service, as well as resold toll and local service.

NTCNet Long Distance, Inc., an indirect wholly owned subsidiary of Newport Telephone Company, is a reseller of toll services with approximately 1900 customers in the counties of Herkimer, Hamilton, and Oneida in Upstate New York. It was issued a Certificate of Public Convenience and Necessity by the New York State Public Service Commission in PSC Case 97-C-2098.

NTCNet Telecom, Inc., an indirect wholly owned subsidiary of Newport Telephone Company, resells local telephone service as a CLEC to approximately 120 customers in the counties of Herkimer and Oneida in Upstate New York. It was issued a Certificate of Public Convenience and Necessity by the New York State Public Service Commission in Case 99-C-00556 on June 11, 1999.

### ***Description of Transaction***

Ruppert and Ruppert Family, LLC seek to sell their stock in Newport Telephone Company to Middleburgh and Tomaino, with Middleburgh purchasing 80.1% of the stock and Tomaino purchasing 19.9% of the stock. Newport Telephone Company is the ultimate 100% parent (at the

grandparent level) of NTCNet Long Distance, Inc. and NTCNet Telecom Inc., so the ownership of those two companies will pass in the same 80.1%/19.9% proportions to Middleburgh and Tomaino.

The transaction will be transparent to customers of Newport Telephone Company, NTCNet Telecom, Inc., and NTCNet Long Distance, Inc. and there will be no transfer of customers or change of service provider. Each Newport company will continue to provide existing services to existing customers and no immediate change in any tariff, customer contract or other terms and conditions of service is contemplated. Newport Telephone Company's current President (Harley Ruppert) will remain President for three years, and Newport's existing management and employees will, with assistance from Middleburgh management and employees, continue to operate their business and provide the services now conducted by the Newport companies.

### ***Public Interest Statement***

Small, privately owned rural telephone companies in New York, and elsewhere across the country, face serious challenges. Traditional landline access line counts and revenues continue to fall in the face of competition from wireless, cable TV, and internet competitors.<sup>4</sup> Traditional sources of funding, including federal USF and intercarrier compensation (such as carrier access charges) are rapidly disappearing. Lack of financial resources; absence of large commercial customers; and the high cost of building and operating facilities in sparsely populated rural areas,

---

<sup>4</sup> For example, Staff of the New York Department of Public Service recently noted that since 2000, incumbent telephone access lines fell in New York from more than 13 million to less than 4 million. See PSC Case 15-M-0647, Joint Petition of Altice N.V. and Cablevision Systems Corporation, Redacted Comments of the New York State Department of Public Service Staff, February 5, 2016 (Cablevision Staff Report) at pp. 10-11.



result in an inability to deploy the latest technologies and services, particularly high speed broadband services to unserved and underserved areas.

Rural ILECs are unable to take advantage of economies of scale, and separation and isolation of service territories often precludes sharing of facilities and services.

As New York PSC Staff has recognized:

“The weakening of the financial position of New York’s small ILECs may threaten their ability to continue to provide reliable, quality service throughout their service territories and puts New York’s goal of universal service at risk.” Memorandum from Peter McGowan, General Counsel; Doris Stout, Director, Office of Accounting and Finance; and Chad Hume, Director, Office of Telecommunications Re: Guidelines for Regulatory Review of Mergers and Acquisitions of Small Incumbent Local Exchange Companies, January 24, 2012, (hereinafter, PSC Staff Memo) at page 3.

The acquisition of Newport by Middleburgh will allow the sharing of financial, technical, and managerial resources, and as such improve the economies of scale for both companies. As the PSC Staff Memo recognizes (at page 10):

“Another factor for consideration is the economies of scale that an acquirer would bring to the transaction. Economies of scale describe the cost advantages due to the expansion of a business where costs decline as production increases. To put this in the context of the small ILEC industry, the administration and maintenance of one small ILEC can be relatively costly on a per access line basis. If several ILECs combine, the administration and maintenance functions are largely redundant; and costs may be reduced through consolidation. Thus, by providing economies of scale the transaction may present opportunities to reduce costs and the potential for long term viability post-transaction.”

With the combined resources of Middleburgh and Newport, it will be possible to draw on the strengths of each employee group, such as executive, technical, accounting, and marketing, without having to duplicate areas of expertise. Moreover, with the affiliation of the two companies, additional infrastructure investment can be made. As an example, following the acquisition, an investment of up to \$500,000 in a new voice and broadband switching network for Newport is anticipated. The source of that funding will come from Newport and its selling shareholders. Another cost saving will be the ability to share switching intelligence through a common Metasphere Platform.

Here, the proposed acquisition will be transparent to customers of Newport Telephone Company, Middleburgh, and their subsidiaries, and will have no negative impact on any of their subscribers. No change to Newport's tariffs or customer contracts, or the types and quality of services provided, is contemplated. Newport customer accounts will continue to be handled by experienced employees, and the retention of the Company's President and General Manager will assure a continuity of management. Eventually, as opportunities arise, a consolidation of operational, management, and service functions among the two work forces should be possible, reducing costs and improving efficiency for both Newport and Middleburgh.

A further example of positive benefits of the transaction is the ability to seek funding from various New York State and federal sources for the combined companies, including New York State Broadband and Economic Development grants. Obtaining broadband funding, and having the financial and management resources to expand the availability of broadband service, is a key factor in meeting the Governor of New York's public policy of bringing high speed, reliable, and affordable broadband services to every part of New York by 2018. Middleburgh, and its management team, have extensive experience in seeking (and obtaining) such funding.

None of the proposed transactions will adversely impact Middleburgh's customers. No change to Middleburgh tariffs or customer contracts, or the types and quality of service offered, is contemplated. Management of Middleburgh will remain with the Becker family.

As noted herein, there are no "negative results" from the acquisition, only positive benefits. The combined strength of the two companies will help protect their customers from the adverse impacts being suffered by small rural carriers. Customer rates will not be affected, and the transaction will be totally transparent to those customers. The financial standing of both companies will remain strong. Combining the resources of two rural ILECs, including management expertise, will allow the development of efficiencies and cost savings for both, with the beneficiaries being existing and future subscribers of traditional telephone and new broadband services.

In light of these positive net benefits to accrue to the subscribers of both Middleburgh and Newport, and the financial strengthening of both companies, this transaction will be in the public interest.

#### **ANSWER TO QUESTION 20**

This application for assignment of international Section 214 authorization qualifies for streamlined processing pursuant to Section 63.12(c) of the Commission's rules.<sup>5</sup> Middleburgh is not a foreign carrier and is not affiliated with any foreign carriers (47 C.F.R. § 63.12(c)(1)). Moreover, Middleburgh has no affiliation with any dominant U.S. carrier whose international switched or private line services will be resold (47 C.F.R. § 63.12(c)(2)).

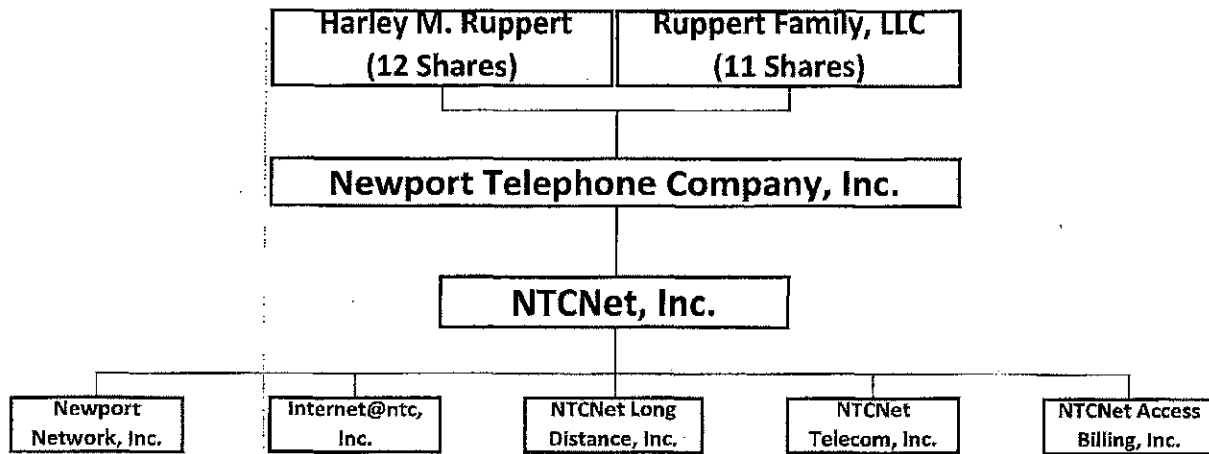
Joseph A. Tomaino has no ownership interest in, or any relationship with, any foreign carrier.

---

<sup>5</sup> 47 C.F.R. § 63.12(c).

# EXHIBIT A

## Existing Ownership Structure



**EXHIBIT B**  
**Post Transaction Structure**

