

Before the
Federal Communications Commission
Washington, D.C. 20554

In the Matter of
Joint Application of Consolidated Communications Holdings, Inc., and FairPoint Communications, Inc., to Transfer Indirect Control of Authorization Holders to Consolidated Communications Holdings, Inc.
WC Docket No. 16-417

MEMORANDUM OPINION AND ORDER

Adopted: May 8, 2017

Released: May 8, 2017

By the Acting Chief, Wireline Competition Bureau; Acting Chief, International Bureau; and Acting Chief, Wireless Telecommunications Bureau:

I. INTRODUCTION

1. Consolidated Communications Holdings, Inc. (Consolidated Holdings) and FairPoint Communications, Inc. (FairPoint) (collectively, Applicants), filed a series of applications pursuant to Sections 214 and 310(d) of the Communications Act of 1934, as amended (Act), seeking approval for various assignments and the transfer of control of licenses and authorizations held by FairPoint to Consolidated Holdings. We find that approval of the transaction will serve the public interest, convenience, and necessity and hereby grant the Applications. In addition, we find that the Applicants have demonstrated good cause for receipt of their requested waiver of Section 61.41(c)(2) of the Commission's rules.

2. A public notice accepting the Applications for filing and establishing a pleading cycle for public comments was released on January 12, 2017. The Commission received no petitions to deny or comments in opposition to grant of the Applications. On March 22, 2017, after the public comment period closed, Applicants filed additional information to supplement the Applications.

1 47 U.S.C. §§ 214, 310(d).

2 See Consolidated Communications Holdings, Inc. and FairPoint Communications, Inc. Application for authority pursuant to Section 214 of the Communications Act of 1934, as amended, to Transfer Indirect Control of Domestic and International Section 214 Authorization Holders to Consolidated Communications Holdings, Inc., WC Docket No. 16-417 (filed Dec. 21, 2016), https://ecfsapi.fcc.gov/file/122060849815/FINAL_CCH%20FairPoint%20Section%20214%20Transfer%20Application.pdf (Lead Application). The file numbers for the other applications (together with the Lead Application, the Applications) are listed in Appendix A.

3 47 CFR § 61.41; Lead Application at Exhibit C, Public Interest Statement 14-15.

4 Applications Filed By Consolidated Communications Holdings, Inc. and FairPoint Communications, Inc. for the Assignment or Transfer of Control of Certain Domestic and International Authorizations, Public Notice, DA 17-52 (WCB, WTB, IB Jan. 12, 2017).

5 See Letter from Karen Brinkmann and Joshua M. Bobeck, Counsel to Applicants, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 16-417 (filed Mar. 22, 2017) (Supplement).

3. We have carefully and thoroughly reviewed the record and conclude, on balance, that the potential public interest benefits of the transaction outweigh the potential for public interest harms. The Applicants have no overlapping service areas and we find that the transaction will result in some cost savings, improved service quality, and enhanced broadband services.

II. BACKGROUND

A. Description of the Applicants

1. FairPoint Communications, Inc.

4. FairPoint, a publicly-traded Delaware corporation, functions as a holding corporation for a number of subsidiaries (the Licensees) that provide telecommunications services.⁶ FairPoint's Licensees provide telecommunications services as incumbent local exchange carriers (incumbent LECs) in 17 states.⁷ FairPoint's Licensees also provide services as interexchange carriers (IXC), competitive local exchange carriers (competitive LECs), and global resale service carriers. The Licensees offer voice, data, and broadband Internet access services.⁸ Applicants state that these operations include approximately 310,000 broadband subscribers and 377,000 residential voice subscribers, as well as an extensive fiber network spanning more than 210,000 miles of fiber optic cable and 1,300 communications towers.⁹

2. Consolidated Communications Holdings, Inc.

5. Consolidated Holdings, a publicly-traded Delaware corporation, provides a variety of telecommunications services through its subsidiaries, including local and long-distance telephone services and high-speed broadband Internet access services.¹⁰ Consolidated Holdings' operating subsidiaries provide service as incumbent LECs in five states.¹¹ Consolidated Holdings' operating companies include both incumbent LECs and competitive LECs serving approximately 219,000 residential broadband connections, 409,000 business broadband connections, 189,000 residential voice lines, and 269,000 business voice lines in 11 states.¹² The Applicants state that, post-consummation, no person or entity will hold a ten percent or greater interest in Consolidated Holdings.¹³

⁶ Lead Application at 4.

⁷ *Id.* at 9-15. Applicants state that FairPoint's operating subsidiaries provide service as incumbent LECs in the following states: Alabama, Colorado, Florida, Georgia, Illinois, Kansas, Maine, Massachusetts, Missouri, New Hampshire, New York, Ohio, Oklahoma, Pennsylvania, Vermont, Virginia, and Washington.

⁸ *Id.* at 4.

⁹ *Id.* Exhibit A and Sections III and IV of the Lead Application detail a list of services provided by the Licensees and the states where they provide them.

¹⁰ *Id.* at 3.

¹¹ *Id.* at 16. Applicants state that Consolidated's operating subsidiaries provide service as incumbent LECs in the following states: California, Illinois, Minnesota, Pennsylvania, and Texas.

¹² *Id.* at 3, 6. Applicants state that Consolidated Holdings' operating subsidiaries provide services primarily in California, Illinois, Iowa, Kansas, Minnesota, Missouri, North Dakota, Pennsylvania, South Dakota, Texas, and Wisconsin. *Id.* at 3.

¹³ *Id.* at 12. Applicants state that at present, the following entities own or control ten percent or more of Consolidated Holdings' stock: BlackRock Institutional Trust Company, BlackRock Inc., and The Vanguard Group Inc. *Id.* at 2-3.

B. Description of the Transaction

6. On December 3, 2016, FairPoint and Consolidated Holdings entered into an Agreement and Plan of Merger (Agreement).¹⁴ Pursuant to the terms of the Agreement, Consolidated Holdings through Falcon Merger Sub (Merger Sub) will acquire all of the outstanding equity interests in FairPoint in exchange for Consolidated Holdings' stock valued at approximately \$1.5 billion.¹⁵ Specifically, Merger Sub will merge with and into FairPoint, whereupon the separate existence of Merger Sub will cease and FairPoint will be the surviving corporation.¹⁶ Upon completion of the transaction, Consolidated Holdings will contribute all of the equity interest in FairPoint to its direct, wholly owned subsidiary, Consolidated Communications, Inc. (CCI), so that FairPoint will be a direct, wholly owned subsidiary of CCI.¹⁷ As a result, all of FairPoint's Licensees will become indirect subsidiaries of Consolidated Holdings.¹⁸

III. STANDARD OF REVIEW AND PUBLIC INTEREST FRAMEWORK

7. Pursuant to sections 214(a) and 310(d) of the Act, the Commission must determine whether the proposed assignments and transfer of control of certain licenses and authorizations held and controlled by FairPoint to Consolidated Holdings will serve the public interest, convenience, and necessity.¹⁹ In making this determination, the Commission first assesses whether the proposed transaction complies with the specific provisions of the Act, other applicable statutes, and the Commission's rules.²⁰ If the proposed transaction does not violate a statute or rule, the Commission considers whether the transaction could result in public interest harms by substantially frustrating or impairing the objectives or implementation of the Act or related statutes. The Commission then employs a balancing test, weighing any potential public interest harms from the proposed transaction against the potential public interest benefits. Applicants bear the burden of proving, by a preponderance of the evidence, that the proposed transaction, on balance, serves the public interest.

8. The public interest evaluation necessarily encompasses the "broad aims of the Communications Act," which include, among other things, a deeply rooted preference to protect and promote competition in relevant markets, accelerate private-sector deployment of advanced services, ensure a diversity of license holdings, and generally manage spectrum in the public interest.²¹ The public

¹⁴ *Id.* at 5.

¹⁵ *Id.*

¹⁶ *Id.*

¹⁷ *Id.*

¹⁸ *Id.* at 5. Applicants state that, after consummation, Bob Udell, the current President and Chief Executive Officer of Consolidated Holdings, will continue to serve as President and CEO of the combined company. One director from the FairPoint Board of Directors will join the Board of Directors of Consolidated Holdings, which will expand from 8 to 9 directors. *Id.*

¹⁹ 47 U.S.C. §§ 214(a), 310(d). Section 310(d) of the Act requires that we consider applications for transfer of Title III licenses under the same standard as if the proposed transferee were applying for licenses directly under section 308 of the Act, 47 U.S.C. § 308. *See, e.g., AT&T Inc. and BellSouth Corporation Application for Transfer of Control*, WC Docket No. 06-74, Memorandum Opinion and Order, 22 FCC Rcd 5662, 5672, para. 19 (2007) (*AT&T/BellSouth Order*).

²⁰ 47 U.S.C. § 310(d); *AT&T/BellSouth Order*, 22 FCC Rcd at 5672, para. 19.

²¹ *Western Union Division, Commercial Telegrapher's Union, A.F. of L. v. United States*, 87 F. Supp. 324, 335 (D.D.C. 1949), *aff'd*, 338 U.S. 864 (1949); *Applications of AT&T, Inc. and DIRECTV for Consent to Assign or Transfer Control of Licenses and Authorizations*, Memorandum Opinion and Order, 30 FCC Rcd 9131, 9140, para. 19 (2015) (*AT&T-DIRECTV Order*); *In the Matter of Applications Filed by Qwest Communications International*

(continued...)

interest analysis may also entail assessing whether the transaction will affect the quality of communications services or will result in the provision of new or additional services to consumers. In conducting this analysis, the Commission may consider technological and market changes, as well as trends within the communications industry, including the nature and rate of change.²²

9. The Commission's competitive analysis, which forms an important part of the public interest evaluation, is informed by, but not limited to, traditional antitrust principles.²³ The Commission and the U.S. Department of Justice (DOJ) each has independent authority to examine the competitive impacts of proposed communications mergers and transactions involving transfers of Commission licenses, but the standards governing the Commission's competitive review differ from those applied by the DOJ. The Commission, like the DOJ, considers how a transaction would affect competition by defining a relevant market, looking at the market power of incumbent competitors, and analyzing barriers to entry, potential competition, and the efficiencies, if any, that may result from the transaction.²⁴ The DOJ, however, reviews telecommunications mergers only pursuant to section 7 of the Clayton Act, and if it sues to enjoin a merger, it must demonstrate to a court that the merger may substantially lessen competition or tend to create a monopoly.²⁵ The Commission's competitive analysis under the public interest standard is broader. For example, the Commission considers whether a transaction would enhance, rather than merely preserve, existing competition, and often takes a more expansive view of potential and future competition in analyzing that issue.²⁶

10. Finally, our public interest authority enables us, where appropriate, to impose and enforce transaction-related conditions to ensure that the public interest is served by a transaction.²⁷ Specifically, section 303(r) of the Act authorizes the Commission to prescribe restrictions or conditions not

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Inc. and CenturyTel, Inc. D/B/A CenturyLink for Consent to Transfer Control, Memorandum Opinion and Order, 26 FCC Rcd 4194, 4199, para. 8 (2011) (*Qwest-CenturyLink Order*).

²² *AT&T-DIRECTV Order*, 30 FCC Rcd at 9140, para. 19; *Qwest-CenturyLink Order*, 26 FCC Rcd at 4199, para. 8.

²³ *AT&T-DIRECTV Order*, 30 FCC Rcd at 9140-41, para. 20; *Qwest-CenturyLink Order*, 26 FCC Rcd at 4199, para. 9.

²⁴ *AT&T-DIRECTV Order*, 30 FCC Rcd at 9141, para. 20; *In the Matter of Applications filed by EchoStar Communications Corporation or Nevada, General Motors Corporation, Hughes Electronics Corporation, and EchoStar Communications Corporation of Delaware to Transfer Control*, Order, 17 FCC Rcd. 20559, 20575, para. 27 (2002) (*EchoStar-DIRECTV HDO*); see also *Applications of Sprint Nextel Corp. and SoftBank Corp. and Starburst II, Inc. for Consent to Transfer Control of Licenses and Authorizations*, IB Docket No. 12-343, Memorandum Opinion and Order, Declaratory Ruling, and Order on Reconsideration, 28 FCC Rcd 9642, 9652, para. 25 (2013) (*SoftBank-Sprint Order*).

²⁵ 15 U.S.C. § 18; *AT&T-DIRECTV Order*, 30 FCC Rcd at 9141, para. 21.

²⁶ *AT&T-DIRECTV Order*, 30 FCC Rcd at 9141, para. 21; *EchoStar-DIRECTV HDO*, 17 FCC Rcd at 20575-76, para. 27. Cf. *Verizon Communications, Inc. v. Law Offices of Curtis V. Trinko, LLP*, 540 U.S. 398, 415 (2004) ("The 1996 Act is, in an important respect, much more ambitious than the antitrust laws. It attempts 'to eliminate the monopolies enjoyed by the inheritors of AT&T's local franchises.' Section 2 of the Sherman Act, by contrast, seeks merely to prevent unlawful monopolization. It would be a serious mistake to conflate the two goals.") (emphasis in original) (quoting *Verizon Communications v. FCC*, 535 U.S. 467, 476 (2002) (internal citations omitted)).

²⁷ *AT&T-DIRECTV Order*, 30 FCC Rcd at 9141, para. 22; *Qwest-CenturyLink Order*, 26 FCC Rcd at 4199, para. 10; *Applications filed by Altice N.V. and Cablevision Systems Corporation to Transfer Control of Authorizations from Cablevision Systems Corporation to Altice N.V.*, Memorandum Opinion and Order, 31 FCC Rcd 4365, 4369, para. 11 (WCB, IB, MB, WTB 2016) (*Altice-Cablevision Order*).

inconsistent with law that may be necessary to carry out the provisions of the Act.²⁸ Similarly, section 214(c) of the Act authorizes the Commission to attach to the approval certificate “such terms and conditions as in its judgment the public convenience and necessity may require.”²⁹ Our extensive regulatory and enforcement experience enables us, under this public interest authority, to impose and enforce conditions to ensure that a transaction will yield net public interest benefits.³⁰ In exercising this authority to carry out our responsibilities under the Act and related statutes, we have imposed conditions to confirm specific benefits or remedy harms likely to arise from transactions.³¹

IV. QUALIFICATIONS OF APPLICANTS AND COMPLIANCE WITH COMMUNICATIONS ACT AND FCC RULES AND POLICIES

11. Section 310(d) of the Act requires that we make a determination as to whether the Applicants have the requisite qualifications to hold Commission licenses.³² Among the factors the Commission considers in its public interest review are whether the applicant for a license has the requisite “citizenship, character, financial, technical, and other qualifications.”³³ Therefore, as a threshold matter, the Commission must determine whether the applicants to a proposed transaction meet the requisite qualification requirements to hold and transfer licenses under section 310(d) and the Commission’s rules.³⁴

12. No party has raised an issue with respect to the basic qualifications of either FairPoint or Consolidated. The Commission generally does not reevaluate the qualifications of transferors unless issues related to basic qualifications have been sufficiently raised in petitions to warrant designation for hearing.³⁵ We find that there is no reason to reevaluate the requisite citizenship, character, financial, technical, or other basic qualifications of FairPoint under the Act and our rules, regulations, and policies. In addition, no parties have alleged that Consolidated lacks the requisite qualifications, and there is no evidence in the record to support such a finding. Accordingly, we find that Consolidated continues to have the requisite citizenship, character, financial, technical, and other basic qualifications under the Act and our rules, regulations, and policies.

²⁸ 47 U.S.C. § 303(r); *AT&T-DIRECTV Order*, 30 FCC Rcd at 9141, para. 22; *Qwest-CenturyLink Order*, 26 FCC Rcd at 4199, para. 10; *United States v. Southwestern Cable Co.*, 392 U.S. 157, 178 (1968) (holding that section 303(r) permits the Commission to order a cable company not to carry broadcast signal beyond station’s primary market); *United Video, Inc. v. FCC*, 890 F.2d 1173, 1182-83 (D.C. Cir. 1989) (affirming syndicated exclusivity rules adopted pursuant to section 303(r) authority).

²⁹ 47 U.S.C. § 214(c); *AT&T-DIRECTV Order*, 30 FCC Rcd at 9141, para. 22; *Qwest-CenturyLink Order*, 26 FCC Rcd at 4199, para. 10.

³⁰ *AT&T-DIRECTV Order*, 30 FCC Rcd at 9141, para. 22 (and cases cited therein); *Qwest-CenturyLink Order*, 26 FCC Rcd at 4199, para. 10.

³¹ *Id.*

³² 47 U.S.C. § 310(d).

³³ 47 U.S.C. §§ 308, 310(d); *see also AT&T-DIRECTV Order*, 30 FCC Rcd at 9142, para. 24; *Qwest-CenturyLink Order*, 26 FCC Rcd at 4199, para. 11; *AT&T-BellSouth Order*, 22 FCC Rcd at 5756, para. 191; *SBC Communications Inc. and AT&T Corp. Applications for Approval of Transfer of Control*, Memorandum Opinion and Order, 20 FCC Rcd 18290, 18379, para. 171 (2005) (*SBC-AT&T Order*).

³⁴ *See AT&T-DIRECTV Order*, 30 FCC Rcd at 9142, para. 24; *Qwest-CenturyLink Order*, 26 FCC Rcd at 4199, para. 11; *AT&T-BellSouth Order*, 22 FCC Rcd at 5756, para. 191.

³⁵ *See, e.g., AT&T-DIRECTV Order*, 30 FCC Rcd at 9142, para. 25; *Softbank-Sprint Order*, 28 FCC Rcd at 9653, para. 27.

13. The proposed transaction must be in compliance with the Act, other applicable statutes, and the Commission's rules before we can find that it is in the public interest.³⁶ We find that the proposed transaction will not violate any statutory provision or Commission rule.

V. POTENTIAL PUBLIC INTEREST HARMS AND BENEFITS

A. Potential Harms

14. We find no evidence in the record to suggest the transaction will result in potential public interest harms. Significantly, no commenters raised concerns that public interest harms would result from the transaction.

15. FairPoint and Consolidated do not compete to provide service in any geographic areas that overlap. We find that there are no horizontal competitive effects that would arise from the transaction. Furthermore, no record evidence indicates that the proposed transaction may have any adverse vertical effects. Both Applicants primarily serve retail and business end-users, and we find that the transaction will not result in any notable vertical integration. Therefore, we find that the transaction is unlikely to have material adverse competitive effects for any service.

B. Potential Benefits

16. We next consider whether the transaction is likely to generate verifiable, transaction-specific benefits that would otherwise be less likely to occur absent the transaction.³⁷ The Applicants claim that the proposed transaction will result in cost savings and improved services.³⁸ Based on our evaluation of the record, we find that the transaction is likely to result in some net public interest benefits, although not necessarily to the extent claimed by the Applicants.

1. Analytical Framework

17. We apply several criteria in deciding whether each public interest benefit claimed by the Applicants is cognizable. First, each claimed benefit must be transaction specific. That is, the claimed benefit must be likely to occur as a result of the transaction but unlikely to be realized by other practical means having less anticompetitive effect.³⁹ Second, each claimed benefit must be verifiable. Because much of the information relating to the potential benefits of a transaction is in the sole possession of the Applicants, they have the burden of providing sufficient evidence to support each claimed benefit to enable us to verify its likelihood and magnitude.⁴⁰ We will discount or dismiss speculative benefits that we cannot verify.⁴¹ Third, we calculate the magnitude of benefits net of the cost of achieving them.⁴² Fourth, benefits must flow through to consumers, and not inure solely to the benefit of the company.⁴³

³⁶ See, e.g., *AT&T-DIRECTV Order*, 30 FCC Rcd at 9154, para. 52.

³⁷ See *AT&T-DIRECTV Order*, 30 FCC Rcd at 9237, para. 273; *AT&T-BellSouth Order*, 22 FCC Rcd at 5760, para. 200.

³⁸ Public Interest Statement at 6-12.

³⁹ *EchoStar-DIRECTV HDO*, 17 FCC Rcd at 20630, para. 190; see also *AT&T-DIRECTV Order*, 30 FCC Rcd at 9237, para. 273.

⁴⁰ See *AT&T-DIRECTV Order*, 30 FCC Rcd at 9237, para. 274; *EchoStar-DIRECTV HDO*, 17 FCC Rcd at 20630, para. 190.

⁴¹ See *AT&T-DIRECTV Order*, 30 FCC Rcd at 9237, para. 274; *EchoStar-DIRECTV HDO*, 17 FCC Rcd at 20630, para. 190.

⁴² See *AT&T-DIRECTV Order*, 30 FCC Rcd at 9237, para. 275; *EchoStar-DIRECTV HDO*, 17 FCC Rcd at 20630, para. 190.

⁴³ See *AT&T-DIRECTV Order*, 30 FCC Rcd at 9237, para. 275.

For example, we will more likely find marginal cost reductions to be cognizable than reductions in fixed cost because reductions in marginal cost are more likely to result in lower prices for consumers.⁴⁴

2. Claimed Public Interest Benefits Resulting from the Transaction

18. Applicants assert that the transaction will benefit customers by improving services and by generating efficiencies.⁴⁵ They also contend that the transaction will result in a stronger combined entity that will allow the combined entity to improve services, including advanced products and services for telecommunications and broadband services in the affected services areas.⁴⁶ Applicants state that the combined entity will benefit from: (1) Consolidated Holdings' experience, and particularly its experience in enhancing the services provided by acquired companies; (2) Consolidated Holdings' financial strength; and (3) the combined product portfolio of the two companies, which will benefit existing and prospective customers.⁴⁷ No comments were filed that addressed the Applicants' claimed public interest benefits. To make our overall public interest evaluation, however, we must carefully analyze and weigh the Applicants' claimed public interested benefits.

19. *Efficiencies.* Based on our analysis of the record, we find that the transaction will lead to synergies that are likely to be passed on to consumers and are therefore cognizable as a public interest benefit, although not to the full amount claimed by the Applicants. Applicants state that the transaction will ultimately benefit consumers by achieving approximately \$55 million in merger-related efficiencies, including \$8 million annually in network access synergies.⁴⁸ Applicants expect to achieve those efficiencies primarily through reduced annual operating costs over the first two years following closing.⁴⁹ Applicants claim that these efficiencies include "annual savings over the first two years following closing from reducing vendor and other third party costs, including public company and professional services costs."⁵⁰ Applicants state that the \$55 million in estimated savings do not include billing integration and other downstream efficiencies that are expected to occur over the long term.⁵¹ Applicants contend that these savings will allow more revenue to be used for additional capital expenditures and will allow the combined entity to "continue offering services at reasonable prices on a more sustainable basis than either of the two companies could do separately."⁵²

20. While it is difficult to calculate a specific valuation of the asserted benefits to customer services and cost savings that will flow to consumers, we anticipate that the transaction is likely to make

⁴⁴ See *AT&T-DIRECTV Order*, 30 FCC Rcd at 9237-38, para. 275; *EchoStar-DIRECTV HDO*, 17 FCC Rcd at 20631, para. 191; *In the Matter of General Motors Corporation, Hughes Electronics Corporation, and The News Corporation Limited for the Authority to Transfer Control*, Memorandum Opinion and Order, 19 FCC Rcd. 473, 611, para. 317 (2003) (*News Corp.-Hughes Order*).

⁴⁵ Public Interest Statement at 2.

⁴⁶ *Id.*

⁴⁷ *Id.* at 2-3.

⁴⁸ Public Interest Statement at 8; Supplement at 3.

⁴⁹ Supplement at 3. Applicants state that these efficiencies include the elimination of duplicate IT networks and reductions in headcount, primarily at the management level, and annual savings over the first two years following closing from vendor and other third party costs. *Id.*

⁵⁰ Supplement at 3.

⁵¹ *Id.* The claimed estimated savings do not include savings from refinancing of FairPoint's debt, which will reduce the interest rate from approximately 8 percent to 4 percent and result in an additional \$35 million annual reduction in interest payments. *Id.*

⁵² Supplement 3, 4.

additional funds available for the combined entity to improve services and offerings to customers and that it will do so. We are guided by Commission precedent discounting fixed costs savings because they are less likely to be passed on to consumers than marginal cost savings.⁵³ Applicants fail to specifically identify which portions of the savings are marginal cost savings or fixed cost savings and, therefore, we do not credit the entire \$55 million as a public interest benefit.⁵⁴ Nonetheless, we do find that, in light of Consolidated's considerable experience of successfully integrating service areas it acquired in prior transactions, Applicants are likely to achieve some cost savings and pass down at least some benefit to consumers as a result of the transaction.⁵⁵

21. *Service Quality.* Based on our analysis of the record, we give minimal weight to the Applicants' assertion that the transaction will result in the combined company being better positioned to deliver high-quality services than either company could provide on its own.⁵⁶ We agree with the Applicants that the proposed transaction has "no similarities to the 2007 acquisitions from Verizon," which eventually resulted in FairPoint's reorganization under Chapter 11 of the U.S. Bankruptcy Code in 2011, and that consumer disruption will be limited due to FairPoint's now well-established back office systems, which will remain in place after the transaction.⁵⁷ Furthermore, the record indicates that FairPoint licensees have "significantly improved their ability to manage their total trouble load (voice plus all other services), [and] their voice service quality reporting metrics, and FairPoint Parent anticipates that this trend will continue."⁵⁸

22. Indeed, the Applicants state that, post-consummation, they will continue to strive to meet or exceed all service quality metrics established by state regulators.⁵⁹ To this end, Applicants state that Consolidated plans to take several steps to ensure customer service quality. First, Applicants state that, post-consummation, Consolidated will begin evaluating all of its systems to determine which ones best suit the needs of the larger company and initiate what they anticipate will be a one- or two-year process to unify systems company-wide.⁶⁰ Second, Applicants state that Consolidated expects to roll out "self-help" tools within the first year after closing of the transaction to allow customers to identify and resolve certain

⁵³ See, e.g., *AT&T-DIRECTV Order*, 30 FCC Rcd at 9237-38, para. 275 (stating that "we generally find reductions in marginal costs cognizable as compared to reductions in fixed costs, because reductions in marginal costs are more likely to result in lower prices") (citing *News Corp.-Hughes Order*, 19 FCC Rcd at 611, para. 317; and *EchoStar-DIRECTV HDO*, 17 FCC Rcd at 20631, para. 191).

⁵⁴ See, e.g., *AT&T-DIRECTV Order*, 30 FCC Rcd at 9244, para. 294 (discounting claimed cost savings because AT&T did not adequately explain which of these savings were marginal cost savings and which were capital cost savings); *In the Matter of Verizon Communications Inc. and MCI, Inc. Applications for Approval to Transfer Control*, Memorandum Opinion and Order, 20 FCC Rcd 18433, 18536, para. 211 (2005) (*Verizon-MCI Order*) (stating that "because most of these positions are overhead and thus represent savings in fixed costs, we will not give them the same weight as savings in marginal cost (which are more likely to flow through in the form of retail price reductions)").

⁵⁵ See Public Interest Statement at 3.

⁵⁶ Supplement at 2.

⁵⁷ Public Interest Statement at 7, 13.

⁵⁸ *Id.* at 7. Applicants state that this claimed trend is particularly evident in Maine and Vermont, which require Licensees to report retail service quality metrics, where Applicants claim that FairPoint's Service Quality reporting results have continued to improve since the end of 2015, and assert that FairPoint is in compliance with all current Service Quality metrics. *Id.*

⁵⁹ Supplement at 1.

⁶⁰ *Id.*

service problems.⁶¹ Third, Applicants state that Consolidated's continual personnel training and redundant facilities places additional emphasis on providing effective service quality.⁶² Finally, Applicants state that Consolidated plans to link the two existing networks into a single national network through a 10 Gbps link, which they claim will enhance network survivability and reliability.⁶³

23. While we recognize that state regulators are holding ongoing proceedings with records that may include a more granular review of service quality issues,⁶⁴ the evidence in our record indicates that Consolidated has a positive record of improving services to acquired customers in prior transactions.⁶⁵ Because the Applicants failed to provide firm service quality commitments, however, the amount of anticipated service quality improvements that are likely to result from the instant transaction are difficult to weigh or quantify, and thus we only credit them as a minimal public interest benefit.⁶⁶

24. *Broadband Services.* Based on our analysis of the record, we credit a modest amount of weight to the Applicants' claim that the transaction will result in improved broadband services for customers. In support of this claimed benefit, Applicants argue that FairPoint's customers will benefit from Consolidated's experience in providing telecommunications services, and maintaining and investing in facilities in rural and small urban areas.⁶⁷ Specifically, Consolidated states that it has a track record of increasing the number of homes passed by broadband capable facilities by approximately two percent year over year.⁶⁸ Applicants point to three incumbent LEC acquisitions: North Pittsburgh in 2007; SureWest in 2012; and Eventis in 2014.⁶⁹ Applicants maintain that Consolidated has not only increased the number of homes passed by broadband in those service areas, but also has increased available broadband speeds.⁷⁰ For example, Applicants state that Consolidated has introduced 100 Mbps download capacity in portions of every market it serves.⁷¹ As further evidence of this experience, Applicants state that Consolidated provides at least 20 Mbps download speeds to 90 percent of its broadband customers and that it plans to provide the same level of service in the FairPoint service areas.⁷² Applicants do not provide a specific timeframe for upgrading broadband services in the current FairPoint service area to 20 Mbps to 90 percent of customers;⁷³ for this reason, we are unable to verify, and therefore cannot

⁶¹ *Id.*

⁶² *Id.* at 1-2.

⁶³ *Id.* at 2.

⁶⁴ See, e.g. *Northern New England Telephone Operations, LLC, et al and Consolidated Communications Holdings, Inc., Request for Approval of Reorganization and Credit Facilities Pertaining to the Merger of FairPoint Communications, Inc. and Consolidated Communications Holdings, Inc.*, Docket No. 2016-00307, (Me. Pub. Util. Comm., filed Dec. 29, 2016); *Joint Petition for Findings in Furtherance of the Acquisition of FairPoint Communications, Inc. and its New Hampshire Operating Subsidiaries by Consolidated Communications Holdings, Inc.*, DT 16-872 (NH. Pub. Util. Comm., filed Dec. 29, 2016).

⁶⁵ Public Interest Statement at 2-6.

⁶⁶ See *AT&T-DIRECTV Order*, 30 FCC Rcd at 9237, para. 274; *EchoStar-DIRECTV HDO*, 17 FCC Rcd at 20630, para. 190.

⁶⁷ Lead Application at 3.

⁶⁸ Supplement at 2; Public Interest Statement at 6, 7.

⁶⁹ Public Interest Statement at 6.

⁷⁰ *Id.* at 6.

⁷¹ *Id.* at 6.

⁷² Supplement at 2, 3.

⁷³ *Id.* at 2.

specifically rely upon, this claimed upgrade as a potential benefit.⁷⁴ Nonetheless, based on Consolidated's track record of improving broadband services in acquired service areas⁷⁵ and the likelihood that some efficiencies will result from the transaction, we find that the transaction likely will result in at least modest improvements to broadband services for customers in the FairPoint service areas. We note that in making this determination, we do not consider FairPoint Parent's receipt of support from both the Phase I frozen support and the Phase II model-based support from the Connect America Fund (CAF).⁷⁶ Because FairPoint's CAF commitments are pre-existing, they are therefore not transaction-specific, and we are unable to credit them for the purposes of our review.⁷⁷

C. Balancing Potential Public Interest Harms and Benefits

25. Based on our analysis, we conclude that the public interest benefits claimed by the Applicants on balance outweigh the potential for public interest harms resulting from the proposed transaction. Under the Commission's "sliding scale approach," where potential harms appear both substantial and likely, the Applicants' demonstration of claimed benefits must show a higher degree of magnitude and likelihood than the Commission would otherwise demand.⁷⁸ However, we will accept a lesser showing on the scope of the claimed benefits when, as here, the potential harms appear less likely and less substantial.⁷⁹ Based on our findings that the proposed transaction likely will not cause material public interest harms, we find that the relatively modest benefits of the transaction resulting from certain credited benefits outweigh any public interest harms. Consequently, we find that approval of the transaction is in the public interest.

VI. REGULATORY STATUS OF CONSOLIDATED HOLDINGS

26. We determine that, for the purposes of compliance with applicable Commission rules and the Communications Act, FairPoint's subsidiaries that are currently designated as Bell Operating Companies (BOCs) will remain subject to such designation and associated requirements post-consummation. Biddeford Internet Corp., d/b/a Great Works Internet (GWI) and CRC Communications LLC and Mid-Maine Telplus LLC, both doing business as OTT Communications, filed a comment requesting that the Commission find that the combined entity will be a BOC within the meaning of

⁷⁴ See e.g., *Verizon-MCI Order*, 20 FCC Rcd at 18536-37, paras. 210-14 (rejecting the inclusion of claimed operational savings in perpetuity and only including claimed operational savings for a four-year period); *AT&T-BellSouth Order*, 22 FCC Rcd at 5767, para. 217.

⁷⁵ Public Interest Statement at 3, 6.

⁷⁶ *Id.* at 5 (citing *Wireline Competition Bureau Announces Connect America Phase II Support Amounts Offered to Price Cap Carriers to Expand Rural Broadband*, Public Notice, 30 FCC Rcd 3905 (WCB 2015)). The Applicants will continue to receive Connect America Phase II model-based support and to be subject to all Phase II obligations.

⁷⁷ See, e.g., *AT&T-DIRECTV Order*, 30 FCC Rcd at 9237, para. 273; *Applications of NYNEX Corp. and Bell Atlantic Corp. for Consent to Transfer Control of NYNEX Corp. and Its Subsidiaries*, 12 FCC Rcd 19985, 20066, para. 168 (1997) (disregarding purported benefits that are not merger specific).

⁷⁸ See, e.g., *Softbank/Sprint Order*, 28 FCC Rcd at 9678-79, para. 93.

⁷⁹ See *AT&T-DIRECTV Order*, 30 FCC Rcd at 9238, para. 276; *In the Matter of Applications of Comcast Corporation, Gerneal Electric Company, and NBC Universal, Inc. for Consent to Assign Licenses and Transfer Control of Licensees*, Memorandum Opinion and Order, 26 FCC Rcd. 4238, 4331, para. 227 (2011) (*Comcast-NBCU Order*); *In the Matter of Applications for Consent to the Transfer of Control of Licenses XM Satellite Radio Holdings Inc. to Sirius Satellite Radio Inc.*, 23 FCC Rcd. 12348, 12384, para. 76 (2008) (*Sirius-XM Order*); *In the Matter of News Corporation and the DIRECTV Group, Inc. and Liberty Media Corporation for Authority to Transfer Control*, Memorandum Opinion and Order, 23 FCC Rcd. 3265, 3331, para. 141 (2008) (*Liberty Media-DIRECTV Order*).

Section 3(4) of the Act,⁸⁰ and will remain subject to applicable BOC requirements, including, but not limited to, those contained in Sections 252 and 271-76 of the Act.⁸¹ The Applicants respond that they have no objection to the Commission finding that Northern New England Telephone Operations LLC and Telephone Operating Company of Vermont LLC are BOCs under Sections 271 and 272 of the Communications Act.⁸² Applicants note that the Commission previously determined that these entities were successors and assigns of the BOCs in the *Verizon/FairPoint Order* and state that a subsequent transfer of the same entities does not alter that classification.⁸³

VII. WAIVER OF SECTION 61.41(c)(2)

27. We grant the Applicants' requested waiver of section 61.41 of the Commission's rules, the price cap "all-or-nothing" rule.⁸⁴ We find that the Applicants have presented good cause to waive the rule as we do not believe the public interest would be served by requiring the Applicants to undertake the financial and administrative costs of converting the acquired rate-of-return exchanges to price cap regulation at this time.

A. Background

28. Section 61.41 of the Commission's rules is designed to ensure that all of a carrier's study areas and affiliates are subject to a single form of pricing regulation—either price cap regulation or rate-of-return regulation.⁸⁵ As a result, this rule is commonly referred to as the "all-or-nothing" rule. Specifically, section 61.41 provides that, if an individual rate-of-return carrier or study area converts to price cap regulation, all of its affiliates or study areas must also do so, except for those using average schedules.⁸⁶ This section also provides that, if a price cap carrier enters into a merger, acquisition, or similar transaction, it must continue to operate under price cap regulation after the transaction.⁸⁷ When rate-of-return and price cap carriers merge or acquire one another, the rate-of-return carrier must convert to price cap regulation within one year.⁸⁸

29. These requirements address two concerns the Commission has regarding mergers and acquisitions involving price cap and non-price cap companies. First, a carrier might attempt to shift costs from its price cap affiliates to its non-price cap affiliates.⁸⁹ Such a shift would allow the rate-of-return affiliate to charge higher rates than would otherwise be permitted to recover its higher revenue requirement, while simultaneously increasing the profits of the price cap affiliate as a result of these cost

⁸⁰ 47 U.S.C. § 153(5)

⁸¹ 47 U.S.C. §§ 252, 271-276; GWI and OTT Comments at 1-10 (filed Feb. 13, 2017).

⁸² 47 U.S.C. § 271-272; Applicants' Reply at 2; Public Interest Statement at 12-13.

⁸³ Applicants' Reply at 2. *Applications Filed for the Transfer of Certain Spectrum Licenses and Section 214 Authorizations in the States of Maine, New Hampshire, and Vermont from Verizon Communications Inc. and Its Subsidiaries to FairPoint Communications, Inc.*, Memorandum Opinion and Order, 23 FCC Rcd 514, 533, para. 33 (2007) (*Verizon/FairPoint Order*).

⁸⁴ 47 CFR § 61.41; see Public Interest Statement at 14-15.

⁸⁵ 47 CFR § 61.41.

⁸⁶ 47 CFR § 61.41(b).

⁸⁷ 47 CFR § 61.41(c)(1).

⁸⁸ 47 CFR § 61.41(c)(2).

⁸⁹ *Consolidated Communications Holdings, Inc. Petition for Waiver of Section 61.41(c) of the Commission's Rules*, Order, 30 FCC Rcd 10844, 10845, para. 3 (WCB 2015) (*Consolidated Holdings Waiver*).

savings.⁹⁰ Second, a carrier might attempt to “game the system” by switching back and forth between rate-of-return regulation and price cap regulation.⁹¹

B. Discussion

30. We find good cause to grant the requested waiver of section 61.41(c)(2) of the Commission’s rules.⁹² While the Commission’s rules are presumed valid,⁹³ they may be waived for good cause shown.⁹⁴ More specifically, the Commission may exercise its discretion to waive a rule where the particular facts make strict compliance inconsistent with the public interest.⁹⁵ In addition, the Commission may take into account considerations of hardship, equity, or more effective implementation of overall policy on an individual basis.⁹⁶ Waiver of the Commission’s rules is appropriate if special circumstances warrant a deviation from the general rule and such a deviation will serve the public interest.⁹⁷

31. The Applicants maintain that waiver of the all-or-nothing rule would serve the public interest⁹⁸ and is consistent with prior Commission decisions granting similar waiver requests, including a previous waiver grant to Consolidated.⁹⁹ They argue there is no reasonable basis for concern that the new entity will be able to engage in the kinds of cost shifting that the all-or-nothing rule was intended to prevent.¹⁰⁰ Specifically, Consolidated cites to the fact that the carriers under the waiver will continue to be subject to the jurisdiction of the Commission and the appropriate state commissions and that the carriers will maintain their own separate books of accounts.¹⁰¹ Moreover, both Applicants are receiving model-based high-cost support.¹⁰²

32. We find good cause to grant the Applicants’ request for waiver of the all-or-nothing rule. When the Commission adopted this rule, it noted that it would entertain requests for waiver of the rule where efficiencies created by the purchase and sale of exchanges may, in a particular case, outweigh the threat of cost shifting or gaming the system.¹⁰³ The Applicants explain that if post-transaction

⁹⁰ *Id.*

⁹¹ *Id.*

⁹² 47 CFR § 61.41.

⁹³ *WAIT Radio v. FCC*, 418 F.2d 1153, 1159 (D.C. Cir. 1969), *cert. denied*, 409 U.S. 1027 (1972).

⁹⁴ 47 CFR § 1.3.

⁹⁵ *Northeast Cellular Telephone Co. v. FCC*, 897 F.2d 1164, 1166 (D.C. Cir. 1990).

⁹⁶ *WAIT Radio*, 418 F.2d at 1159; *Northeast Cellular Telephone*, 897 F.2d at 1166.

⁹⁷ *Northeast Cellular Telephone*, 897 F.2d at 1166.

⁹⁸ Public Interest Statement at 14-15.

⁹⁹ *Id.*; Supplement at 4-5, n. 29-31 (citing *Consolidated Holdings Waiver*, 30 FCC Rcd at 10845, para. 3; *Chine Telephone Company*, *FairPoint Vermont, Inc.*, *Maine Telephone Company*, *Northland Telephone Company of Maine, Inc.*, *Sidney Telephone Company*, and *Standish Telephone Company Petition for Conversions to Price Cap Regulation and for Limited Waiver Relief*, WC Docket No. 10-47, 25 FCC Rcd 4824 (WCB 2010) (“*FairPoint Waiver*”)).

¹⁰⁰ Public Interest Statement at 14-15; Supplement at 4-5.

¹⁰¹ Supplement at 4-5.

¹⁰² Public Interest Statement at 14-15; Supplement at 4-5, nn.29-31.

¹⁰³ *See Policy and Rules Concerning Rates for Dominant Carriers*, CC Docket No. 87-313, Order on Reconsideration, 6 FCC Rcd 2637, 2706, n.207 (1991) (subsequent history omitted) (*LEC Price Cap Reconsideration Order*).

Consolidated converts the acquired exchanges to price cap regulation it would be required to accelerate its switched access rate reductions and phase-out of CAF Inter-carrier Compensation (CAF-ICC) support, which will substantially increase its financial and administrative costs.¹⁰⁴ We do not believe the public interest would be served by requiring the Applicants to undertake the financial and administrative costs of converting the acquired rate-of-return exchanges to price cap regulation in this instance. Moreover, we believe there is minimal threat that the Applicants will engage in cost shifting or system gaming – the harms that the rule is designed to prevent – based on a number of considerations, including that the merged entity’s subsidiaries will continue to be subject to the jurisdiction of the Commission and the appropriate state commissions, and that the carriers will operate in their own study areas and will maintain their own separate books of accounts, which would reveal any unlawful cost-shifting or gaming.¹⁰⁵ In addition, the Applicants have no incentive to shift costs to increase their CAF Phase II model support because the amount of support they receive was determined by the Connect America Cost Model and not by the accounting costs recorded in their books.¹⁰⁶ A waiver will permit the Applicants to retain the subsidiaries’ current regulatory status while managing the respective rate reductions and CAF-ICC support phase-out for each specific subsidiary. We emphasize that the relief granted in this Order is subject to any future reforms or rule revisions regarding inter-carrier compensation, the regulation of business data services, price cap regulation, or universal service requirements that the Commission may adopt in the future.

VIII. CONCLUSION

33. After a thorough review of the proposed transaction and the record in this proceeding, we conclude that the Applicants are fully qualified to transfer the licenses in Appendix A and that the public interest benefits promised by the proposed transaction are sufficient to support the grant of the Applications. Further, upon consideration of the Applicant’s waiver request, we hereby grant the requested waiver of section 61.41(c)(2) of the Commission’s rules.

IX. ORDERING CLAUSES

34. Accordingly, having reviewed the record in this matter, **IT IS ORDERED**, pursuant to sections 4(i) and (j), 5(c), 214(a), 214(c), 303(r), 309, and 310(d) of the Act, 47 U.S.C. §§ 154(i), 154(j), 155(c), 214(a), 214(c), 303(r), 309, 310(d), and sections 1.948, 63.04, and 63.24 of the Commission’s rules, 47 C.F.R. §§ 1.948, 63.04, 63.24, and pursuant to the authority delegated under sections 0.51, 0.91, 0.131, 0.261, 0.291, and 0.331 of the Commission’s rules, 47 CFR §§ 0.51, 0.91, 0.131, 0.261, 0.291, 0.331, that the Applications to transfer control of the licenses and authorizations listed in Appendix A **ARE GRANTED**.

¹⁰⁴ Public Interest Statement at 14-15; Supplement at 4-5.

¹⁰⁵ Supplement at 4-5; *Consolidated Holdings Waiver*, 30 FCC Rcd at 10847, para. 9.

¹⁰⁶ *Connect America Fund et al.*, WC Docket Nos. 10-90 et al., Report and Order and Further Notice of Proposed Rulemaking, 26 FCC Rcd 17663 (2011) (*USF/ICC Transformation Order and/or FNPRM*) *aff’d sub nom.*, *In re: FCC 11-161*, 753 F.3d 1015 (10th Cir. 2014) (“Each incumbent carrier will . . . be given an opportunity to accept, for each state it serves, the public interest obligations associated with all the eligible census blocks in its territory, in exchange for the total model-derived annual support associated with those census blocks”); *Wireline Competition Bureau Authorizes FairPoint to Receive Over \$37 Million in Connect America Phase II Support in 14 States*, WC Docket No. 10-90, Public Notice, 30 FCC Rcd 8435 (WCB 2015) (authorizing FairPoint to receive over \$37 million in annual Connect America Phase II model-based support in 14 states); *Wireline Competition Bureau Authorizes Additional Price Cap Carriers to Receive Almost \$950 Million in Phase II Connect America Support*, WC Docket No. 10-90, Public Notice, 30 FCC Rcd 8577 (WCB 2015) (authorizing Consolidated to receive over \$13.9 million in annual Connect America Phase II model-based support in six states).

35. **IT IS FURTHER ORDERED** that the above grant shall include authority for Consolidated Holdings, consistent with the terms of this Memorandum Opinion and Order, to acquire control of: (1) any licenses and authorizations issued to FairPoint during the Commission's consideration of the Applications and the period required for consummation of the transaction following approval; (2) any applications that have been filed by FairPoint or its subsidiaries that are pending at the time of consummation of the transaction; and (3) licenses that may have been inadvertently omitted from the Applications that are held by FairPoint at the time of consummation of the transaction.

36. **IT IS FURTHER ORDERED**, pursuant to sections 1, 4(i), 5(c), 201, 202, and 254 of the Communications Act of 1934, as amended, 47 U.S.C. §§ 151, 154(i), 155(c), 201, 202, 254 and section 1.3 of the Commission's rules, 47 C.F.R. § 1.3, and pursuant to the authority delegated under sections 0.91 and 0.291 of the Commission's rules, 47 C.F.R. §§ 0.91, 0.291, that the petition for waiver of section 61.41(c) of the Commission's rules, 47 C.F.R. § 61.41(c), filed by Consolidated Communications Holdings, Inc., **IS GRANTED**, to the extent described herein.

37. **IT IS FURTHER ORDERED** that this Memorandum Opinion and Order **SHALL BE EFFECTIVE** upon release, in accordance with section 1.102(b)(1) of the Commission's rules, 47 CFR § 1.102(b)(1). Petitions for reconsideration under section 1.106 of the Commission's Rules, 47 CFR § 1.106, or applications for review under section 1.115 of the Commission's rules, 47 CFR § 1.115, may be filed within thirty days of the release date of this Memorandum Opinion and Order.

FEDERAL COMMUNICATIONS COMMISSION

Kris Anne Monteith
Acting Chief, Wireline Competition Bureau

Thomas Sullivan
Acting Chief, International Bureau

Nese Guendelsberger
Acting Chief, Wireless Telecommunications Bureau

APPENDIX A

Applications to Transfer Control of Licenses and Authorizations Held by FairPoint

SECTION 214 AUTHORIZATIONS

A. International

<u>File Number</u>	<u>Authorization Holder</u>	<u>Authorization Number</u>
ITC-T/C-20161220-00357	Berkshire Cable Corp.	ITC-214-19970416-00213
ITC-T/C-20161220-00358	UI Long Distance, Inc.	ITC-214-20030206-00049
ITC-T/C-20161220-00359	The El Paso Long Distance Company	ITC-214-19960626-00271
ITC-T/C-20161220-00360	BE Mobile Communications, Inc.	ITC-214-19970710-00391
ITC-T/C-20161220-00361	Chautauqua & Erie Communications, Inc.	ITC-214-19940509-00155
ITC-T/C-20161220-00362	C-R Long Distance, Inc.	ITC-214-19960404-00139; ITC-214-20000320-00156
ITC-T/C-20161220-00363	Comerco, Inc.	ITC-214-20030521-00254
ITC-T/C-20161220-00364	Enhanced Communications of Northern New England, Inc.	ITC-214-20070206-00437
ITC-T/C-20161220-00365	Elltel Long Distance Corp.	ITC-214-19981228-00891
ITC-T/C-20161220-00366	Germantown Long Distance Company	ITC-214-19970113-00018
ITC-T/C-20161220-00367	FairPoint Carrier Services, Inc.	ITC-214-19980610-00403
ITC-T/C-20161220-00368	GTC, Inc.	ITC-214-20011019-00531
ITC-T/C-20161220-00369	Northern New England Telephone Operations LLC	ITC-214-20030516-00243
ITC-T/C-20161220-00370	Marianna Tel., Inc.	ITC-214-20011025-00599
ITC-T/C-20161220-00371	Quality One Technologies, Inc.	ITC-214-19990713-00464
ITC-T/C-20161220-00372	Orwell Communications, Inc.	ITC-214-20001019-00628
ITC-T/C-20161220-00373	ST Long Distance, Inc.	ITC-214-19961118-00578
ITC-T/C-20161220-00374	People Mutual Long Distance Company	ITC-214-20001207-00717
ITC-T/C-20161220-00375	Taconic TelCom Corp.	ITC-214-19970219-00095
ITC-T/C-20161220-00376	St. Joe Communications, Inc.	ITC-214-19950920-00045

B. Domestic

Applicants filed an application to transfer control of domestic section 214 authority in connection with proposed transaction.

SECTION 310(d) WIRELESS AUTHORIZATIONS

<u>File Number</u>	<u>Authorization Holder</u>	<u>Lead Call Sign</u>
0007597973	Northern New England Telephone Operations LLC	WBB246
0007600311	Ellensburg Telephone Company	WBA948
0007600313	Telephone Operating Company of Vermont LLC	WQJB443
0007600316	FairPoint Communications, Inc.	WQIM469