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May 25, 2018

## VIA ECFS

Marlene H. Dortch, Secretary  
Federal Communications Commission  
Office of the Secretary  
445 12th Street, S.W.  
Washington, DC 20554

**Re: WC Docket No. 17-365**

Domestic Section 214 Application Filed for the Transfer of Control of Peoples Mutual Telephone Company (“PMTTC”) and Peoples Mutual Long Distance Company (“PMLDC”) (collectively, “Consolidated”) to RiverStreet Management Services, LLC (“RiverStreet”) (the “Peoples Mutual Application”) (Consolidated and RiverStreet collectively, the “Parties”)

**WC Docket No. 18-94**

Domestic Section 214 Application Filed for the Transfer of Control of Ellerbe Telephone Company, Inc. to RiverStreet Management Services, LLC

**WC Docket No. 18-95**

Section 214 Application Filed for the Transfer of Control of Tri-County Telephone Membership Corporation to Wilkes Telephone Membership Corporation (“Wilkes”)

## **Notice of Ex Parte Meeting**

Dear Madam Secretary:

On May 23, 2018, Daniel Kahn, Suzanne Yelen, Jodi May Donovan, Dennis Johnson, Joseph Sorresso, and Gregory Kwan of the Wireline Competition Bureau (“WCB”) met with RiverStreet’s and Wilkes’s Eric Cramer, their counsel, Sylvia Lesse of Communications Advisory Counsel, LLC, and their financial advisors, John Kuykendall and Christine Duncan of John Staurulakis, Inc., and with Consolidated’s Michael Shultz and Garrett Van Osdell and its

counsel, Brett Ferenchak of Morgan, Lewis & Bockius LLP. Messrs. Kwan, Shultz and Van Osdell attended telephonically. The meeting was requested by RiverStreet to seek clarification of various elements of the Commission's recent decision approving the transfer of control of a local exchange carrier ("LEC") electing to receive support under the Alternative Connect America Cost Model, to a LEC electing to continue to receive support based upon its own embedded costs, also known as a "legacy" company.<sup>1</sup> RiverStreet believes that certain aspects of the Peoples Mutual Application are sufficiently similar to those considered in the ComSouth Decision to warrant discussion of the ComSouth Decision's implications for the instant application and related proceedings.<sup>2</sup>

The participants discussed various procedural issues, including the Commission's delegation of authority to the Bureau to apply the ComSouth Decision's conditions under similar circumstances, and the interrelation between the instant proceeding and the on-going Phase I Challenge Process involving the Peoples Mutual service territory.<sup>3</sup> The participants also discussed substantive aspects of the ComSouth Decision, including apportionment of capped operating expenses among current and potential future legacy affiliates, the application of that decision to RiverStreet average schedule company affiliates recently or projected to be converted from average schedule to cost methodology, and the applicability of the cap to directly-assigned costs.

RiverStreet and Consolidated representatives reiterated the critical need for prompt action on the Peoples Mutual Application, given the interrelationship between lender's funding the PMTC acquisition transaction and other ongoing projects.

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<sup>1</sup> *In the Matter of Joint Application of W. Mansfield Jennings Limited Partnership and Hargray Communications Group, Inc. for Consent to the Transfer of Control of ComSouth Corporation Pursuant to Section 214 of the Communications Act of 1934*, WC Docket No. 18-52, Memorandum Opinion and Order, FCC 18-62 (May 11, 2018) (the "ComSouth Decision").

<sup>2</sup> In addition to the Peoples Mutual Application, RiverStreet and its parent, Wilkes Telephone Membership Corporation ("WTMC"), are applicants in two other proceedings captioned above. Although the focus of the meeting was the Peoples Mutual Application, the discussions also touched on these dockets and, accordingly, notice of this meeting is being filed in all three proceedings.

<sup>3</sup> *Wireline Competition Bureau Commences Limited Connect America Phase I Challenge Process Regarding Previously Unidentified Census Blocks Served by FairPoint Communications, Inc.*, WC Docket No. 10-90, Public Notice, DA18-433 (WCB Apr. 26, 2018).

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The Parties invite staff to contact the undersigned with any questions regarding this filing, or other questions that might arise with respect to the Application.

Respectfully submitted,

/s/ Sylvia Lesse  
Sylvia Lesse

Counsel for RiverStreet

cc: (via email)

Daniel Kahn (WCB)  
Suzanne Yelen (WCB)  
Jodie May Donovan (WCB)  
Dennis Johnson (WCB)  
Joseph Sorresso (WCB)  
Gregory Kwan (WCB)  
Eric Cramer  
Daniel Higgins  
Michael Shultz  
Garrett Van Osdell  
Brett P. Ferenchak  
John Kuykendall  
Christine Duncan