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RECEIPT

FCC/MELLON

DEC 27 2001

RIYADH (AFFILIATE)

December 27, 2001

VIA COURIER

Federal Communications Commission
Common Carrier Domestic Services
P.O. Box 358115
Pittsburgh, PA 15151-5115

Re: Conestoga Enterprises, Inc. and D&E Acquisition Corp.
Application for Consent to Transfer Control
International Section 214 Authority (FCC File No. ITC-214-19970707-00382)

Dear Sir or Madam:

Enclosed for filing on behalf of Conestoga Enterprises, Inc. ("CEI") and D&E Acquisition Corp. ("D&E Acquisition"), are an original and five copies of an application seeking Federal Communications Commission ("Commission") consent to transfer control of the above-referenced international 214 authorization held by CEI Networks, Inc. ("CEI Networks"), a wholly-owned subsidiary of CEI, from CEI to D&E Acquisition. Also enclosed is a check in the amount of the required filing fee of \$815.00 and an original completed FCC Form 159.

Please address any inquiries regarding this matter to the undersigned.

Sincerely,

Marjorie K. Conner, Esq.
Natalie G. Roisman, Esq.

Enclosures

READ INSTRUCTIONS CAREFULLY
BEFORE PROCEEDING

FEDERAL COMMUNICATIONS COMMISSION
REMITTANCE ADVICE

Approved by OMB
3060-0589
Page No 1 of

(1) LOCKBOX # 358115

SPECIAL USE
FCC USE ONLY

SECTION A - PAYER INFORMATION

(2) PAYER NAME (if paying by credit card, enter name exactly as it appears on your card)
Akin, Gump, Strauss, Hauer & Feld, L.L.P. (3) TOTAL AMOUNT PAID (U.S. Dollars and cents)
\$815.00

(4) STREET ADDRESS LINE NO. 1
1676 International Drive

(5) STREET ADDRESS LINE NO. 2
Penthouse

(6) CITY **McLean** (7) STATE **VA** (8) ZIP CODE **22102**

(9) DAYTIME TELEPHONE NUMBER (include area code) **703-891-7519** (10) COUNTRY CODE (if not in U.S.A.)

FCC REGISTRATION NUMBER (FRN) AND TAX IDENTIFICATION NUMBER (TIN) REQUIRED

(11) PAYER (FRN) **0005-0944-36** (12) PAYER (TIN) **[REDACTED]**

IF PAYER NAME AND THE APPLICANT NAME ARE DIFFERENT, COMPLETE SECTION B
IF MORE THAN ONE APPLICANT, USE CONTINUATION SHEETS (FORM 159-C)

(13) APPLICANT NAME
D&E Acquisition Corp.

(14) STREET ADDRESS LINE NO. 1
124 East Main Street

(15) STREET ADDRESS LINE NO. 2
PO Box 458

(16) CITY **Ephrata** (17) STATE **PA** (18) ZIP CODE **17522**

(19) DAYTIME TELEPHONE NUMBER (include area code) **717-738-8430** (20) COUNTRY CODE (if not in U.S.A.)

FCC REGISTRATION NUMBER (FRN) AND TAX IDENTIFICATION NUMBER (TIN) REQUIRED

(21) APPLICANT (FRN) **0005-9208-97** (22) APPLICANT (TIN) **23-3102620**

COMPLETE SECTION C FOR EACH SERVICE, IF MORE BOXES ARE NEEDED, USE CONTINUATION SHEET

(23A) CALL SIGN/OTHER ID (24A) PAYMENT TYPE CODE **CUT** (25A) QUANTITY **1**

(26A) FEE DUE FOR (PTC) **\$815.00** (27A) TOTAL FEE **\$815.00** FCC USE ONLY

(28A) FCC CODE 1 (29A) FCC CODE 2

(23B) CALL SIGN/OTHER ID (24B) PAYMENT TYPE CODE (25B) QUANTITY

(26B) FEE DUE FOR (PTC) (27B) TOTAL FEE FCC USE ONLY

(28B) FCC CODE 1 (29B) FCC CODE 2

SECTION D - CERTIFICATION

(30) CERTIFICATION STATEMENT
I, Natalie Roisman, certify under penalty of perjury that the foregoing and supporting information is true and correct to the best of my knowledge, information and belief. SIGNATURE Natalie Roisman DATE 12/27/01

SECTION E - CREDIT CARD PAYMENT INFORMATION

(31) MASTERCARD MASTERCARD/VISA ACCOUNT NUMBER: EXPIRATION DATE:

VISA I hereby authorize the FCC to charge my VISA or MASTERCARD for the service(s)/authorization herein described.
SIGNATURE _____ DATE _____

1109

AKIN, GUMP, STRAUSS, HAUER, FELD, LLP
NORTHERN VIRGINIA OFFICE

DATE Dec 26 '01 15-7011-2540

PAY
TO THE
ORDER OF

FEDERAL COMMUNICATIONS COMMISSION

\$: 815.00

Eight hundred & fifteen

00/100 DOLLARS

citibank

CITIBANK, F.S.B.
P.O. BOX 18967
WASHINGTON, DC 20036-0967

THE CITIBANK PRIVATE BANK

Margaret Smalls

FOR FILING FEES (1600166.0003) NR

⑈001109⑈ +⑈254070116⑈

⑈1506 2848⑈

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

In the Matter of)
)
CONESTOGA ENTERPRISES, INC.)
)
and)
)
D&E ACQUISITION CORP.)
)
Application, Pursuant to Section 214)
of the Communications Act of 1934,)
as Amended, for Consent to Transfer)
Control of Authorization to Provide)
Global Resale Telecommunications Services)
File No. ITC-214-19970707-00382)
_____)

File No. _____

APPLICATION

Conestoga Enterprises, Inc. ("CEI" or "Transferor"), which owns 100% of CEI Networks, Inc. ("CEI Networks"),¹ hereby requests authority, pursuant to Section 214 of the Communications Act of 1934, as amended, 47 U.S.C. § 214, and Section 63.18 of the rules of the Federal Communications Commission ("Commission"), 47 C.F.R. § 63.18, to transfer control of the above-referenced CEI Networks authorization to provide global resale telecommunications services to D&E Acquisition Corp. ("D&E Acquisition" or "Transferee"), a wholly-owned subsidiary of D&E Communications, Inc. ("D&E"). As explained below, this application qualifies for 14-day streamlined processing by the Commission pursuant to Section 63.12 of the Commission's rules, 47 C.F.R. § 63.12.

¹ By letter dated February 7, 2001, CEI Networks notified the FCC of the pro forma merger of Conestoga Communications, Inc. ("CCI") into and with Telebeam, Inc., and the immediate name change of Telebeam, Inc. to CEI Networks. See Public Notice dated April 5, 2001 (Report No. TEL-00377, pp. 2-3) (File No. ITC-ASG-19991202-00750). CEI Networks hereby requests that the FCC correct its database to show CEI Networks as the holder of the Section 214 Authorization, in accordance with its February 7, 2001 notification.

I. PREAMBLE

A. The Parties

Conestoga Enterprises, Inc. CEI is the parent corporation to a rural incumbent telephone company and a competitive local telephone company that serve 84,000 and 14,000 local access lines, respectively, throughout southeastern and central Pennsylvania. Additionally, CEI subsidiaries serve over 38,000 long-distance customers, over 1,000 high-speed Internet customers, and 5,000 paging subscribers. Through its wholly-owned subsidiaries, including Conestoga Wireless, CEI also provides PCS services, cable television services, and communications equipment solutions. CEI is a publicly traded corporation on the NASDAQ National Market under the symbol "CENI."

D&E Acquisition, Corp. D&E Acquisition is a subsidiary of D&E Communications, Inc. ("D&E"). D&E, through its subsidiaries, is an integrated telecommunications services provider in south central Pennsylvania. D&E originated as a rural incumbent telephone company in 1911 and since has expanded its local services to include long distance, competitive local service, Internet access, web design services, video conferencing, wireless services, and technology and e-business solutions. D&E's rural incumbent telephone company and competitive local telephone company serve 61,000 and 7,000 local access lines, respectively. In addition, D&E subsidiaries hold over 23,100 long-distance customers, nearly 1,800 high-speed Internet customers, and approximately 184 paging subscribers. D&E is a publicly traded corporation which is listed on the NASDAQ National Market under the symbol "DECC."

B. Description of the Transaction

The proposed transfer of control will occur upon the merger of CEI with D&E Acquisition.² Upon consummation of the merger, CEI Networks and the other wholly-owned subsidiaries of CEI will become wholly-owned subsidiaries of D&E Acquisition, and thus indirect wholly-owned subsidiaries of D&E.

Specifically, the merger is structured as a "cash election" merger, in which each CEI shareholder will have the option to receive cash and/or D&E common stock for his or her CEI shares. In particular, each CEI shareholder will be able to choose from one of three options for merger consideration in exchange for his or her shares of CEI common stock: (a) 55% in cash and 45% in D&E common stock; (b) 100% in D&E common stock; or (c) 100% in cash, provided that, in certain circumstances, pro ration may be applied to the calculation of

² Pursuant to the Agreement and Plan of Merger by and among D&E Communications, Inc., D&E Acquisition Corp., and Conestoga Enterprises, Inc. dated November 21, 2001 (the "Agreement"), CEI is to be merged into and with D&E Acquisition, such that D&E Acquisition will be the surviving entity and CEI will cease to exist. However, if certain conditions occur, which are described in the Agreement as the "Reverse Merger Circumstances," the merger shall automatically become a merger of D&E Acquisition into and with CEI and the separate existence of D&E Acquisition shall cease. In either circumstance, as a result of the transaction, the current subsidiaries of CEI will become indirect wholly-owned subsidiaries of D&E.

consideration and D&E has guaranteed that those shareholders electing to receive cash will receive a minimum of 55% of their consideration in cash. Finally, D&E will assume approximately \$73 million of CEI debt. Following consummation of the proposed transaction, D&E will continue to control D&E Acquisition, the surviving entity, and will assume control of the entities, including CEI Networks, that currently are CEI subsidiaries.

The Parties are filing contemporaneously with the instant application the following applications:

- (i) applications for Commission consent to transfer control of CTT, licensee of five (5) paging licenses and two (2) Part 90 licenses, from CEI to D&E Acquisition;
- (ii) application for Commission consent to transfer control of CMSI, licensee of eleven (11) paging licenses, from CEI to D&E Acquisition;
- (iii) applications for Commission consent to transfer control of CEI Networks, licensee of four (4) Part 90 licenses, from CEI to D&E Acquisition;
- (iv) application to transfer control of BVTC, licensee of one (1) Part 90 license, from CEI to D&E Acquisition;
- (v) application for Commission consent to transfer control of Conestoga Wireless, licensee of nine (9) broadband personal communications service ("PCS") licenses; and
- (vi) application for Commission consent to transfer control of domestic operations authorized pursuant to blanket Section 214 authority from CEI to D&E Acquisition.

C. Public Interest

The Commission has long recognized the benefits of increased competition in the international telecommunications services market. By granting this application, the Commission will serve the public interest, convenience, and necessity by allowing increased availability and competition in the provision of international telecommunications services.

II. SECTION 63.18 INFORMATION

The following information is submitted in support of CEI's request to transfer indirect control of its Section 214 authorization to Transferee pursuant to Section 63.18 of the Commission's rules, 47 C.F.R. § 63.18:

- (a) The name, mailing address, and telephone number of Transferor are as follows:

Conestoga Enterprises, Inc.
202 East First Street

Birdsboro, PA 19508
Attention: Albert H. Kramer, President
(610) 582-5604 (telephone)
(610) 582-6338 (telecopier)

The name, mailing address, and telephone number of Transferee are as follows:

Attention: G. William Ruhl, CEO
D&E Communications, Inc.
124 East Main Street
P.O. Box 458
Ephrata, PA 17522
(717) 738-8430 (telephone)
(717) 733-7461 (telecopier)

- (b) CEI Networks is a U.S. corporation organized under the laws of the Commonwealth of Pennsylvania.

D&E is a U.S. corporation organized under the laws of the Commonwealth of Pennsylvania.

- (c) The names, titles, mailing addresses, and telephone numbers of the persons designated to receive correspondence for Transferor are as follows:

Gerard J. Duffy
Blooston, Mordkofsky, Dickens, Duffy & Prendergast
2120 L Street, NW
Suite 300
Washington, D.C. 20037
(202) 659-0830

The names, titles, mailing addresses, and telephone numbers of the persons designated to receive correspondence for Transferee are as follows:

Marjorie Conner
Akin, Gump, Strauss, Hauer & Feld, L.L.P.
1676 International Drive
Penthouse
McLean, Virginia 22102
(703) 891-7565

- (d) On July 7, 1997, the FCC granted CEI Networks' Section 214 authorization to provide international global resale service. (FCC File No. ITC-214-19970707-00382)).

The Transferee never previously has held international Section 214 authorization.

- (e) CEI Networks requests FCC consent to transfer control to Transferee of its Section 214 authority to operate as a global resale common carrier providing services between the United States and international points, pursuant to Section 63.18(e)(2) of the Commission's rules. Transferee hereby certifies that it will comply with the terms and conditions contained in Sections 63.21, 63.22 and/or 63.23 of the Commission's rules, as applicable.
- (f) At this time, Transferee does not seek any other authorization available under Section 63.18(e).
- (g) Not applicable.
- (h) The names, addresses, citizenship, and principal businesses of the shareholders that control ten percent or more of the voting stock of Transferee are as follows (all are U.S. citizens):

Name of Beneficial Owner: Voting Trust of D&E Communications, Inc.
("Voting Trust")
Business Type: Voting Trust
Address: 124 East Main Street, Ephrata, PA 17522
Percentage of Ownership: 38.94%³

Name of Beneficial Owner: Southwestern Investments, Inc., a subsidiary
of Citizens Utilities Company ("Citizens")
Business Type: Utility/communications
Address: Administration Offices
High Ridge Park, Stamford, CT
Percentage of Ownership: 17.61%

Name of Beneficial Owner: The Ephrata National Bank, Trustee of the
William and Jemima Brossman Charitable
Foundation ("Charitable Foundation")
Business Type: Charitable Foundation
Address: 31 East Main Street, Ephrata, PA 17522
Percentage of Ownership: 13.61%⁴

³ Certain shareholders are parties to that certain Voting Trust Agreement, dated as of November 19, 1992, pursuant to which the Voting Trustees named therein have the right to exercise sole voting power on all matters submitted to D&E's shareholders for a vote, but not investment power, with respect to the shares held by such shareholders. By its terms, the Voting Trust expires November 18, 2002. The Trustees of the Voting Trust are Anne B. Sweigart, Ronald E. Frisbie, W. Garth Sprecher, Robert M. Lauman and John Amos, each of whom, is a director of D&E Communications, Inc. Each of the Voting Trustees disclaims beneficial ownership of the shares held by the Voting Trust, except such shares held in each Trustee's capacity as a participant of the Voting Trust.

⁴ The Charitable Foundation is a member of the Voting Trust. Therefore, the percentage of ownership shown above as held by the Charitable Foundation is also included in the percentage

Transferee has no interlocking directorates with foreign carriers.

- (i) Transferee certifies that it is not affiliated with any foreign carriers.
- (j) Transferee certifies that, with this application, it does not seek authority to provide international telecommunications service to any destination country where any of the following are true: (1) Transferee is a foreign carrier; (2) Transferee controls a foreign carrier; or (3) Any entity that owns more than 25 percent of Transferee, or controls Transferee, controls a foreign carrier.
- (k) Not applicable.
- (l) Not applicable.
- (m) Not applicable.
- (n) Transferee certifies that it has 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 Transferee further certifies that it will not enter into such agreements in the future.
- (o) Pursuant to Sections 1.2001 through 1.2003 of the Commission's rules, Transferee certifies that no party to this application has been denied federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988.
- (p) The instant application qualifies for streamlined processing pursuant to Section 63.12 of the Commission's rules, 47 C.F.R. § 63.12. The exceptions to the availability of streamlined processing, which are set forth in Section 63.12(c) of the Commission's rules, 47 C.F.R. § 63.12(c), do not apply to this application because: (1) Transferee is not a foreign carrier and is not affiliated with a foreign carrier in any destination market; (2) Transferee does not have an affiliation with a dominant U.S. carrier whose international switched or private line services Transferee seeks authority to resell; (3) Transferee does not seek authority to provide switched basic service over private lines to a country for which the Commission has not previously authorized the provision of switched services over private lines; and (4) the Commission has not informed CEI Networks or Transferee that the application is not eligible for streamlined processing.

of ownership shown above held by the Voting Trust. Ephrata National Bank, as trustee of the Charitable Foundation, exercises sole investment power, but not voting power, with respect to the shares held by the Charitable Foundation.

III. CONCLUSION

In conclusion, Transferor and Transferee certify that all of the information in this application is accurate and correct. For the foregoing reasons, Transferor and Transferee respectfully request that the Commission grant its consent to the transfer of control of the Section 214 authorization referenced herein.

Respectfully submitted,

The Shareholders of Conestoga Enterprises, Inc.

By: _____
Transferor

Title: _____

Date: _____

D&E Acquisition Corp.

By: G. William Ruhl
G. William Ruhl
President

Date: DEC. 24, 2001

III. CONCLUSION

In conclusion, Transferor and Transferee certify that all of the information in this application is accurate and correct. For the foregoing reasons, Transferor and Transferee respectfully request that the Commission grant its consent to the transfer of control of the Section 214 authorization referenced herein.

Respectfully submitted,

The Shareholders of Conestoga Enterprises, Inc.

By: Joseph J. Laffey
Transferor, Joseph J. Laffey

Title: Sr. Vice President of Administration

Date: December 21, 2001

D&E Acquisition Corp.

By: _____
Transferee

Title: _____

Date: _____

AFFIDAVIT

I hereby affirm that the information set forth in the foregoing application for transfer of control of international Section 214 authority to provide global resale telecommunications services between the United States and international points is true and correct to the best of my knowledge and belief.

D&E ACQUISITION CORP.

By:  _____
G. William Ruhl, President

Dated: December ____, 2001

AFFIDAVIT

I hereby affirm that the information set forth in the foregoing application for transfer of control of international Section 214 authority to provide global resale telecommunications services between the United States and international points is true and correct to the best of my knowledge and belief.

CONESTOGA ENTERPRISES, INC.

By: Joseph J. Laffey
Joseph J. Laffey
Sr. Vice President of Administration

Dated: December 21, 2001