

02-11

FCC 603	FCC Wireless Telecommunications Bureau Application for Assignments of Authorization and Transfers of Control	Approved by OMB 3060 - 0800 See instructions for public burden estimate Submitted 12/26/2001 at 04:04PM File Number: 0000709842
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1) Application Purpose: Transfer of Control	
2a) If this request is for an Amendment or Withdrawal, enter the File Number of the pending application currently on file with the FCC.	File Number:
2b) File numbers of related pending applications currently on file with the FCC:	

Type of Transaction

3a) Is this a <i>pro forma</i> assignment of authorization or transfer of control? No
3b) If the answer to Item 3a is 'Yes', is this a notification of a <i>pro forma</i> transaction being filed under the Commission's forbearance procedures for telecommunications licenses?
4) For assignment of authorization only, is this a partition and/or disaggregation?
5) Does this filing request a waiver of the Commission's rules? No
6) Are attachments being filed with this application? Yes
7a) Does the transaction that is the subject of this application also involve transfer or assignment of other wireless licenses held by the assignor/transferor or affiliates of the assignor/transferor (e.g., parents, subsidiaries, or commonly controlled entities) that are not included on this form and for which Commission approval is required? Yes
7b) Does the transaction that is the subject of this application also involve transfer or assignment of non-wireless licenses that are not included on this form and for which Commission approval is required? Yes

Transaction Information

8) How will assignment of authorization or transfer of control be accomplished? Sale or other assignment or transfer of stock If required by applicable rule, attach as an exhibit a statement on how control is to be assigned or transferred, along with copies of any pertinent contracts, agreements, instruments, certified copies of Court Orders, etc.
9) The assignment of authorization or transfer of control of license is: Voluntary

Licensee/Assignor Information

10a) Taxpayer Identification Number: L00311112	10b) SGIN: 001	10c) FCC Registration Number (FRN): 0005375365	
11) First Name (if individual):	MI:	Last Name:	Suffix:
12) Entry Name (if not an individual): Buffalo Valley Telephone Company			
13) Attention To:			
14) P.O. Box:	And / Or	15) Street Address: 20 Second Street	
16) City: Lewisburg	17) State: PA	18) Zip: 17837	
19) Telephone Number: (717)523-1211	20) FAX:		
21) E-Mail Address:			

22) Race, Ethnicity, Gender of Assignor/Licensee (Optional)

Race:	American Indian or Alaska Native:	Asian:	Black or African-American:	Native Hawaiian or Other Pacific Islander:	White:
Ethnicity:	Hispanic or Latino:	Not Hispanic or Latino:			
Gender:	Female:	Male:			

Transferor Information (for transfers of control only)

23a) Taxpayer Identification Number: L00129717	23b) SGIN: 001	23c) FCC Registration Number (FRN): 0005934187	
24) First Name (if individual):	MI:	Last Name:	Suffix:

25) Entity Name (if not an individual): The Shareholders of Conestoga Enterprises, Inc.		
26) P.O. Box:	And / Or	27) Street Address: 202 East First Street
28) City: Birdsboro	29) State: PA	30) Zip: 19508
31) Telephone Number: (610)582-6201	32) FAX: (610)582-6338	
33) E-Mail Address:		

Name of Transferor Contact Representative (if other than Transferor) (for transfers of control only)

34) First Name: Richard	MI: D	Last Name: Rubino	Suffix:
35) Company Name: Blooston, Mordkofsky, Dickens, Duffy & Prendergast			
36) P.O. Box:	And / Or	37) Street Address: 2120 L Street, N.W., Suite 300	
38) City: Washington	39) State: DC	40) Zip: 20037	
41) Telephone Number: (202)659-0830	42) FAX: (202)828-5568		
43) E-Mail Address:			

Assignee/Transferee Information

44) The Assignee is a(n): Corporation			
45a) Taxpayer Identification Number: L00437683	45b) SGIN: 000	45c) FCC Registration Number (FRN): 0005920897	
46) First Name (if individual):	MI:	Last Name:	Suffix:
47) Entity Name (if other than individual): D&E Acquisition Corp.			
48) Name of Real Party in Interest:		49) TIN:	
50) Attention To: G. William Ruhl			
51) P.O. Box: P.O. Box 458	And / Or	52) Street Address: 124 East Main Street	
53) City: Ephrata	54) State: PA	55) Zip: 17522	
56) Telephone Number: (717)738-8430	57) FAX: (717)733-7461		
58) E-Mail Address:			

Name of Assignee/Transferee Contact Representative (if other than Assignee/Transferee)

59) First Name: Marjorie	MI: K	Last Name: Conner	Suffix: Esq
60) Company Name: Akin Gump Strauss Hauer & Feld, L.L.P.			
61) P.O. Box:	And / Or	62) Street Address: 1676 International Drive, Penthouse	
63) City: McLean	64) State: VA	65) Zip: 22102	
66) Telephone Number: (703)891-7565	67) FAX: (703)891-7501		
68) E-Mail Address: mconner@akingump.com			

Alien Ownership Questions

69) Is the Assignee or Transferee a foreign government or the representative of any foreign government?	No
70) Is the Assignee or Transferee an alien or the representative of an alien?	No
71) Is the Assignee or Transferee a corporation organized under the laws of any foreign government?	No
72) Is the Assignee or Transferee a corporation of which more than one-fifth of the capital stock is owned of record or voted by aliens or their representatives or by a foreign government or representative thereof or by any corporation organized under the laws of a foreign country?	No
73) Is the Assignee or Transferee directly or indirectly controlled by any other corporation of which more than one-fourth of the capital stock is owned of record or voted by aliens, their representatives, or by a foreign government or representative thereof, or by any corporation organized under the laws of a foreign country? If 'Yes', attach exhibit explaining nature and extent of alien or foreign ownership or control.	No

Basic Qualification Questions

74) Has the Assignee or Transferee or any party to this application had any FCC station authorization, license or construction permit revoked or had any application for an initial, modification or renewal of FCC station authorization, license, construction permit denied by the Commission? If 'Yes', attach exhibit explaining circumstances.	No
75) Has the Assignee or Transferee or any party to this application, or any party directly or indirectly controlling the Assignee or Transferee, or any party to this application ever been convicted of a felony by any state or federal court? If 'Yes', attach exhibit explaining circumstances.	No
76) Has any court finally adjudged the Assignee or Transferee, or any party directly or indirectly controlling the Assignee or Transferee guilty of unlawfully monopolizing or attempting unlawfully to monopolize radio communication, directly or indirectly, through control of manufacture or sale of radio apparatus, exclusive traffic arrangement, or any other means or unfair methods of competition? If 'Yes', attach exhibit explaining	No

circumstances.	
77) Is the Assignee or Transferee, or any party directly or indirectly controlling the Assignee or Transferee currently a party in any pending matter referred to in the preceding two items? If 'Yes', attach exhibit explaining circumstances.	No

78) Race, Ethnicity, Gender of Assignee/Transferee (Optional)

Race:	American Indian or Alaska Native:	Asian:	Black or African-American:	Native Hawaiian or Other Pacific Islander:	White:
Ethnicity:	Hispanic or Latino:	Not Hispanic or Latino:			
Gender:	Female:	Male:			

Assignor/Transferor Certification Statements

1) The Assignor or Transferor certifies either (1) that the authorization will not be assigned or that control of the license will not be transferred until the consent of the Federal Communications Commission has been given, or (2) that prior Commission consent is not required because the transaction is subject to streamlined notification procedures for <i>pro forma</i> assignments and transfers by telecommunications carriers. See <i>Memorandum Opinion and Order</i> , 13 FCC Rcd. 6293(1998).			
2) The Assignor or Transferor certifies that all statements made in this application and in the exhibits, attachments, or in documents incorporated by reference are material, are part of this application, and are true, complete, correct, and made in good faith.			
79) Typed or Printed Name of Party Authorized to Sign			
First Name: Joseph	MI: J	Last Name: Laffey	Suffix:
80) Title: Sr. Vice President of Administration			
Signature: Joseph J Laffey		81) Date: 12/26/01	

Assignee/Transferee Certification Statements

1) The Assignee or Transferee certifies either (1) that the authorization will not be assigned or that control of the license will not be transferred until the consent of the Federal Communications Commission has been given, or (2) that prior Commission consent is not required because the transaction is subject to streamlined notification procedures for <i>pro forma</i> assignments and transfers by telecommunications carriers. See <i>Memorandum Opinion and Order</i> , 13 FCC Rcd. 6293 (1998).			
2) The Assignee or Transferee waives any claim to the use of any particular frequency or of the electromagnetic spectrum as against the regulatory power of the United States because of the previous use of the same, whether by license or otherwise, and requests an authorization in accordance with this application.			
3) The Assignee or Transferee certifies that grant of this application would not cause the Assignee or Transferee to be in violation of any pertinent cross-ownership, attribution, or spectrum cap rule. * *If the applicant has sought a waiver of any such rule in connection with this application, it may make this certification subject to the outcome of the waiver request.			
4) The Assignee or Transferee agrees to assume all obligations and abide by all conditions imposed on the Assignor or Transferor under the subject authorization(s), unless the Federal Communications Commission pursuant to a request made herein otherwise allows, except for liability for any act done by, or any right accrued by, or any suit or proceeding had or commenced against the Assignor or Transferor prior to this assignment.			
5) The Assignee or Transferee certifies that all statements made in this application and in the exhibits, attachments, or in documents incorporated by reference are material, are part of this application, and are true, complete, correct, and made in good faith.			
6) The Assignee or Transferee certifies that neither it nor any other party to the application is subject to a denial of Federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1998, 21 U.S.C § 862, because of a conviction for possession or distribution of a controlled substance. See Section 1.2002(b) of the rules, 47 CFR § 1.2002(b), for the definition of "party to the application" as used in this certification.			
7) The applicant certifies that it either (1) has an updated Form 602 on file with the Commission, (2) is filing an updated Form 602 simultaneously with this application, or (3) is not required to file Form 602 under the Commission's Rules.			

82) Typed or Printed Name of Party Authorized to Sign

First Name: G. William	MI:	Last Name: Ruhl	Suffix:
83) Title: President & CEO			
Signature: G. William Ruhl		84) Date: 12/26/01	
WILLFUL FALSE STATEMENTS MADE ON THIS FORM OR ANY ATTACHMENTS ARE PUNISHABLE BY FINE AND/OR IMPRISONMENT (U.S. Code, Title 18, Section 1001) AND/OR REVOCATION OF ANY STATION LICENSE OR CONSTRUCTION PERMIT (U.S. Code, Title 47, Section 312(a)(1)), AND/OR FORFEITURE (U.S. Code, Title 47, Section 503).			

Authorizations To Be Assigned or Transferred

85) Call Sign	86) Radio Service	87) Location Number	88) Path Number (Microwave only)	89) Lower or Center Frequency (MHz)	90) Upper Frequency (MHz)	91) Constructed Yes / No
WYX575	AL					Yes

FCC Form 603 Schedule A	Schedule for Assignments of Authorization and Transfers of Control in Auctioned Services	Approved by OMB 3060 - 0800 See instructions for public burden estimate
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Assignments of Authorization

1) Assignee Eligibility for Installment Payments (for assignments of authorization only)

Is the Assignee claiming the same category or a smaller category of eligibility for installment payments as the Assignor (as determined by the applicable rules governing the licenses issued to the Assignor)?	
If 'Yes', is the Assignee applying for installment payments?	

2) Gross Revenues and Total Assets Information (if required) (for assignments of authorization only)

Refer to applicable auction rules for method to determine required gross revenues and total assets information

Year 1 Gross Revenues (current)	Year 2 Gross Revenues	Year 3 Gross Revenues	Total Assets:
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3) Certification Statements

For Assignees Claiming Eligibility as an Entrepreneur Under the General Rule

Assignee certifies that they are eligible to obtain the licenses for which they apply.
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For Assignees Claiming Eligibility as a Publicly Traded Corporation

Assignee certifies that they are eligible to obtain the licenses for which they apply and that they comply with the definition of a Publicly Traded Corporation, as set out in the applicable FCC rules.
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For Assignees Claiming Eligibility Using a Control Group Structure

Assignee certifies that they are eligible to obtain the licenses for which they apply.
Assignee certifies that the applicant's sole control group member is a pre-existing entity, if applicable.

For Assignees Claiming Eligibility as a Very Small Business, Very Small Business Consortium, Small Business, or as a Small Business Consortium

Assignee certifies that they are eligible to obtain the licenses for which they apply.
Assignee certifies that the applicant's sole control group member is a pre-existing entity, if applicable.

For Assignees Claiming Eligibility as a Rural Telephone Company

Assignee certifies that they meet the definition of a Rural Telephone Company as set out in the applicable FCC rules, and must disclose all parties to agreement(s) to partition licenses won in this auction. See applicable FCC rules.
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Transfers of Control

4) Licensee Eligibility (for transfers of control only)

As a result of transfer of control, must the licensee now claim a larger or higher category of eligibility than was originally declared?	No
If 'Yes', the new category of eligibility of the licensee is:	

Certification Statement for Transferees

Transferee certifies that the answers provided in Item 4 are true and correct.
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Attachment List

Attachment Type	Date	Description	Contents
Other	12/22/01	Public Interest Statement and Description of Transaction	0177135590920587123656646.pdf

DESCRIPTION OF TRANSACTION
AND PUBLIC INTEREST STATEMENT

I. INTRODUCTION

Conestoga Enterprises, Inc. ("CEI") and D&E Acquisition Corp. ("D&E Acquisition") (collectively, the "Parties") hereby request Federal Communications Commission ("Commission") consent to the transfer of control of Buffalo Valley Telephone Company ("BVTC") from CEI to D&E Acquisition. BVTC is a wholly-owned subsidiary of CEI and the licensee of the Part 90 license listed below:

Call Sign	Location
WYX575	467 E. Beaver Ave. State College, PA

In support hereof, the Parties submit the following:

II. 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 BVTC, 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."

III. DESCRIPTION OF THE TRANSACTION

The proposed transfer of control of BVTC will occur upon the merger of CEI with D&E Acquisition, a wholly-owned subsidiary of D&E.¹ Upon consummation of the merger, BVTC and the other wholly-owned subsidiaries of CEI (including, without limitation, Conestoga Wireless Co. ("Conestoga Wireless"), Conestoga Mobile Systems, Inc. ("CMSI"), CEI Networks, Inc. ("CNI"), and Conestoga Telephone & Telegraph Co. ("CTT")) 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 Communications, Inc. 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 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 BVTC, 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 CNI, licensee of four (4) Part 90 licenses, from CEI to D&E Acquisition;

¹ 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. A copy of the Agreement is attached as Exhibit 2.

- (iv) application to transfer control of Conestoga Wireless, licensee of nine (9) broadband personal communications service (“PCS”) licenses, from CEI to D&E Acquisition;
- (v) application for Commission consent to transfer control of an international 214 authorization (FCC File No. ITC-214-19970707-00382) from CEI to D&E Acquisition; 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.

Pursuant to Section 1.923(e) of the Commission’s Rules, the Parties state that the proposed transfer of control is categorically exempt from environmental processing under Section 1.1306 of the Commission’s Rules, *et seq.*, because no construction or modification of facilities are proposed herein. Therefore, the subject transaction will have no environmental impact.

IV. PUBLIC INTEREST STATEMENT

The proposed transaction will be in the public interest. In applying the public interest test under Section 310(d) of the Communications Act of 1934, as amended, 47 U.S.C. § 310(d) (the “Act”), the Commission generally considers: (1) whether the proposed transaction would result in any violation of the Act; (2) whether the proposed transaction would result in any violation of the Commission’s rules; (3) whether the proposed transaction would impair the Commission’s ability to implement or enforce the Act or would interfere with the objective of the Act; and (4) whether the proposed transaction is likely to yield public interest benefits.

The instant transaction satisfies the first three considerations because it would not result in any violation or frustration of the Act or of the Commission’s rules. The transaction also satisfies the fourth consideration because the transfer of control will provide benefit to the public. The merger involves two small rural telephone companies whose continued local success and growth represents a public interest benefit. First, the merger will promote the deployment of new services and technologies and will bring expanded telecommunications services to a wider segment of the population in southern and central Pennsylvania. Second, the proposed transaction will increase competition in the provision of telecommunications services throughout Pennsylvania.

As described above, D&E, the parent of D&E Acquisition, also is the parent of a rural telephone company which operates as an incumbent local exchange carrier (“ILEC”) in Lancaster County, Pennsylvania, and portions of Lebanon and Berks Counties, Pennsylvania. D&E, through its subsidiaries, also is authorized to operate as a competitive local exchange

carrier ("CLEC") in areas throughout southeastern and central Pennsylvania. The Commission previously has approved D&E's qualifications as a Commission licensee. Specifically, D&E currently owns 50% of D&E/Omnipoint Wireless Joint Venture, L.P. d/b/a PCSOne ("PCSOne"), a joint venture with VoiceStream Wireless Corporation ("VoiceStream"). PCSOne holds broadband PCS licenses serving the Harrisburg, York-Hanover, Lancaster, and Reading, Pennsylvania Basic Trading Areas ("BTAs").²

CEI also is the parent of a rural telephone company that operates as both an ILEC and a CLEC, as described above. CEI, through its subsidiaries, provides local and competitive local telephone services to 84,000 and 14,000 access lines, respectively, throughout central Pennsylvania. Additionally, CEI has over 38,000 long distance customers, over 1,000 high-speed Internet customers and 5,000 paging subscribers.

For several reasons, the proposed merger will promote the deployment of new services and technologies and provide advanced telecommunications services to populations throughout southeastern and central Pennsylvania. First, the increased size of the combined entity will improve its access to capital markets. Better access to funding, the combined entity will be able to accelerate network deployment and introduction of new advanced services to customers. Second, the combination of the two companies will create economies of scale that will increase the combined entity's ability to provide services efficiently and effectively. These economies of scale are greatly enhanced by virtue of the fact that the D&E and CEI service areas are located in close proximity to each other. As a result of the efficiencies achieved, the combined entity will be able to focus its resources on expanding its network into new areas and compete more effectively to serve customers throughout a greater geographic scope.

The proposed transaction also will increase competition in the provision of telecommunications services in southeastern and central Pennsylvania. D&E is not authorized to operate as a CLEC within CEI's ILEC territory, nor is CEI authorized to operate as a CLEC within D&E's ILEC territory. Therefore, the combination of the two operations will not reduce any competition within these two ILEC territories. Both CEI and D&E are authorized to provide CLEC service in areas served by Verizon Pennsylvania, Inc. The proposed merger will increase competition because the increased size of the combined CLEC operations will enable the combined entity to better compete against large incumbents throughout Pennsylvania.

² D&E intends to divest its interest in PCSOne prior to the consummation of the proposed transaction with CEI. On November 7, 2001, D&E and VoiceStream filed applications seeking Commission consent to the pro forma transfer of control of PCSOne to VoiceStream, pursuant to a proposed sale of D&E's entire partnership interest in PCSOne to VoiceStream. (See FCC File Nos. 0000652750 and 0000652917). Nevertheless, even if D&E does not divest its interest in PCSOne prior to consummating the proposed merger with CEI, grant of the instant application will not cause D&E to violate the Commission's current spectrum ownership limits.

Based on the foregoing, the Commission should promptly find that a grant of these applications will serve the public interest, convenience and necessity.

V. CONCLUSION

Based on the foregoing, the Parties respectfully request that the Commission grant consent to the proposed transfer of control. Grant of the instant application for consent to transfer control of BVTC from CEI to D&E will serve the public interest, convenience, and necessity.