



PUBLIC NOTICE

Federal Communications Commission
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DA 05-2399

Released: September 1, 2005

DOMESTIC SECTION 214 APPLICATION FILED FOR TRANSFER OF CONTROL OF GRIDLEY TELEPHONE COMPANY, GRIDLEY COMMUNICATIONS, INC., AND GRIDLEY ENTERPRISES, INC., TO MAIL HOLDINGS, INC.

STREAMLINED PLEADING CYCLE ESTABLISHED

WC Docket No. 05-250

Comments Due: September 15, 2005

Reply Comments Due: September 22, 2005

On July 27, 2005, Mail Holdings, Inc. ("Holdings"), along with Gridley Telephone Company ("GTC"), Gridley Communications, Inc. ("GCI"), and Gridley Enterprises, Inc. ("GEI"; together with GTC and GCI, "Gridley") (Holdings and Gridley are the "Applicants"), filed an application pursuant to section 63.04 of the Commission's rules¹ requesting authority to transfer control of Gridley to Holdings.²

Applicants assert that this transaction is entitled to presumptive streamlined treatment pursuant to sections 63.03(b)(2)(ii) and 63.03(b)(2)(iii) of the Commission's rules. The proposed transaction would result in: (1) Holdings, together with all of its affiliates, having a market share in the interstate, interexchange market of less than 10%; and (2) Holdings and its affiliates providing competitive telephone exchange services or exchange access services exclusively in geographic areas served by a dominant local exchange carrier that is not a party to the transaction.³ With respect to Section 63.03(b)(2)(ii), Dialog Telecommunications, a non-dominant carrier, provides services exclusively outside the geographic area where the dominant carrier, GTC, is dominant.⁴ With respect to Section 63.03(b)(2)(iii), the Applicants and Holdings' affiliates, Georgetown Telephone Company, Oregon Farmers Mutual Telephone Company, Pymatuning Telephone Company, and S&A Telephone Company

¹ 47 C.F.R. § 63.04; *see* 47 U.S.C. § 214.

² On August 25, 2005, Holdings's counsel filed a supplement to its application.

³ Holdings is a holding company which does not itself provide telecommunications services at any location.

⁴ 47 C.F.R. § 63.03(b)(2)(ii).

(and future affiliate, Waverly Hall Telephone, LLC), have fewer than 2% of the nation's subscriber lines and there are no overlapping or adjacent service areas.⁵

GTC, GCI, and GEI are each Illinois corporations. GTC is an independent incumbent local exchange carrier providing local exchange and exchange access service to subscribers in one exchange in and around Gridley, Illinois in portions of McLean, Livingston, and Woodford counties. GCI offers long distance and Internet services to those same subscribers and customers in nearby towns. GEI, an Illinois corporation that is a holding company and is not itself a carrier, wholly-owns GTC and GCI. Eric G. Kaufman, a U.S. citizen, owns 66.25% of GEI.

Holdings is a Delaware corporation. American Broadband Acquisition Corp., a North Carolina corporation, wholly-owns Holdings. ABB Holdco, Inc., a Delaware corporation, wholly-owns American Broadband Acquisition Corp. The following U.S. entities hold a ten percent or greater interest in ABB Holdco, Inc.: American Broadband Communications, LLC (49%), and Signal Equity Partners II, LP (27%).⁶ The following individuals, all U.S. citizens, control ten percent or more of American Broadband Communications, LLC: William H. Tucker (48.75%); and Patrick L. Eudy (48.75%).⁷ The general partner of Signal Equity Partners II, LP is Signal Equity Advisors II, LLC, a U.S. entity, which holds a 2.94% interest. The following individuals, all U.S. citizens, control ten percent or more of Signal Equity Advisors II, LLC: Timothy P. Bradley (23.3%); Alfred J. Puchala, Jr. (22.3%); Christian Nolen (19.6%); Malcolm C. Nolen (19.6%); and Charles T. Lake II (11.2%). The ten percent or greater owners and limited partners of Signal Equity Partners II, LP are: Garden House, LLC, a U.S. entity (58.9%); Eurazeo, a French entity (23.5%); and Burden Direct Investment Fund III, a U.S. entity (11.76%). Eliot Nolen, a U.S. citizen, owns approximately 95% of Garden House, LLC and does not own or control other communications businesses. Eurazeo, a French company, indirectly owns approximately 15.2% of Eutelsat, which it holds through a 66% interest in BlueBirds, which has a 23% interest in Eutelsat. Eutelsat provides communications services in Europe and the Indian Ocean region. Eurazeo also owns an 11% interest in Distacom, which owns companies providing mobile telephone services in Hong Kong and India.

⁵ 47 C.F.R. § 63.03(b)(2)(iii).

⁶ American Broadband Communications, Inc., ("ABCI"), a sister corporation to American Broadband Communications, LLC, holds 40% of American Georgetown, Inc., which, in turn, owns 100% of Georgetown Telephone Company, an incumbent LEC in Mississippi. Signal Equity Partners II, LP owns the remaining 60% of American Georgetown, Inc. ABCI also holds 49% of Northwest Missouri Holdings, Inc., which, in turn, holds 100% of Oregon Farmers Mutual Telephone Company, an incumbent LEC in Missouri. Signal Equity Partners II, LP owns the remaining 51% of Northwest Missouri Holdings, Inc. ABCI owns 49% of Eastern Kansas Holdings, Inc., which, in turn, owns 100% of S & A Telephone Company, Inc., a Kansas incumbent LEC. Signal Equity Partners II, LP owns the remaining 51% of Eastern Kansas Holdings, Inc. American Broadband Communications, LLC owns 49%, and Signal Equity Partners II, LP owns 51% of Pymatuning Holding Company, which owns 100% of the Pymatuning Independent Telephone Company, a Pennsylvania rural incumbent LEC. Signal Equity Partners II, LP also holds non-voting, preferred stock in ABB Holdco, Inc.

⁷ Patrick L. Eudy also owns 60% of Dialog Telecommunications, a competitive LEC operating in Kentucky, Mississippi, and North Carolina.

American Broadband Capital, Inc., a Delaware corporation, will acquire a non-controlling 22.5% minority interest in GEI. The following entities, each U.S. entities, will acquire a ten percent or greater interest in American Broadband Capital, Inc.: American Broadband Communications, LLC (49%); and Signal Equity Partners II, LP (51%). American Broadband Communications, LLC's and Signal Equity Partners II, LP's ownership interest is defined above. No other entity or individual holds a ten percent or more derivative equity interest in the Applicants.

Applicants have entered into agreements pursuant to which Holdings shall acquire the majority of the issued and outstanding shares of GEI, and an affiliate of Holdings shall acquire all of the remaining shares of GEI. Under the terms of one of the agreements, Holdings will purchase 70 shares of GEI capital stock from Eric G. Kaufman (the "Majority Agreement"). Under a separate agreement, Holdings will acquire 54 shares of GEI capital stock collectively owned by all of the minority shareholders of GEI (the "Minority Agreement"). On closing, Holdings will own 124 shares of the outstanding capital stock, or a 77.5% controlling interest. The Majority Agreement provides further than a non-controlling 22.5% ownership interest in GEI will be owned by American Broadband Capital, Inc., which will purchase 36 shares of GEI from Eric G. Kaufman. The closing of the Minority Agreement is anticipated by the Applicants to occur simultaneously with the closing of the Majority Agreement. Upon successful consummation of the proposed transaction, GTC and GCI will continue to provide local and long distance telephone service to their current subscribers, as wholly-owned subsidiaries of GEI.

Applicants state that the proposed transaction will serve the public interest. Applicants assert that GTC and GCI will continue to provide local exchange, exchange access and long distance service to its current subscribers in a manner that will be transparent to them. The Applicants further assert that grant of the application will ensure that GTC and GCI will become financially stronger companies as a result of their affiliation with Holdings, a larger organization with greater access to financial and technical resources. Additionally, Holdings intends to engage in a multi-year effort to upgrade the switching and outside plant network of GTC.

GENERAL INFORMATION

The transfer of control identified herein has been found, upon initial review, to be acceptable for filing as a streamlined application. The Commission reserves the right to return any transfer of control application if, upon further examination, it is determined to be defective and not in conformance with the Commission's rules and policies. Pursuant to sections 1.415 and 1.419 of the Commission's rules, 47 CFR §§ 1.415, 1.419, interested parties may file **comments on or before September 15, 2005 and reply comments on or before September 22, 2005.**⁸ Unless otherwise notified by the Commission, Applicants are permitted to transfer the stock and related control on the 31st day after the date of this notice.⁹ Comments may be filed

⁸ See 47 C.F.R. § 63.03(a).

⁹ Such authorization is conditioned upon receipt of any other necessary approvals from the Commission in connection with the proposed transaction.

using: (1) the Commission's Electronic Comment Filing System (ECFS), (2) the Federal Government's eRulemaking Portal, or (3) by filing paper copies. See *Electronic Filing of Documents in Rulemaking Proceedings*, 63 FR 24121 (1998).

- **Electronic Filers:** Comments may be filed electronically using the Internet by accessing the ECFS: <http://www.fcc.gov/cgb/ecfs/> or the Federal eRulemaking Portal: <http://www.regulations.gov>. Filers should follow the instructions provided on the website for submitting comments.
- **For ECFS filers, if multiple docket or rulemaking numbers appear in the caption of this proceeding, filers must transmit one electronic copy of the comments for each docket or rulemaking number referenced in the caption.** In completing the transmittal screen, filers should include their full name, U.S. Postal Service mailing address, and the applicable docket or rulemaking number. Parties may also submit an electronic comment by Internet e-mail. To get filing instructions, filers should send an e-mail to ecfs@fcc.gov, and include the following words in the body of the message, "get form." A sample form and directions will be sent in response.
- **Paper Filers:** Parties who choose to file by paper must file an original and four copies of each filing. If more than one docket or rulemaking number appears in the caption of this proceeding, filers must submit two additional copies for each additional docket or rulemaking number.

Filings can be sent by hand or messenger delivery, by commercial overnight courier, or by first-class or overnight U.S. Postal Service mail (although we continue to experience delays in receiving U.S. Postal Service mail). All filings must be addressed to the Commission's Secretary, Office of the Secretary, Federal Communications Commission.

The Commission's contractor will receive hand-delivered or messenger-delivered paper filings for the Commission's Secretary at 236 Massachusetts Avenue, N.E., Suite 110, Washington, D.C. 20002. The filing hours at this location are 8:00 a.m. to 7:00 p.m. All hand deliveries must be held together with rubber bands or fasteners. Any envelopes must be disposed of before entering the building. Commercial overnight mail (other than U.S. Postal Service Express Mail and Priority Mail) must be sent to 9300 East Hampton Drive, Capitol Heights, MD 20743. U.S. Postal Service first-class, Express, and Priority mail should be addressed to 445 12th Street, SW, Washington D.C. 20554.

People with Disabilities: To request materials in accessible formats for people with disabilities (braille, large print, electronic files, audio format), send an e-mail to fcc504@fcc.gov or call the Consumer & Governmental Affairs Bureau at 202-418-0530 (voice), 202-418-0432 (tty).

You may submit comments, identified by the above noted docket number, by any of the following methods:

- Federal eRulemaking Portal: <http://www.regulations.gov>. Follow the instructions for submitting comments.
- Federal Communications Commission's Web Site: <http://www.fcc.gov/cgb/ecfs/>. Follow the instructions for submitting comments.
- People with Disabilities: Contact the FCC to request reasonable accommodations (accessible format documents, sign language interpreters, CART, etc.) by e-mail: FCC504@fcc.gov or phone: 202-418-0530 or TTY: 202-418-0432.

In addition, one copy of each pleading must be sent to each of the following:

- (1) The Commission's duplicating contractor, Best Copy and Printing, Inc., 445 12th Street, S.W., Room CY-B402, Washington, D.C. 20554, www.bcpiweb.com; phone: (202) 488-5300 fax: (202) 488-5563;
- (2) Tracey Wilson-Parker, Competition Policy Division, Wireline Competition Bureau, 445 12th Street, S.W., Room 5-C212, Washington, D.C. 20554; e-mail: tracey.wilson-parker@fcc.gov;
- (3) Adam Kirschenbaum, Competition Policy Division, Wireline Competition Bureau, 445 12th Street, S.W., Room 5-C211, Washington, D.C. 20554, e-mail: adam.kirschenbaum@fcc.gov;
- (4) Renee R. Crittendon, Competition Policy Division, Wireline Competition Bureau, 445 12th Street, S.W., Room 5-C311, Washington, D.C. 20554; e-mail: renee.crittendon@fcc.gov;
- (5) James Bird, Office of General Counsel, 445 12th Street, S.W., Room 8-C824, Washington, D.C. 20554; e-mail: james.bird@fcc.gov.

Filings and comments are also available for public inspection and copying during regular business hours at the FCC Reference Information Center, Portals II, 445 12th Street, S.W., Room CY-A257, Washington, D.C. 20554. They may also be purchased from the Commission's duplicating contractor, Best Copy and Printing, Inc., Portals II, 445 12th Street, SW, Room CY-B402, Washington, D.C. 20554, telephone: (202) 488-5300, fax: (202) 488-5563, or via e-mail www.bcpiweb.com.

For further information, please contact Tracey Wilson-Parker at (202) 418-1394, or Adam Kirschenbaum at (202) 418-7280.

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