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# LUKAS, NACE, GUTIERREZ & SACHS, LLP

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January 27, 2010

Marlene H. Dortch, Secretary  
Federal Communications Commission  
445 12<sup>th</sup> Street, N.W.  
Washington, DC 20554

FILED/ACCEPTED

JAN 27 2010

Federal Communications Commission  
Office of the Secretary

Attn: Jodie May, Competition Policy Division  
Wireline Competition Bureau

Re: Request for Special Temporary Authority

Dear Ms. Dortch:

With reference to Section 214(a) of the Communications Act, as amended, 47 USC §214(a), Surry Telephone Membership Corporation ("Transferee") hereby requests Special Temporary Authority ("STA") for a period of sixty (60) days to allow Piedmont Communications Services, Inc. ("PCS") to continue to provide interstate telecommunications services pending action on an application for permanent Section 214 authority for the transfer of control of PCS from Piedmont Telephone Membership Corporation ("PTMC") to Transferee.

The transfer of control occurred on January 1, 2009 upon a merger of PTMC into Transferee. PCS was a wholly owned subsidiary of PTMC at the time of the merger and, as a result of the merger, PCS became a wholly owned subsidiary of Transferee. The merging companies were both member-owned cooperatives providing local exchange services in the State of North Carolina. The parties regret that the need for Commission authorization for transfer of control of PCS as a reseller of interstate telecommunications services was not recognized before the merger occurred.<sup>1</sup>

<sup>1</sup> By separate application the parties also request Section 214 authorization for a transfer of control of PCS relating to resold international telecommunications services provided by PCS. And, in a letter filed contemporaneously with this application, notice is provided of a *pro forma* assignment that occurred July 1, 2009 when Surry Telecommunications, Inc., a domestic telecommunication services reseller and subsidiary of Transferee, was merged into PCS.

We note that before and after the merger, PCS was and remains the carrier of record to customers. Grant of the requested STA will serve the public interest, convenience and necessity because it will permit the continued provision of service by PCS without interruption to customers while the Commission considers the application for approval of the transfer of control. Customers rely upon PCS for telecommunications service and would be adversely impacted if there was a disruption of service while the application for permanent authorization is processed. As indicated by the accompanying application, the underlying transaction has provided financial stability and efficiencies that better ensure the ongoing provision of high quality telecommunications to the public by PCS on a competitive basis. The merger of rural telephone companies that resulted in a transfer of control of PCS does not present any eligibility or anticompetitive concerns under applicable Commission rules and policies.

Transferee acknowledges that grant of this STA request will not prejudice any action the Commission may take on the underlying application for Commission consent to the transfer of control of PCS. Transferee further acknowledges that STA may be revoked by the Commission upon its own motion without a hearing.

Accordingly, favorable action on this STA request is consistent with public interest considerations. If any further information is needed please communicate with me.

Respectfully submitted,



David L. Nace

Attorney for Surry Telephone Membership Corporation and  
Piedmont Communications Services, Inc.

# LUKAS, NACE, GUTIERREZ & SACHS, LLP

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January 27, 2010

Marlene H. Dortch, Secretary  
Federal Communications Commission  
445 12<sup>th</sup> Street, N.W.  
Washington, DC 20554

Attn: Jodie May, Competition Policy Division  
Wireline Competition Bureau

Re: Notification of *Pro Forma* Transaction affecting  
Surry Telecommunications, Inc. and Piedmont Communications Services,  
Inc., each a Reseller of Interstate Telecommunications Service

Dear Ms. Dortch:

With reference to Section 63.03(d)(1) of the Commission's rules, 47 CFR §63.03(d)(1), notice is hereby provided of a *pro forma* transaction by which interstate telecommunications reseller Surry Telecommunications, Inc. ("STI") was merged into Piedmont Communications Services, Inc. ("PCS"), effective July 1, 2009. PCS is also a reseller of interstate telecommunications services. At the time of the merger, both STI and PCS were wholly owned subsidiaries of Surry Telephone Membership Corporation ("STMC") and PCS remains a wholly owned subsidiary of STMC.

Following is information concerning the parties responsive to subparagraphs (a)(1) through (a)(4) of Section 63.04 of the rules:

(1) *The name, address and telephone number of each party:*

Surry Telecommunications, Inc.  
c/o Piedmont Communications Services, Inc.  
PO Box 385  
819 East Atkins Street

January 27, 2010

Page 2

Dobson, NC 27017-0385  
Telephone: 336-374-5021

Piedmont Communications Services, Inc.  
PO Box 385  
819 East Atkins Street  
Dobson, NC 27017-0385  
Telephone: 336-374-5021

Surry Telephone Membership Corporation  
PO Box 385  
819 East Atkins Street  
Dobson, NC 27017-0385  
Telephone: 336-374-5021

- (2) *The government, state, or territory under the laws of which each corporate or partnership applicant is organized:*

Each party is a corporation organized under the laws of North Carolina. STI was merged into PCS as of July 1, 2009.

- (3) *The name, title, post office address, and telephone number of the officer or contact point, such as legal counsel, to whom correspondence concerning this notice is to be addressed:*

For all applicants, please direct any correspondence or inquiries to federal telecommunications counsel for the companies:

David L. Nace, Esq.  
Lukas, Nace, Gutierrez, & Sachs, LLP  
8300 Greensboro Drive, Suite 1200  
McLean, VA 22102  
(703) 584-8661  
[dnace@fccclaw.com](mailto:dnace@fccclaw.com)

- (4) *The name, address, citizenship and principal business of any person or entity that directly or indirectly owns at least ten (10) percent of the equity of the service provider, and the percentage of equity owned by each of those entities (to the nearest one (1) percent):*

As of July 1, 2009, when STI merged into PCS, both STI and PCS were wholly owned by PTMC. STMC is a member owned cooperative in which no

January 27, 2010  
Page 3

owner holds as much as a one percent interest in the company. The principal business of STMC is the provision of local exchange service.

We note that PCS is a party to an application filed with the Commission this date for domestic Section 214 authority relating to a merger of its former controlling company, Piedmont Telephone Membership Corporation ("PTMC") into STMC. That merger occurred January 1, 2009. PTMC and STMC were member-owned cooperatives providing local exchange services in the State of North Carolina. As the result of that merger, STMC owned two companies that resold telecommunications services and it was deemed efficient to merge those two subsidiaries, STI and PCS, on July 1, 2009 as reported by this letter.

If any further information is needed please communicate with me.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "D. Nace", written in a cursive style.

David L. Nace

Attorney for Surry Telephone Membership Corporation and  
Piedmont Communications Services, Inc.

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January 27, 2010

Marlene H. Dortch, Secretary  
Federal Communications Commission  
445 12<sup>th</sup> Street, N.W.  
Washington, DC 20554

Attn: Jodie May, Competition Policy Division  
Wireline Competition Bureau

Re: Section 214 Application for Transfer of Control Authority  
Piedmont Communications Services, Inc.

Dear Ms. Dortch:

Transmitted herewith is an Application for Transfer of Control Authority pursuant to Section 214 of the Communications Act and Part 63 of the Commission's rules. The application requests authorization for a transfer of control of Piedmont Communications Services, Inc., as a provider of resold telecommunications services to domestic points on a non-dominant basis, from Piedmont Telephone Membership Corporation to Surry Telephone Membership Corporation. Applicants do not request processing of this application on a streamlined basis. A fee transmittal form, FCC Form 159, is submitted with the application showing payment of a filing fee of \$1,015.00.

Because the transfer of control occurred on January 1, 2009, the applicants separately submit a Request for Special Temporary Authority by letter filed this date.

If any questions arise please communicate with this office.

Respectfully submitted,



David L. Nace

READ INSTRUCTIONS CAREFULLY  
BEFORE PROCEEDING

FEDERAL COMMUNICATIONS COMMISSION  
**REMITTANCE ADVICE**  
FORM 159

Approved by OMB  
3060-0589  
Page No. 1 of 1

(1) LOCKBOX #		SPECIAL USE ONLY	
SECTION A - PAYER INFORMATION		FCC USE ONLY	
(2) PAYEE NAME (if paying by credit card enter name exactly as it appears on the card) <b>Lukas, Nace, Gutierrez &amp; Sachs, LLP</b>		(3) TOTAL AMOUNT PAID (U.S. Dollars and cents) <b>\$1,015.00</b>	
(4) STREET ADDRESS LINE NO. 1 <b>8300 Greensboro Drive</b>			
(5) STREET ADDRESS LINE NO. 2 <b>Suite 1200</b>			
(6) CITY <b>McLean</b>		(7) STATE <b>VA</b>	(8) ZIP CODE <b>22102-3663</b>
(9) DAYTIME TELEPHONE NUMBER (include area code) <b>703-584-8678</b>		(10) COUNTRY CODE (if not in U.S.A.) <b>USA</b>	
FCC REGISTRATION NUMBER (FRN) REQUIRED			
(11) PAYER (FRN) <b>0003746385</b>		(12) FCC USE ONLY	
IF MORE THAN ONE APPLICANT, USE CONTINUATION SHEETS (FORM 159-C) COMPLETE SECTION BELOW FOR EACH SERVICE. IF MORE BOXES ARE NEEDED, USE CONTINUATION SHEET			
(13) APPLICANT NAME <b>Piedmont Communications Services, Inc.</b>			
(14) STREET ADDRESS LINE NO. 1 <b>P.O. Box 385</b>			
(15) STREET ADDRESS LINE NO. 2 <b>819 East Atkins Street</b>			
(16) CITY <b>Dobson</b>		(17) STATE <b>NC</b>	(18) ZIP CODE <b>27017-0385</b>
(19) DAYTIME TELEPHONE NUMBER (include area code) <b>336-374-5021</b>		(20) COUNTRY CODE (if not in U.S.A.) <b>USA</b>	
FCC REGISTRATION NUMBER (FRN) REQUIRED			
(21) APPLICANT (FRN) <b>0010104388</b>		(22) FCC USE ONLY	
COMPLETE SECTION C FOR EACH SERVICE. IF MORE BOXES ARE NEEDED, USE CONTINUATION SHEET			
(23A) CALL SIGN/OTHER ID <b>Section 214 Authorization</b>	(24A) PAYMENT TYPE CODE <b>CUT</b>	(25A) QUANTITY <b>1</b>	
(26A) FEE DUE FOR (PTC) <b>\$1,015.00</b>	(27A) TOTAL FEE <b>\$1,015.00</b>	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			
CERTIFICATION STATEMENT I, _____, 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 _____		DATE _____	
SECTION E - CREDIT CARD PAYMENT INFORMATION			
MASTERCARD _____ VISA <u>X</u> AMEX _____ DISCOVER _____			
ACCOUNT NUMBER <b>Omitted from copy</b>		EXPIRATION DATE <b>Omitted from copy</b>	
I hereby authorize the FCC to charge my credit card for the service(s) authorization herein described.			
SIGNATURE _____		DATE <b>01/27/2010</b>	

SEE PUBLIC BURDEN ON REVERSE

FCC FORM 159

FEBRUARY 2003

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

**In the Matter of** )  
 )  
**PIEDMONT COMMUNICATIONS SERVICES, INC.** )  
**(FRN 0010104388)** )  
**Domestic Section 214 Authorization Holder** )  
 ) File No. \_\_\_\_\_  
**PIEDMONT TELEPHONE MEMBERSHIP** )  
**CORPORATION (FRN 0004329280)** )  
**Transferor of Control** )  
 )  
**SURRY TELEPHONE MEMBERSHIP** )  
**CORPORATION (FRN 0004615951)** )  
**Transferee of Control** )  
 )  
**Application for Section 214 Authorization for a** )  
**Transfer of Control of Domestic Telecommunications** )  
**Resale Operations** )

**APPLICATION FOR TRANSFER OF CONTROL AUTHORITY**

Pursuant to Federal Communications Commission ("Commission") rules, 47 C.F.R. Part 63, and Section 214 of the Communications Act, authorization is hereby requested for a transfer of control of Piedmont Communications Services, Inc. ("PCS"), as a provider of resold telecommunications services to domestic points on a non-dominant basis, from Piedmont Telephone Membership Corporation ("PTMC") to Surry Telephone Membership Corporation ("STMC"). Applicants do not request processing of this application on a streamlined basis.

**Summary of the Transaction:**

The transfer of control occurred on January 1, 2009 upon a merger of PTMC into STMC.<sup>1</sup>

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<sup>1</sup> Simultaneously herewith there is filed a request for Special Temporary Authority ("STA") for a period of sixty (60) days to allow PCS to continue to provide interstate telecommunications services pending action on this application for permanent Section 214 authority.

PCS was a wholly owned subsidiary of PTMC at the time of the merger and, as a result of the merger, PCS became a wholly owned subsidiary of STMC. The merging companies were both member-owned cooperatives providing local exchange services in the State of North Carolina. The parties regret that the need for Commission authorization as to PCS's domestic resale operations was not recognized before the merger occurred.<sup>2</sup>

PCS relies on "blanket" Section 214 authorization granted by the Commission for domestic resale operations.<sup>3</sup> There has been no interruption of services to the public as the result of the merger.

In accordance with Section 63.04(b) of the Commission's rules, the applicants are providing information responsive to the pertinent rules in Part 63 that concern transfer of control applications. A filing fee of \$1,015.00 is being submitted with FCC Form 159 for this application.

**Application for Transfer of Control of Domestic Section 214 Authorization:**

With reference to domestic Section 214 authority, the following information is submitted as required by Section 63.04(a) of the rules:

*(1) The name, address and telephone number of each applicant:*

Piedmont Communications Services, Inc.  
PO Box 385  
819 East Atkins Street  
Dobson, NC 27017-0385  
Telephone: 336-374-5021

---

<sup>2</sup> In a letter filed contemporaneously with this application, notice is provided of a *pro forma* assignment that occurred July 1, 2009 when Surry Telecommunications, Inc., a domestic services reseller and subsidiary of STMC, was merged into PCS.

<sup>3</sup> As described on the website of the Wireline Competition Bureau, in 1999, as to domestic resale services, the Commission eliminated all entry certification filing requirements under Section 214 of the Communications Act, "Implementation of Section 402(b)(2)(A) of the Telecommunications Act of 1996" CC Docket No. 97-11, FCC 99-104, released June 30, 1999.

Piedmont Telephone Membership Corporation  
c/o Surry Telephone Membership Corporation  
PO Box 385  
819 East Atkins Street  
Dobson, NC 27017-0385  
Telephone: 336-374-5021

Surry Telephone Membership Corporation  
PO Box 385  
819 East Atkins Street  
Dobson, NC 27017-0385  
Telephone: 336-374-5021

- (2) *The government, state, or territory under the laws of which each corporate or partnership applicant is organized:*

Each applicant is a corporation organized under the laws of North Carolina. PTMC was merged into STMC as of January 1, 2009.

- (3) *The name, title, post office address, and telephone number of the officer or contact point, such as legal counsel, to whom correspondence concerning the application is to be addressed:*

For all applicants, please direct any correspondence or inquiries to federal telecommunications counsel for the companies:

David L. Nace, Esq.  
Lukas, Nace, Gutierrez, & Sachs, LLP  
8300 Greensboro Drive, Suite 1200  
McLean, VA 22102  
(703) 584-8661  
[dnace@fcclaw.com](mailto:dnace@fcclaw.com)

- (4) *The name, address, citizenship and principal business of any person or entity that directly or indirectly owns at least ten (10) percent of the equity of the applicant, and the percentage of equity owned by each of those entities (to the nearest one (1) percent):*

As of January 1, 2009, when PTMC merged into STMC, PCS which was wholly owned by PTMC became a wholly owned subsidiary of STMC. STMC is a member owned cooperative in which no owner holds as much as a one percent interest in the company. The principal business of STMC is the provision of local exchange service.

- (5) *Certification pursuant to §§1.2001 through 1.2003 of this chapter that no party*

*to the application is subject to a denial of Federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988. See 21 USC §853.*

No party to this application is subject to a denial of Federal benefits under Section 5301 of the Anti-Drug Abuse Act of 1988.

*(6) A description of the transaction:*

PTMC was merged into STMC as of January 1, 2009. The merger resulted in PCS becoming a wholly owned subsidiary of STMC.

*(7) A description of the geographic areas in which the transferor and transferee (and their affiliates) offer domestic telecommunications services, and what services are provided in each area:*

PCS resells intrastate, interstate and international long distance toll services to households and businesses located in North Carolina.

*(8) A statement as to how the application fits into one or more of the presumptive streamlined categories in this section or why it is otherwise appropriate for streamlined treatment:*

Not applicable. The applicants do not request streamlined treatment of this application.

*(9) Identification of all other Commission applications related to the same transaction:*

As referenced in footnote 1 of this application, STA is requested by letter to allow a continuation of services by PCS for a period of sixty (60) days while this application is processed by the Commission. In addition to the instant application for domestic Section 214 authorization the parties are filing a separate application to request FCC consent to assignment of Section 214 authority held by PCS as relating to resale of international telecommunications services by that company.

*(10) A statement of whether the applicants are requesting special consideration because either party to the transaction is facing imminent business failure:*

Not applicable

*(11) Identification of any separately filed waiver requests being sought in conjunction with the transaction:*

None

- (12) *A statement showing how grant of the application will serve the public interest, convenience and necessity, including any additional information that may be necessary to show the effect of the proposed transaction on competition in domestic markets:*

The Board of Directors of PTMC concluded that PTMC was not of a size to operate effectively and efficiently in the current telecommunications environment. As background, notice had been received that equipment used by PTMC to provide landline and Internet access services would not be supported by the manufacturer for more than three more years. Financial considerations did not appear favorable for PTMC to borrow sufficient funds to replace the equipment. About the same time, STMC was planning an upgrade to its network with equipment that would be suitable for providing service to both STMC and PTMC customers. To maintain a high quality of service a merger of the two companies was recommended by the Board of Directors of each company and approved by the member owners.

PCS is authorized by the North Carolina Public Service Commission to provide resold telecommunications services in North Carolina. The customers of PCS were notified of the proposed transaction.<sup>4</sup> Since the transaction occurred PCS has provided the same high quality telecommunications services as was offered previously. The transaction has no potential to harm the public interest or to impair competition in any local exchange or in long distance toll markets. PCS did not change the services offered by the company after the transaction was completed.

**Conclusion:**

As reflected herein, STMC is qualified to acquire control of the operations of PCS. Accordingly, grant of the instant application is consistent with public interest considerations.

*[signature page follows]*

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<sup>4</sup> Because PCS was and remains the carrier of record to customers, and no change of service plans was implemented as a result of the merger, the parties did not provide customer notice in the form outlined by Section 64.1120 (e)(3) of the Commission's rules. Notice of that type could have been confusing to customers and not added to their understanding of the plan for merger of the parent company into STMC.

Respectfully submitted,

**PIEDMONT COMMUNICATIONS SERVICES, INC.**

By: 

Name: Curtis R. Taylor

Title: President

Date: January 22, 2010

**SURRY TELEPHONE MEMBERSHIP CORPORATION**  
**(for itself and for PIEDMONT TELEPHONE MEMBERSHIP**  
**CORPORATION after a merger of the companies)**

By: 

Name: Curtis R. Taylor

Title: CEO

Date: January 22, 2010