



PUBLIC NOTICE

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DA 10-485
March 23, 2010

DOMESTIC SECTION 214 AUTHORIZATIONS GRANTED

**Domestic Section 214 Application Filed for the Transfer of Control of
Access Media 3, Inc., WC Docket No. 09-203**

**Domestic Section 214 Application Filed for the Acquisition of Certain Assets of
Master Communications Systems, Inc. d/b/a Avvid Technologies by
Access Media 3, Inc., WC Docket No. 09-215**

**Domestic Section 214 Application Filed for the Transfer of Control of OnShore Networks, L.L.C.
to Access Media 3, Inc., WC Docket No. 10-1**

By the Chief, Wireline Competition Bureau:

On November 4, 2009, Access Media 3, Inc. (AM3) and AM3 Holding Corp. (AM3 Holding) filed an application pursuant to section 63.03 of the Commission's rules¹ seeking approval to transfer control of AM3 to several new owners. On November 23, 2009, AM3 and Master Communications Systems, Inc. d/b/a Avvid Technologies (MCS) filed an application pursuant to section 63.03 of the Commission's rules to transfer certain operating assets located in Minnesota from MCS to AM3. Finally, on December 23, 2009, AM3, AM3 Holding, AM3 Pinnacle Corporation (Pinnacle), and onShore Networks, L.L.C. (onShore) (collectively in all applications, Applicants) filed an application pursuant to section 63.03 of the Commission's rules seeking approval to transfer control of onShore to AM3.²

On November 24, 2009, December 1, 2009, and January 7, 2010, the Commission released public notices accepting the applications for streamlined processing.³ On December 10 and 11, 2009 and January 21, 2010, the Department of Justice, including the Federal Bureau of Investigation, with the concurrence of the Department of Homeland Security (collectively, the Executive Branch Agencies), filed letters requesting that the Commission defer action on these applications while they reviewed

¹ 47 C.F.R. § 63.03; *see* 47 U.S.C. § 214.

² Applicants stated that AM3 will be wholly owned by AM3 Holding, which will be wholly owned by Pinnacle, which will, in turn, be owned as described in the applications.

³ *Domestic Section 214 Application Filed for the Transfer of Control of Access Media 3, Inc.*, WC Docket No. 09-203, Public Notice, DA 09-2475 (rel. Nov. 24, 2009); *Domestic Section 214 Application Filed for the Acquisition of Certain Assets of Master Communications Systems, Inc. d/b/a Avvid Technologies by Access Media 3, Inc.*, WC Docket No. 09-215, Public Notice, DA 09-2514 (rel. Dec. 1, 2009); *Domestic Section 214 Application Filed for the Transfer of Control of OnShore Networks, L.L.C. to Access Media 3, Inc.*, WC Docket No. 10-1, Public Notice, DA 10-30 (rel. Jan. 7, 2010).

potential national security, law enforcement, and public safety issues.⁴ In response to the requests, the Wireline Competition Bureau removed the applications from streamlined review.⁵ On March 22, 2010, the Executive Branch Agencies withdrew their requests to defer action, stating that they have no objection to the applications.⁶

The Wireline Competition Bureau finds, upon consideration of the record, that grant of the applications will serve the public interest, convenience, and necessity. Upon consummation of the transactions, the resulting entity will have a market share in the U.S. interstate interexchange market of less than 10 percent, and will provide competitive telephone exchange services or exchange access services (if at all) exclusively in geographic areas served by a dominant local exchange carrier in the U.S. that is not a party to the transaction. In addition, the Applicants will not be dominant with respect to any domestic service.⁷

Consistent with Commission precedent, the Wireline Competition Bureau accords the appropriate level of deference to the Executive Branch Agencies' expertise on national security and law enforcement issues.⁸ Therefore, pursuant to section 214 of the Communications Act of 1934, as amended, 47 U.S.C. § 214, and section 0.291 of the Commission's rules, 47 C.F.R. § 0.291, the Wireline Competition Bureau hereby grants the applications discussed in this Public Notice.

Pursuant to section 1.103 of the Commission's rules, 47 C.F.R. § 1.103, the grants are effective upon release of this Public Notice. Petitions for reconsideration under section 1.106 or applications for review under section 1.115 of the Commission's rules, 47 C.F.R. §§ 1.106, 1.115, may be filed within 30 days of the date of this Public Notice.

For further information, please contact Jodie May at (202) 418-0913, Competition Policy Division, Wireline Competition Bureau.

⁴ Letter from Joanne P. Ongman, U.S. Department of Justice, to Marlene H. Dortch, FCC, WC Docket No. 09-203 (filed Dec. 10, 2009); Letter from Joanne P. Ongman, U.S. Department of Justice, to Marlene H. Dortch, FCC, WC Docket No. 09-215 (filed Dec. 11, 2009); Letter from Joanne P. Ongman, U.S. Department of Justice, to Marlene H. Dortch, FCC, WC Docket No. 10-1 (filed Jan. 21, 2010).

⁵ *Notice of Removal of Domestic Section 214 Applications From Streamlined Treatment*, WC Docket Nos. 09-203, 09-215, Public Notice, DA 09-2595 (rel. Dec. 15, 2009); *Notice of Removal of Domestic Section 214 Application From Streamlined Treatment*, WC Docket No. 10-1, Public Notice, DA 10-195 (rel. Jan. 28, 2010).

⁶ Letter from Joanne P. Ongman, U.S. Department of Justice, to Marlene H. Dortch, FCC, WC Docket Nos. 09-203, 09-215, 10-1 (filed Mar. 22, 2010).

⁷ 47 C.F.R. 63.03(b)(2)(i).

⁸ The Commission considers national security, law enforcement, foreign policy, and trade policy concerns when analyzing a transfer of control or assignment application in which foreign ownership is an issue. *See Amendment of the Commission's Regulatory Policies to Allow Non-U.S. Licensed Satellites Providing Domestic and International Service in the United States*, Report and Order, 12 FCC Rcd 24094, 24170-72, paras. 178-82 (1997); *Rules and Policies on Foreign Participation in the U.S. Telecommunications Market*, Report and Order and Order on Reconsideration, 12 FCC Rcd 23891, 23919-21, paras. 61-66 (1997) ("*Foreign Participation Order*"), Order on Reconsideration, 15 FCC Rcd 18158 (2000). In assessing the public interest, the Commission considers the record and accords the appropriate level of deference to Executive Branch expertise on national security and law enforcement issues. *See Foreign Participation Order*, 12 FCC Rcd at 23919-21, paras. 61-66.