

WC 10-219

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**GRANTED**

*For 60 days*

**OCT 28 2010**

COMPETITION POLICY DIVISION  
WIRELINE COMPETITION BUREAU

*Carol Simpson*

October 20, 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: 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 ("Surry") hereby requests Special Temporary Authority ("STA") for a period of sixty (60) days while the Wireline Competition Bureau processes an application filed this date for permanent Section 214 authorization of a merger of Piedmont Telephone Membership Corporation ("Piedmont"), as a provider of local exchange and exchange access services, into Surry.

The merger occurred on January 1, 2009 upon a merger of Piedmont into Surry. The merging companies were both member-owned cooperatives providing local exchange and exchange access services in the State of North Carolina. The parties regret that the need for Commission authorization for transfer of control of Piedmont was not recognized before the merger occurred.<sup>1</sup>

<sup>1</sup> The need for Commission Section 214 authorization for a transfer of control over Piedmont's long distance subsidiary, Piedmont Communications Services, Inc. ("PCS") was recognized by Surry early this year, and applications were filed with, and granted by, the Wireline Competition Bureau and International Bureau in Docket No. 10-35 and File No. ITC-T/C-20100128-00039, respectively. Very recently, in the context of another transaction involving a rural telephone company, Surry's counsel learned of the Wireline Competition Bureau's interpretation of the Communications Act that the provision of exchange access service by a small local exchange carrier renders the carrier subject to Section 214 of the Communications Act, even though the carrier has no interstate or international facilities and the carrier connects to other unaffiliated telecommunications carriers for the provision of such

FILED/ACCEPTED

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Federal Communications Commission  
Office of the Secretary

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Grant of the requested STA will serve the public interest, convenience and necessity because it will permit the continued provision of service by Surry without interruption to customers while the Commission considers the application for permanent approval of the merger. The former customers of Piedmont rely upon Surry 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 Surry on a competitive basis. The merger of rural telephone companies does not present any eligibility or anticompetitive concerns under applicable Commission rules and policies.

Surry acknowledges that grant of this STA request will not prejudice any action the Commission may take on the underlying application for Commission Section 214 authorization. Surry 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

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interstate and international services. *See*, Section 2(b)(2) of the Communications Act of 1934, as amended (47 USC §152(b)(2)). Accordingly, Surry is submitting an application for domestic Section 214 authority and a request for STA relating to the merger of Piedmont into Surry.