

WC 11-32

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

In the Matter of)
)
SHAREHOLDERS OF PUBLIC INTEREST)
NETWORK SERVICES, INC.,)
)
Transferrors)
)
AND)
)
CORNERSTONE TELEPHONE)
COMPANY, L.L.C.)
)
Transferee)
)
FOR CONSENT TO TRANSFER CONTROL)
PURSUANT TO SECTION 214 OF THE)
COMMUNICATIONS ACT OF 1934,)
AS AMENDED)

File No. _____

FILED/ACCEPTED

FEB 14 2011

Federal Communications Commission
Office of the Secretary

APPLICATION FOR CONSENT TO TRANSFER CONTROL
AND REQUEST FOR STREAMLINED PROCESSING

The shareholders of Public Interest Network Services, Inc. ("PINS") and CornerStone Telephone Company, L.L.C. ("CornerStone") hereby request streamlined Commission authorization to transfer control of PINS. The proposed transaction entails CornerStone's purchase of 100% of the issued and outstanding stock of PINS.

The proposed transaction is entitled to streamlined treatment pursuant to section 63.03(b)(2)(ii) of the Commission's Rules because it would result in CornerStone having a market share in the interstate, interexchange market of less than 10%; and the Applicants are (i) the parent of a dominant carrier (CornerStone is the parent of Richmond Telephone Company ("RTC"), a rural local exchange company providing exchange and exchange access service in Massachusetts) and (ii) a non-dominant carrier

(PINS) that provides services exclusively outside the geographic area where RTC is dominant.

In support of the Parties request for consent to consummate the proposed transaction, the following information is provided:

Section 63.04 Application

In accordance with the requirements of Section 63.04 of the Commission's Rules, the applicants submit the following information:

(1) Name, address and telephone number of each applicant:

Transferor

Public Interest Network Services, Inc.
50 W. 17th Street, 9th Floor
New York, NY 10011
Tel: (212) 479-1700
Fax: (212) 479-1732

Transferee

CornerStone Telephone Company, L.L.C
2 Third Street
Suite 303
Troy, New York 12180
TEL: (518) 328-0336
FAX: (518) 860-1808

(2) Government, state or territory under the laws of which each corporate or partnership applicant is organized:

Each party to the proposed transaction is organized under the laws of the State of New York.

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

For the Transferor

David Birnbaum
President
Public Interest Network Services, Inc.
50 W. 17th Street, 9th Floor
New York, NY 10011
Tel: (212) 479-1700
Fax: (212) 479-1732

For the Transferee

Richard W. Drake, Jr.
Chief Financial Officer
CornerStone Telephone Company, L.L.C
2 Third Street
Suite 303
Troy, New York 12180
TEL: (518) 328-0336
FAX: (518) 860-1808

With a copy to Counsel:

Sylvia Lesse, Esquire
Communications Advisory Counsel, LLC
2154 Wisconsin Ave NW
Washington, DC 20007
TEL: 202/333-5273
FAX: 202/333-5274

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

<u>Name & Address</u>	<u>Equity</u>	<u>Citizenship</u>	<u>Principal Business</u>
Transferor (owners of PINS):			
David Birnbaum 50 W. 17 th Street, 9 th Floor New York, NY 10011	52%	USA	telecommunications
Steve Gelmis 50 W. 17 th Street, 9 th Floor New York, NY 10011	45%	USA	telecommunications
Barry Milberg 50 W. 17 th Street, 9 th Floor New York, NY 10011	3%	USA	telecommunications
Transferee (owners of CornerStone):			
Daniel Yamin 2 Third Street Suite 303 Troy, New York 12180	15.00%	USA	telecommunications
Donald Walsh 2 Third Street Suite 303 Troy, New York 12180	15.00%	USA	telecommunications
Stanley D. Russell 2 Third Street Suite 303 Troy, New York 12180	12.50%	USA	Attorney
Jack A Overton, Jr. 2 Third Street Suite 303 Troy, New York 12180	12.50%	USA	Attorney
Estate of Jeffrey S. Doerr 2 Third Street Suite 303 Troy, New York 12180	12.50%	USA	Attorney

- (5) **Certification pursuant to 47 C.F.R. Sections 1.2001 through 1.2003 that no party to the application is subject to denial of Federal benefits pursuant to section 5301 of the Anti-Drug Abuse Act of 1988.**

All parties to this application hereby certify, pursuant to 47 C.F.R. Sections 1.2001 through 1.2003, that no party to the present application is subject to denial of Federal benefits pursuant to section 5301 of the Anti-Drug Abuse Act of 1988.

- (6) **Description of the Transaction:**

Transferee CornerStone proposes the purchase of 100% of the issued and outstanding stock of Transferor PINS. State authorization for consummation of the proposed transaction will be requested, as required.

After the proposed transaction, PINS will continue to operate in the same service territory, and under the same trade name. PINS will continue to offer services pursuant to their current rates, terms and conditions. No carrier change charges are associated with the transaction, and no customer service or billing contact information will change as a result of the transfer. The transaction will not affect customers' preferred carrier freezes.

- (7) **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:**

Description of PINS

PINS is a facility-based competitive local exchange company, providing exchange, exchange access and interexchange services primarily in New York City and the surrounding metropolitan area (LATA 132)¹ in competition with the incumbent local

¹ PINS also holds authorizations to provide local exchange services and interexchange services in California, Colorado, Connecticut, the District of Columbia, Florida, Massachusetts, New Jersey, Pennsylvania, Texas and Oregon.

exchange company, Verizon Communications. PINS serves approximately 350 access lines (as an indirect reseller of Verizon Communications) with traditional exchange and interexchange services, as well voice and data services through a combination of Internet protocol technology and more traditional network platforms through leased T1s or other lines. PINS also provides Internet connectivity and DSL services.² Nationwide, PINS serves approximately 700 customers, more than 450 of whom are in the New York City metropolitan area.³

Description of Cornerstone

Applicant CornerStone is a closely-held New York limited liability corporation, providing Internet-protocol based competitive broadband voice and data services in New York State, Massachusetts, Pennsylvania and New Jersey to approximately 8,950 customers, including local exchange, exchange access, long distance, data and broadband offerings. CornerStone serves approximately 50 customers in Pennsylvania, 125 in Massachusetts, 20 customers in New Jersey, and 8,755 in New York State, with an active market extending as far south as LATA 133. There is no overlap of service areas between CornerStone and PINS.

CornerStone is the parent company of Richmond Telephone Company (“RTC”), a rural local exchange company incorporated in Massachusetts serving approximately

² As part of the subject transaction, CornerStone also proposed to purchase all the outstanding stock of PINS’s affiliate, Public Interest Telecommunications, Inc. (“PITI”). PITI is an equipment and network services provider, and does not provide any telecommunications services.

³ The vast majority of PINS’s subscribers are businesses, many of whom utilize large blocks of DID numbers. The PINs switch currently houses approximately 60,000 numbers.

PINS’s services outside the New York metropolitan area evolved as an accommodation to several New York-based customers with national presences. PINS actively markets its services only in New York. The only states with more than 20 customers are California (the San Francisco Bay area) and Massachusetts (the Boston metropolitan area), where 36 and 39 customers, respectively, are served.

1,050 access lines in Richmond, Massachusetts. RTC also offers a wide variety of local calling features and local Internet access.

RTC's subsidiary, Richmond Connections, Inc. ("RCI"), a competitive local exchange company ("CLEC") also incorporated in Massachusetts, provides exchange and exchange access service to approximately 2,300 access lines in Massachusetts (wholly outside RTC's service area) in competition with the dominant local exchange carrier, Verizon Communications. In addition to data, Internet and broadband services, RCI provides interstate long distance services to its subscribers and residents in RTC's service area.⁴

(8) Statement as to how the application fits into one or more of the presumptive streamlined categories in section 63.03 or why it is otherwise appropriate for streamlined treatment:

The proposed transaction is eligible for presumptive streamlined processing pursuant to Section 63.3(b)(2)(ii) of the Commission's Rules. The proposed transaction results in the Transferee, CornerStone, having a market share in the interstate, interexchange market of less than 10 percent, and CornerStone's provision of competitive telephone exchange services would remain exclusively within geographic areas served by incumbent local exchange carriers who are not a party to the proposed transaction. PINS service area in Massachusetts is limited to the Boston area. Accordingly, the parties qualify for streamlined treatment pursuant to subparagraph (ii) of the relevant rule section: Transferor PINS is a non-dominant carrier, and does not provide service within the geographic area (Berkshire County, Massachusetts) where CornerStone's affiliate, RTC, is the dominant carrier.

⁴ RCI also provides global international resold services pursuant to Commission authorization under File No. ITC-214-19991019-00660.

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

Applicants plan to file for authority to transfer PINS's global international resale authorization upon grant of PINS' pending Section 214 application.⁵

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

No party to the application is requesting special consideration because of imminent business failure.

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

No separately filed waiver requests are being sought in conjunction with the contemplated transaction.

(12) 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 proposed transaction will serve the public interest by ensuring no interruption of service, no inconvenience to the affected customers, and no significant diminution in the availability of competitive local services. Transferee has the technical, financial and managerial capabilities to continue the provision of quality service to Transferor's

⁵ On January 31, 2011, PINS filed with the Commission an application for Special Temporary Authorization to continue the provision of international resold services pending action on PINS's Application for Section 214 International Authorization (File No. ITC-214-20110131-00021). The International Bureau granted the STA on February 1, 2001 (ITC-STA-20110131-00020), without prejudice to action the Commission may take on the underlying application, or any enforcement action by the Commission for non-compliance with the Communications Act of 1934, as amended, or the Commission's Rules.

customers. Accordingly, Applicants respectfully request that the Commission grant the Application as soon as practicable.

Respectfully submitted,

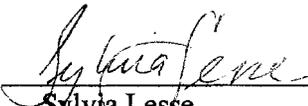
**SHAREHOLDERS OF
PUBLIC INTEREST NETWORK
SERVICES, INC.,**

TRANSFERORS

and

**CORNERSTONE TELEPHONE
COMPANY, L.L.C.,**

TRANSFeree

By: 
Sylvia Lesse
Their Counsel

Communications Advisory Counsel, LLC
2154 Wisconsin Avenue, NW
Washington, DC 20007
(202) 333-5273

February 14, 2011

DECLARATION OF DAVID BIRNBAUM

I, David Birnbaum, President of Public Interest Network Services, Inc., do hereby declare under penalty of perjury that I have read the foregoing "APPLICATION FOR CONSENT TO TRANSFER CONTROL AND REQUEST FOR STREAMLINED PROCESSING," and the information contained therein regarding Public Interest Network Services, Inc. and its affiliate is true and accurate to the best of my knowledge, information, and belief.

2/11/2011

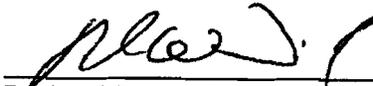
Date


David Birnbaum

DECLARATION OF RICHARD W. DRAKE, JR.

I, Richard W. Drake, Jr., Chief Financial Officer of CornerStone Telephone Company, L.L.C., do hereby declare under penalty of perjury that I have read the foregoing "APPLICATION FOR CONSENT TO TRANSFER CONTROL AND REQUEST FOR STREAMLINED PROCESSING," and the information contained therein regarding CornerStone Telephone Company, L.L.C. and its affiliates is true and accurate to the best of my knowledge, information, and belief.

2/14/2011
Date


Richard W. Drake, Jr.

US BANK/FCC FEB 15 2011

READ INSTRUCTIONS CAREFULLY
BEFORE PROCEEDING

FEDERAL COMMUNICATIONS COMMISSION
REMITTANCE ADVICE
FORM 159

STAMP & RETURN
3000-0389
Page No. 1 of 2

(1) LOCKBOX # 979091	SPECIAL USE ONLY
	FCC USE ONLY

SECTION A - PAYER INFORMATION

(2) PAYER NAME (if paying by credit card enter name exactly as it appears on the card) Sylvia Lesse		(3) TOTAL AMOUNT PAID (U.S. Dollars and cents) \$1,015.00
(4) STREET ADDRESS LINE NO. 1 2154 Wisconsin Avenue NW		
(5) STREET ADDRESS LINE NO. 2		
(6) CITY Washington	(7) STATE DC	(8) ZIP CODE 20007
(9) DAYTIME TELEPHONE NUMBER (include area code) (202) 333-5273	(10) COUNTRY CODE (if not in U.S.A.) USA	
FCC REGISTRATION NUMBER (FRN) REQUIRED		
(11) PAYER (FRN) 0010900918	(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 Public Interest Network Services, Inc.		
(14) STREET ADDRESS LINE NO. 1 50 West 17th St		
(15) STREET ADDRESS LINE NO. 2 9th Floor		
(16) CITY New York	(17) STATE NY	(18) ZIP CODE 10011
(19) DAYTIME TELEPHONE NUMBER (include area code) (212) 479-1700	(20) COUNTRY CODE (if not in U.S.A.) USA	
FCC REGISTRATION NUMBER (FRN) REQUIRED		
(21) APPLICANT (FRN) 0003741196	(22) FCC USE ONLY	

COMPLETE SECTION C FOR EACH SERVICE, IF MORE BOXES ARE NEEDED, USE CONTINUATION SHEET

(23A) CALL SIGN/OTHER ID	(24A) PAYMENT TYPE CODE CUT	(25A) QUANTITY 1
(26A) FEE DUE FOR (PTC) \$1,015.00	(27A) TOTAL FEE \$1,015.00	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, Sylvia Lesse, 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 Sylvia Lesse DATE 2/14/11

SECTION E - CREDIT CARD PAYMENT INFORMATION

ACCOUNT NUMBER <u>[REDACTED]</u>	EXPIRATION DATE <u>[REDACTED]</u>
I hereby authorize the FCC to charge my credit card for the service(s)/authorization herein described.	
SIGNATURE <u>Sylvia Lesse</u>	DATE <u>2/14/11</u>

FEDERAL COMMUNICATIONS COMMISSION REMITTANCE ADVICE (CONTINATION SHEET) FORM 159-C Page No. <u>2</u> of <u>2</u>	SPECIAL USE FCC USE ONLY
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**USE THIS SECTION ONLY FOR EACH ADDITIONAL APPLICANT
SECTION BB - ADDITIONAL APPLICANT INFORMATION**

(13) APPLICANT NAME CornerStone Telephone Company, L.L.C.		
(14) STREET ADDRESS LINE NO. 1 2 Third Street		
(15) STREET ADDRESS LINE NO. 2 Suite 303		
(16) CITY Troy	(17) STATE NY	(18) ZIP CODE 12180
(19) DAYTIME TELEPHONE NUMBER (include area code) (518) 328-0336	(20) COUNTRY CODE (if not in U.S.A.) USA	

FCC REGISTRATION NUMBER (FRN) REQUIRED

(21) APPLICANT (FRN) 0009815234	(22) FCC USE ONLY
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COMPLETE SECTION C FOR EACH SERVICE, IF MORE BOXES ARE NEEDED, USE CONTINUATION SHEET

(23A) CALL SIGN/OTHER ID	(24A) PAYMENT TYPE CODE	(25A) QUANTITY
(26A) FEE DUE FOR (PTC)	(27A) TOTAL FEE	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	
(23C) CALL SIGN/OTHER ID	(24C) PAYMENT TYPE CODE	(25C) QUANTITY
(26C) FEE DUE FOR (PTC)	(27C) TOTAL FEE	FCC USE ONLY
(28C) FCC CODE 1	(29C) FCC CODE 2	
(23D) CALL SIGN/OTHER ID	(24D) PAYMENT TYPE CODE	(25D) QUANTITY
(26D) FEE DUE FOR (PTC)	(27D) TOTAL FEE	FCC USE ONLY
(28D) FCC CODE 1	(29D) FCC CODE 2	
(23E) CALL SIGN/OTHER ID	(24E) PAYMENT TYPE CODE	(25E) QUANTITY
(26E) FEE DUE FOR (PTC)	(27E) TOTAL FEE	FCC USE ONLY
(28E) FCC CODE 1	(29E) FCC CODE 2	
(23F) CALL SIGN/OTHER ID	(24F) PAYMENT TYPE CODE	(25F) QUANTITY
(26F) FEE DUE FOR (PTC)	(27F) TOTAL FEE	FCC USE ONLY
(28F) FCC CODE 1	(29F) FCC CODE 2	

CERTIFICATE OF SERVICE

I, Sylvia Lesse, of Communications Advisory Counsel, LLC, do hereby verify that on this 14th day of February, 2011, I caused to be sent via First Class US Mail, postage prepaid, the foregoing "APPLICATION FOR CONSENT TO TRANSFER CONTROL AND REQUEST FOR STREAMLINED PROCESSING" to the following:

The Hon. Andrew M. Cuomo
Governor of New York State
NYS State Capitol Building
Albany, NY 12224

US Department of Defense
Assistant Secretary of Defense for C31
100 Defense Pentagon, Room 3E712
Washington, DC 20301-1000

US Department of State
EB/CIP/SCA
Room 4826
2001 C Street, NW
Washington, DC 20520

*Tracey Wilson-Parker
Wireline Competition Bureau
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

*Via e-mail


Sylvia Lesse