



PUBLIC NOTICE

Federal Communications Commission
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DA 04-706
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DOMESTIC SECTION 214 APPLICATION FILED FOR TRANSFER OF CONTROL OF PBT COMMUNICATIONS, INC. AND PBT TELECOM, INC. TO ROCK HILL TELEPHONE COMPANY

STREAMLINED PLEADING CYCLE ESTABLISHED

WC Docket No. 04-38

Comments Due: March 29, 2004
Reply Comments Due: April 5, 2004

On February 12, 2004, the shareholders of PBT Telecom, Inc. and PBT Communications, Inc. (collectively, the Transferors) and Rock Hill Telephone Company (Rock Hill or Transferee), filed an application, pursuant to sections 63.03 and 63.04 of the Commission's rules,¹ to request approval to transfer control of PBT Communications, Inc. and PBT Telecom, Inc. to Rock Hill.²

Applicants assert that this transaction is entitled to presumptive streamlined treatment pursuant to section 63.03(b)(2)(iii) of the Commission's rules because: the proposed transaction would result in Rock Hill and its affiliates having less than 10 percent of the interstate, interexchange market; the competitive telephone exchange and exchange access services provided by Rock Hill affiliate Springboard Telecom, LLC and PBT Communications, Inc. are offered exclusively in areas served by dominant local exchanges carriers (LECs) that are not a

¹ 47 C.F.R §§ 63.03, 63.04; *see* 47 U.S.C. § 214.

² *See* Letter from Gerard J. Duffy, Counsel for Transferors, and Sylvia Lesse, Counsel for Rock Hill Telephone Company to Marlene H. Dortch, Secretary, Federal Communications Commission, WC Docket No. 04-38 (filed March 3, 2004). Applicants are also filing applications for transfer of control associated with authorization for international services and for the transfer of paging and radiotelephone service licenses. Any action on this domestic 214 application is without prejudice to Commission action on other related pending applications.

party to the proposed transaction; both Rock Hill and PBT Telecom, Inc. are incumbent local exchange carriers that together have fewer than two percent of the nation's subscriber lines; and there are no overlapping or adjacent services areas between Rock Hill and its affiliates and PBT Telecom, Inc. and its affiliates. Applicants further claim that this transaction qualifies for streamlined treatment under section 63.03(b)(2)(ii) of the Commission's rules, because PBT Communications is a non-dominant carrier operating exclusively outside the local exchanges service area served by Rock Hill or its current affiliates.³

PBT Telecom, Inc. and PBT Communications, Inc. are corporations organized under the laws of South Carolina. PBT Communications, Inc. provides competitive local exchange and exchange access services in parts of BellSouth's Batesburg-Leesville, South Carolina exchange, and in parts of ALLTEL's Lexington, South Carolina exchange. PBT Communications also provides domestic intrastate and interstate toll services to residents and businesses located within PBT Telecom, Inc. and PBT Communications, Inc. exchanges.

The owners of PBT Communications, Inc. also own substantial portions of PBT Telecom, Inc, an incumbent local exchange carrier that operates six local exchanges in portions of Aiken, Edgefield, Calhoun, Lexington, Orangeburg and Saluda counties in west central South Carolina. Its local exchange service area encompasses approximately 650 square miles and serves approximately 17,430 access lines in and around the communities of Pelion, Pond Branch, Gilbert, Wagener, Ridge Spring, and Swansea, South Carolina as well as certain unincorporated portions of Lexington, Aiken, Calhoun, Edgefield, Orangeburg and Saluda Counties. PBT Telecom, Inc. provides local exchange service, plus custom calling features and other optional local services, as well as Internet access service. Approximately 84% of the lines PBT Telecom, Inc. serves are residential lines. No wireline local exchange carrier competes in the PBT Telecom, Inc. incumbent service area, but wireless services are available from Alltel, Cingular, AT&T Wireless and Verizon Wireless.

PBT Cable Inc., an affiliate of PBT Telecom, Inc., provides cable television services in Gilbert, Summit, Swansea, Wagener, Monetta, and portions of Lexington, Saluda and Aiken Counties, South Carolina.

Rock Hill Telephone Company and its affiliates provide local exchange service to 12 exchanges in South Carolina, serving approximately 130,500 access lines. Rock Hill and its affiliates provide local exchange telephone services, enhanced local calling features, long distance toll services, Internet access, cable television services, and competitive local exchange services in communities neighboring incumbent local service areas. Rock Hill and its local exchange company affiliates, Fort Mill Telephone Company, Lancaster Telephone Company and Home Telephone Company, serve approximately 1700 square miles in and around the communities of Rock Hill, Fort Mill, Lancaster, Tega Cay, Fort Lawn, Moncks Corner, and Harleyville, South Carolina and certain unincorporated areas of York, Lancaster, Berkley,

³ See Letter from Sylvia Lesse, Counsel for Rock Hill Telephone Company to Marlene H. Dortch, Secretary, Federal Communications Commission, WC Docket No. 04-38 (filed March 9, 2004).

Chester, Dorchester, Orangeburg and Kershaw Counties. Rock Hill's affiliate, Community Long Distance, Inc., offers toll service to the areas served by its local exchange affiliates. An affiliate of Community Long Distance, Inc., Springboard Telecom, LLC, also offers competitive local exchange and exchange access services to the communities of Charlotte, Gastonia, Shelby, Kings Mountain, Lincoln, Statesville, Bessemer City, Rutherfordton, and Lake Norman, North Carolina. Community Long Distance, Inc. competes with more than 20 long distance carriers for intra- and interstate toll business. None of these area served by Rock Hill or its affiliates border on any PBT Telecom, Inc. or PBT Communications, Inc. service areas.

Applicants state that the following individuals and entities own a 10 percent or more interest in Rock Hill: Frank S. Barnes (17.34%); Estate of John M. Barnes (17.33%); E.L. Barnes (17.33%); LAB Associates, LP (48%). Applicants state that other than the carriers involved in the proposed transaction, neither Rock Hill nor its owners and affiliates have a 10 percent or greater ownership interest in a wireline telecommunications provider.

Rock Hill proposes to purchase one hundred percent of the issued and outstanding stock of PBT Telecom, Inc., PBT Communications, Inc., and PBT Cable, Inc. in a single transaction. After proposed transaction, which the applicants seek to consummate on or before June 30, 2004, PBT Telecom, Inc., PBT Communications, Inc., and PBT Cable, Inc. will continue to exist and operate, providing service pursuant to current rates, terms and conditions. The proposed transaction will, accordingly, be transparent to consumers.

The Applicants state that the proposed transaction is in public interest, because it will enable the customers of both parties to experience the benefit of increased efficiencies, while continuing to enjoy the individualized attention associated with community-based telecommunications service providers. Moreover, the applicants state that equal access to interexchange carriers has long been available within all incumbent exchanges of both Transferor and Transferee. Applicants state that after consummation of the proposed transaction, Rock Hill will not possess a significant share of the interstate, interexchange market (much less, a share anywhere near one percent) after the proposed transaction. Although Applicants acknowledge that the small local exchange markets involved in the proposed transaction currently experience no wireline competition, Applicants assert that there is increasing competition from Wireless service providers, including the three national giants – Sprint PCS, Verizon Wireless and Cingular Wireless. Accordingly, Applicants argue that the proposed transaction will not adversely impact competition in any regulated telecommunications market.

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. Interested parties may file

comments on or before March 29, 2004 and reply comments on or before April 5, 2004.⁴

Unless otherwise notified by the Commission, Applicants are permitted to transfer control on the 31st day after the date of this notice.⁵ Comments may be filed using the Commission's Electronic Comment Filing System (ECFS) or by filing paper copies. *See Electronic Filing of Documents in Rulemaking Proceedings*, 63 Fed. Reg. 24121 (1998).

Comments filed through the ECFS can be sent as an electronic file via the Internet to <<http://www.fcc.gov/e-file/ecfs.html>>. Generally, only one copy of an electronic submission must be filed. If multiple docket or rulemaking numbers appear in the caption of this proceeding, however, commenters must transmit one electronic copy of the comments to each docket or rulemaking number referenced in the caption. In completing the transmittal screen, commenters 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 for e-mail comments, commenters should send e-mail to ecfs@fcc.gov, and should include the following words in the subject line "get form <your e-mail address>." A sample form and directions will be sent in reply.

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, commenters 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). The Commission's contractor, Natek, Inc., 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 mail, Express Mail, and Priority Mail should be addressed to 445 12th Street, SW, Washington, D.C. 20554. All filings must be addressed to the Commission's Secretary, Office of the Secretary, Federal Communications Commission.

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

- (1) the Commission's duplicating contractor, Qualex International, 445 12th Street, S.W., Room CY-B402, Washington, D.C. 20554; e-mail: qualexint@aol.com; facsimile: (202) 863-2898; phone: (202) 863-2893;

⁴ See 47 C.F.R. § 63.03(a).

⁵ Such authorization is conditioned upon receipt of any other necessary approvals from the Commission in connection with the proposed transaction.

- (2) Tracey Wilson, Competition Policy Division, Wireline Competition Bureau, 445 12th Street, S.W., Room 5-C437, Washington, D.C. 20554; e-mail: tracey.wilson-parker@fcc.gov;
- (3) Dennis Johnson, Competition Policy Division, Wireline Competition Bureau, 445 12th Street, S.W., Room 6-A461, Washington, D.C. 20554; e-mail: dennis.johnso@fcc.gov;
- (4) Julie Veach, Competition Policy Division, Wireline Competition Bureau, 445 12th Street, S.W., Room 5-C124, Washington, D.C. 20554; e-mail: julie.veach@fcc.gov;
- (5) Susan O'Connell, Policy Division, International Bureau, 445 12th Street, S.W., Room 7-B544, Washington, D.C. 20554; email: susan.o'connell@fcc.gov; and
- (6) Christopher Killion, Office of General Counsel, 445 12th Street, S.W., Room 8-C740, Washington, D.C. 20554; e-mail: chris.killion@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, SW, Room CY-A257, Washington, DC, 20554. They may also be purchased from the Commission's duplicating contractor, Qualex International, Portals II, 445 12th Street, SW, Room CY-B402, Washington, DC, 20554, telephone 202-863-2893, facsimile 202-863-2898, or via e-mail qualexint@aol.com.

For further information, please contact Tracey Wilson, at (202) 418-1394, or Dennis Johnson at (202) 418-0809.

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