



PUBLIC NOTICE

Federal Communications Commission
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DA 04-3129

Released: September 28, 2004

**DOMESTIC SECTION 214 APPLICATION FILED FOR TRANSFER OF CONTROL
OF CERTAIN ASSETS OF SUSQUEHANNA ADELPHIA BUSINESS SOLUTIONS
TO SUSCOM BUSINESS SOLUTIONS OF PA, INC. AND
TELCOVE OF PENNSYLVANIA, INC.**

STREAMLINED PLEADING CYCLE ESTABLISHED

WC Docket No. 04-383

Comments Due: October 12, 2004

Reply Comments Due: October 19, 2004

On September 21, 2004, Susquehanna Adelpia Business Solutions (“Susquehanna ABS”), SusCom Business Solutions of PA, Inc., d/b/a/ SusCom Business Solutions (“SusCom”), TelCove of Pennsylvania, Inc. (“TelCove-PA”), and Susquehanna Fiber Systems, Inc. (“Susquehanna”) (collectively, “Applicants”) filed an application, pursuant to section 63.03 and 63.04 of the Commission’s rules,¹ requesting approval to transfer control of certain assets of Susquehanna ABS to SusCom and TelCove-PA.

Applicants assert that this transaction is entitled to presumptive streamlined treatment pursuant to section 63.03(b)(2)(i) of the Commission’s rules² because (1) the proposed transaction would result in TelCove-PA or SusCom holding less than a ten percent (10%) share of the interstate, interexchange market; (2) TelCove-PA or SusCom would provide competitive telephone exchange services or exchange access service (if at all) exclusively in areas served by a dominant local exchange carrier that is not a party to the proposed transaction and; (3) neither TelCove-PA nor SusCom is dominant with respect to any service.

Susquehanna ABS is a telecommunications company that provides local telephone service, local toll telephone service and long distance service to approximately 220 business

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

² 47 C.F.R § 63.03(b)(2)(i).

customers in York, Pennsylvania.³ Susquehanna ABS is a Pennsylvania general partnership with TelCove-PA and Susquehanna, a wholly owned subsidiary of Susquehanna Media Company (“Susquehanna Media”), each owning fifty percent.

SusCom is a corporation organized under the laws of the State of Pennsylvania. SusCom is 82.25% owned by Susquehanna Cable Co. and 17.75% owned by Comcast Corporation. Susquehanna Cable Company is in turn, 85% owned by Susquehanna Media and 15% owned by Comcast Corporation. Applicants note that 100% of the voting common stock of Susquehanna Media is owned by Susquehanna Pfaltzgraff Company.⁴ Applicants also state that according to Comcast Corporation’s proxy statement, Brian Roberts holds 100% of the class B common stock, which is 33 and 1/3% of the total voting stock of Comcast Corporation.

TelCove-PA is a corporation organized under the laws of the State of Delaware. TelCove-PA is a wholly-owned subsidiary of TelCove Operations, Inc., which is in turn, a wholly-owned subsidiary of TelCove Inc. (“TelCove”).⁵ TelCove, through various subsidiaries, offers local and long-distance voice, dedicated data, ATM, frame relay, and Internet services in approximately 50 medium-to-large markets throughout the eastern United States, the Gulf Coast area, and in several midwestern states. TelCove is 20.34% owned by Bay Harbour Partners, Ltd., a Cayman Islands investment firm. TelCove is also 17.37% owned by Bay Harbour 90-1, Ltd., a U.S. investment firm. Bay Harbour Management, L.C. holds four of seven seats in the TelCove board of directors and thus, applicants state, could be deemed to exercise control over TelCove.⁶ Goldman Sachs, a U.S. investment firm, holds 12.54% of TelCove.

By agreement dated December 19, 2003, the partners decided to dissolve Susquehanna ABS and following receipt of all necessary regulatory approvals, Susquehanna ABS will cease providing service. To ensure that customers will continue to receive service without interruption, the Partnership has entered into an agreement with TelCove-PA and Susquehanna to distribute Susquehanna ABS’ assets and customers between TelCove-PA and SusCom. Specifically, TelCove-PA will primarily continue to serve the Commonwealth of Pennsylvania and carrier customers, with the remainder of the customers to be served by SusCom. TelCove-

³ The Applicants indicate Susquehanna ABS was formerly called Susquehanna Hyperion Telecommunications.

⁴ The Applicants state that the Louis J. Appell Residuary Trust for the benefit of members of the Appell family own 67.19% of the voting stock of the Susquehanna Pfaltzgraff Co. while the State Street Bank, Trustee of the Susquehanna Pfaltzgraff Co. Employee Stock Ownership Plan owns 26.94% of the Company.

⁵ TelCove-PA owns a 50% partnership in PECO TelCove, which will be increased to 100% upon consummation of the transaction previously approved by the Commission in docket number 04-166. *See* Domestic Section 214 Application Granted for Transfer of Control of PECO Telcove to TelCove, Inc., WC Docket No. 04-166, *Public Notice*, DA 04-1934 (rel. June 28, 2004).

⁶ According to the Applicants, Bay Harbour holds the largest share of the secured notes as part of TelCove’s plan of reorganization filed under Chapter 11 of the United States Bankruptcy Code in the United States Bankruptcy Court for the Southern District of New York.

PA and SusCom will also take ownership of physical assets of the Partnership, including fiber and equipment such as back up generators. Consistent with each partner's 50% interest in the Partnership, each partner will receive 50% of the total value of the Partnership, including all of its various assets, upon dissolution of Susquehanna ABS.

Applicants state that the proposed transfer of control is in the public interest. The Applicants state that the Partnership's customers will not be adversely affected by the dissolution of the Susquehanna ABS because the companies that comprise the Partnership will continue to offer the same or superior services such as wireless, high speed internet access, voice messaging and wireless e-mail. The Applicants add that either TelCove-PA or SusCom will continue to provide customers with local telephone service, local toll telephone service and long distance service, unless that customer chooses another provider. Furthermore, the Applicants indicate that customers will experience no service outage, will incur no costs for having their services transferred to either TelCove-PA or SusCom, and will be able to retain their existing telephone numbers.

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 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 October 12, 2004** and **reply comments on or before October 19, 2004.**⁷ Unless otherwise notified by the Commission, this application will be deemed granted on the 31st day after the date of this notice.⁸ 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.

⁷ See 47 C.F.R. § 63.03(a).

⁸ Such authorization is conditioned upon receipt of any other necessary approvals from the Commission in connection with the proposed transaction.

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, Best Copy and Printing, Inc., 445 12th Street, S.W., Room CY-B402, Washington, D.C. 20554; e-mail: www.bcpweb.com; phone: 202-488-5300 fax: 202-488-5563;
- (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) Denise Coca, Competition Policy Division, Wireline Competition Bureau, 445 12th Street, S.W., Room 5-C260, Washington, D.C. 20554; e-mail: denise.coca@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) James Bird, Office of General Counsel, 445 12th Street, S.W., Room 8-C740, Washington, D.C. 20554; e-mail: james.bird@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, Best Copy and Printing, Inc., Portals II, 445 12th Street, SW, Room CY-B402, Washington, DC, 20554, telephone: 202-488-5300, fax: 202-488-5563, or via e-mail www.bcpweb.com.

For further information, please contact Tracey Wilson, at (202) 418-1394, or Denise Coca at (202) 418-0574.