

ATTACHMENT A

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

In the Matter of the Joint Application of)
)
Consolidated Communications Holdings, Inc.,)
)
and)
)
FairPoint Communications, Inc.,)
)
for authority pursuant to Section 214 of the)
Communications Act of 1934, as amended,)
to Transfer Indirect Control of Domestic and)
International Section 214 Authorization Holders)
to Consolidated Communications Holdings, Inc.)

WC Docket No. 16-_____

IB File Nos. ITC-T/C-2016_____

JOINT APPLICATION

Pursuant to Section 214 of the Communications Act of 1934, as amended (“the Act”),¹ and Sections 63.04, 63.18 and 63.24 of the Commission’s rules,² Consolidated Communications Holdings, Inc. (“Consolidated Holdings”), and FairPoint Communications, Inc. (“FairPoint Parent”) (collectively, “Applicants”), request Commission consent to transfer indirect control of the wholly owned subsidiaries of FairPoint Parent listed in **Exhibit A** that hold domestic and/or international Section 214 authorizations (collectively, the “Licensees”) to Consolidated Holdings. Such authority is necessary to complete the Transaction (as defined below) between Applicants. The Section 214 authorizations currently held by the Licensees will continue to be held by those same entities following consummation of the proposed Transaction (as defined below) and there are no overlapping or adjacent local exchange service territories between the Licensees and

¹ 47 U.S.C. § 214.

² 47 C.F.R. §§ 63.04, 63.18 and 63.24.

any Consolidated Holdings local operating subsidiary. The Applicants further seek, as part of this application, a waiver of Section 61.41(c)(2) of the Commission's rules (the "all-or-nothing" rule) so that those Licensees currently rate-of-return regulated under the Commission's rules are not required to convert to price cap regulation as a result of the Transaction.³

In support of this Application, Applicants provide the following information:

I. DESCRIPTION OF THE APPLICANTS

A. Transferee – Consolidated Communications Holdings, Inc.

Consolidated Holdings is a publicly-traded Delaware corporation (NASDAQ: CNSL), with principal offices at 121 South 17th Street, Mattoon, IL 61938. To the knowledge of Consolidated Holdings, the following entities are the only persons or entities currently holding or controlling a 10% or greater ownership interest in Consolidated Holdings:

Name:	BlackRock Institutional Trust Company, N.A. ⁴ ("BlackRock Trust")
Address:	400 Howard Street San Francisco, CA 94105
Citizenship:	United States (California)
Principal Business:	Investment Management
% Interest:	11.44%
Name:	BlackRock, Inc. ⁵
Address:	55 East 52nd Street New York, NY 10055
Citizenship:	United States (Delaware)
Principal Business:	Investment Management
% Interest:	11.44% (indirectly, as the parent of BlackRock Trust)

³ See Public Interest Statement, *infra* Section IV.

⁴ BlackRock Trust is chartered as a national bank that does not accept client deposits and whose powers are limited to trust and other fiduciary activities. BlackRock Trust provides investment management services, including investment advisory and securities lending agency services, to institutional investors and other clients.

⁵ BlackRock, Inc. is a publicly traded corporation and Applicants are not aware of any person or entity currently holding a 10% or greater ownership interest in BlackRock, Inc.

Name:	The Vanguard Group, Inc. P.O. Box 2600 Valley Forge, PA 19482
Citizenship:	United States (Pennsylvania)
Principal business:	Investment Management
% Interest:	10.29% ⁶

Consolidated Holdings, together with its various operating subsidiaries (the “Consolidated Companies”), provide a wide range of telecommunications services to residential and business customers primarily in California, Illinois, Iowa, Kansas, Minnesota, Missouri, North Dakota, Pennsylvania, South Dakota, Texas and Wisconsin including local and long-distance telephone service, high-speed broadband Internet access, standard and high-definition digital television, and digital telephone service, custom calling features, private line services, carrier access services, network capacity services over regional fiber optic networks, directory publishing. The Consolidated Companies’ fiber network covers 14,100 fiber miles; reaches 5,500 on-net buildings and serves 1,100 connected cellular towers. The Consolidated Companies include both incumbent local exchange carriers (“ILECs”) and competitive local exchange carriers (“CLECs”). Currently, Consolidated Holdings’ operating companies provide approximately 219,000 residential broadband connections, and 409,000 business broadband connections (including over 7,000 Metro Ethernet connections); approximately 189,000 residential voice lines (both VoIP and POTS), and approximately 269,000 business voice lines (also both VoIP and POTS). Consolidated Holdings does not provide telecommunications services in any state and will not directly provide telecommunications services upon completion of the Transaction.

The Consolidated Companies provide various types of communications services as described more fully in Sections III and IV, below.

⁶ As of August 10, 2016. The Vanguard Group’s shares in Consolidated Holdings are held through funds that the Vanguard Group owns and/or manages.

B. FairPoint Communications, Inc. and Licensees

FairPoint Parent is a publicly-traded Delaware Corporation (NASDAQ: FRP), with its principal offices located at 521 E. Morehead Street #500, Charlotte, NC 28202. To its knowledge, the only person or entity currently holding a 10% or greater ownership interest in FairPoint Parent is Angelo, Gordon & Co., L.P., an investment firm based in New York, New York.

FairPoint functions as a holding company and does not provide any telecommunications services in its own right. Through Licensees, FairPoint is a leading provider of advanced communications services, serving approximately 310,000 broadband, and 377,000 residential voice line subscribers. In addition, FairPoint owns and operates an extensive fiber network spanning more than 21,000 miles of fiber optic cable and 1,300 communications towers.

Licensees are authorized by the Commission to provide interstate and international telecommunications services. Licensees serve business, wholesale and residential customers in 17 states, offering services such as: voice, data and broadband internet access services including Ethernet, Session Initiation Protocol Trunking ("SIP-Trunking"), hosted Primary Branch Exchange, and data center colocation; voice services including local calling, long distance, and 9-1-1 services; and exchange access services including network transport, switched access, and interstate and intrastate access charge services. Additional information on Licensees, including jurisdiction of formation, type of services provided, FRNs, and states of services are provided in **Exhibit A** and in Sections III and IV.

II. DESCRIPTION OF THE TRANSACTION (ANSWER TO QUESTION 13)

Pursuant to the Agreement and Plan of Merger (the “Agreement”), dated as of December 3, 2016, by and among Consolidated Holdings, Falcon Merger Sub, Inc. (“Merger Sub”),⁷ and FairPoint Parent, Consolidated Holdings will acquire all of the outstanding equity interests in FairPoint Parent (the “Transaction”) in exchange for Consolidated Holdings stock valued at approximately \$1.5 billion. Specifically, Merger Sub will merge with and into FairPoint Parent, whereupon the separate existence of Merger Sub will cease and FairPoint Parent will be the surviving corporation. Upon completion of the Transaction, Consolidated Holdings will contribute all of the equity interest in FairPoint Parent to its direct, wholly owned-subsidiary, Consolidated Communications, Inc. (“CCI”), so that FairPoint Parent will be a direct, wholly owned subsidiary of CCI. After the Transaction closes, Bob Udell, the current President and Chief Executive Officer of Consolidated Holdings, will continue to serve as President and Chief Executive Officer of the combined company; and one director from the FairPoint Parent Board of Directors will join the Board of Directors of Consolidated Holdings, which will expand from 8 to 9 directors. Consolidated Holdings will continue to be publicly traded, and no person or entity will hold or control ten percent or more of the equity or voting equity of Consolidated Holdings upon closing of the Transaction. The combined company will retain the Consolidated Communications name and will be headquartered in Mattoon, Illinois.

As a result, the Licensees will become indirect subsidiaries of Consolidated Holdings. Diagrams depicting the pre-and post-Transaction corporate ownership structures are appended hereto as **Exhibit B.**

⁷ Merger Sub is a Delaware corporation formed for the purposes of the Transaction. Merger Sub is a direct, wholly owned subsidiary of Consolidated Holdings.

Consolidated Holdings is managerially, technically, and financially well-qualified to complete the Transaction. Consolidated Holdings has provided telecommunications services since 1894, and leverages a fiber-rich network to continue offering advanced telecommunications solutions to consumer, commercial, and carrier customers in 11 states. Consolidated Holdings management has significant experience operating incumbent local exchange companies in rural markets and has successfully served customers in such markets, bringing innovative broadband and video services to such markets while running a financially sound company with the ability to invest and maintain the network and foster growth. The Licensees will therefore have the managerial, technical and financial qualifications to provide high quality telecommunications and related services to consumers supported by experienced Consolidated Holdings management while also having access to the financial resources of Consolidated Holdings.

III. INFORMATION REQUIRED BY SECTION 63.24(E)

Pursuant to Section 63.24(e)(2) of the Commission's Rules, the Applicants submit the following information requested in Section 63.18 (a)-(d) and (h)-(p) in support of this Application:

(a) Name, address and telephone number of each Applicant:

Transferee:

Consolidated Communications Holdings, Inc.
121 South 17th Street
Mattoon, IL 61938
(217) 235-3311

FRN: 0007494776

FairPoint Parent:

FairPoint Communications, Inc.
521 E. Morehead Street, Suite 500
Charlotte, NC 28202
(704) 344-8150

FRN: 0017422940

Licensees:

A list of authorized carriers and their FRNs is attached as Exhibit A. The address and telephone number for each Licensee is the same as that for FairPoint Parent.

(b) Jurisdiction of Organizations:

Transferee: Consolidated Holdings is a corporation formed under the laws of Delaware.

FairPoint: FairPoint Parent is a corporation formed under the laws of Delaware.

Licensees: The jurisdiction of organization for each Licensee is included in Exhibit A.

(c) (Answer to Question 10) Correspondence concerning this Application should be

sent to:

For Transferee:

Russell M. Blau
Joshua M. Bobeck
Brett P. Ferenczak
MORGAN, LEWIS & BOCKIUS LLP
2020 K Street, N.W., Suite 1100
Washington, DC 20006-1806
202-373-6000 (tel)
202-739-3001 (fax)
russell.blau@morganlewis.com
joshua.bobek@morganlewis.com
brett.ferenczak@morganlewis.com

For FairPoint Parent and Licensees:

Karen Brinkmann
KAREN BRINKMANN, PLLC
1800 M St., NW
Suite 800-N
Washington, DC 20036
Tel: 202.365.0325
KB@KarenBrinkmann.com

With copies to:

Michael Shultz
Vice President, Regulatory and
Public Policy
Consolidated Communications
350 South Loop 336 West
Conroe, TX 77304
936-788-7414 (tel)
mike.shultz@consolidated.com

And:

Michael Skrivan
Vice President, Regulatory
FairPoint Communications
1 Davis Farm Road
Portland, ME 04103
207-535-4150 (tel)
mskrivan@fairpoint.com

(d) Section 214 Authorizations

Transferee: Consolidated Holdings holds international Section 214 authority to provide global or limited global facilities-based service and global or limited global resale service, granted in IB File No. ITC-214-200308080-00393.⁸

In addition, the following subsidiaries of Consolidated Holdings hold International Section 214 Authorizations:

Crystal Communications Inc. ("Crystal"), a Minnesota Corporation, holds international Section 214 authority to provide global resale service, granted in IB File No. ITC- 214-19971029-00668 (old File No. ITC-97-676). Crystal is authorized to provide interstate service by virtue of blanket domestic Section 214 authority. 47 C.F.R. § 63.01.⁹

Enventis Telecom, Inc. ("Enventis Telecom"), a Minnesota Corporation, holds international Section 214 authority to provide global or limited global resale service, granted in IB File No. ITC-214-20051013-00409. Enventis Telecom is authorized to provide interstate service by virtue of blanket domestic Section 214 authority. 47 C.F.R. § 63.01.

IdeaOne Telecom, Inc. ("IdeaOne"), a Minnesota Corporation, holds international Section 214 authority to provide global or limited global resale service, granted in IB File No. ITC-214-20111115-00345. IdeaOne is authorized to provide interstate service by virtue of blanket domestic Section 214 authority. 47 C.F.R. § 63.01.

The following subsidiaries of Consolidated Holdings provide interstate service by virtue of blanket domestic Section 214 authority, 47 C.F.R. § 63.01, and to the extent they provide international service do so pursuant to the international Section 214 authorization of Consolidated Holdings:

Consolidated Communications Enterprise Services, Inc. ("Consolidated Enterprise"), a Delaware corporation.¹⁰

⁸ This Authorization was assigned to Consolidated Holdings in IB File No. ITC-ASG-20090130-00047. Also in that file, Consolidated Enterprise notified the Commission that it would provide international services under Consolidated Holdings' Authorization.

⁹ Crystal also holds multiple cable franchises in Minnesota.

¹⁰ Consolidated Enterprise also holds multiple Receive-Only Satellite Earth Station Licenses, wireless licenses (TN-39 Ghz), antenna registrations, cable franchises and certifications to operate an open video system.

Consolidated Communications of California Company ("Consolidated-CA"), a California corporation.¹¹

Consolidated Communications of Pennsylvania Company, LLC ("Consolidated-PA"), a Delaware limited liability company.¹²

Consolidated Communications of Illinois Company ("Consolidated-IL"), an Illinois corporation.

Consolidated Communications of Minnesota Company ("Consolidated-MN"), a Minnesota corporation.

Consolidated Communications of Mid-Comm. Company ("Consolidated Mid-Comm"), a Minnesota corporation.

Consolidated Communications of Fort Bend Company ("Consolidated Fort Bend"), a Texas corporation.

Consolidated Communications of Texas Company ("Consolidated-TX"), a Texas Corporation.

FairPoint Parent: FairPoint Parent functions as a holding company and does not hold authority to provide telecommunications services in its own right.

Licensees: Each of the Licensees is authorized to provide interstate service by virtue of blanket domestic Section 214 authority. 47 C.F.R. § 63.01.

The following Licensees also hold international Section 214 authorization:

Entity	Type of Authorization	IB File Number(s)
BE Mobile Communications, Incorporated	Global Resale Service	ITC-214-19970710-00391 (Old File No. ITC-97-489)
Berkshire Cable Corp.	Global Resale Service	ITC-214-19970416-00213 (Old File No. ITC-97-223)
Chautauqua & Erie Communications, Inc.	Global or Limited Global Resale Service	ITC-214-19940509-00155 (Old File No. ITC-94-312)
Comerco, Inc.	Global Resale Service	ITC-214-20030521-00254
C-R Long Distance, Inc.	Individual Facilities-Based	ITC-214-19960404-00139 (Old File No. ITC-96-166)

¹¹ Consolidated-CA also holds a wireless license (CD).

¹² Consolidated-PA also holds multiple wireless licenses (QO and IG) and an antenna registration.

Entity	Type of Authorization	IB File Number(s)
	Service	
	Global or Limited Global Resale Service	ITC-214-20000320-00156
Elltel Long Distance Corp.	Global or Limited Global Resale Service	ITC-214-19981228-00891
Enhanced Communications of Northern New England, Inc.	Global Facilities-Based & Resale Service	ITC-214-20070206-00437
FairPoint Carrier Services, Inc.	Global Resale Service	ITC-214-19980610-00403 (Old File No. ITC-98-439)
Germantown Long Distance Company	Global Resale Service	ITC-214-19970113-00018 (Old File No. ITC-97-030)
GTC, Inc.	Global or Limited Global Resale Service	ITC-214-20011019-00531
Marianna Tel., Inc.	Global or Limited Global Resale Service	ITC-214-20011025-00599
Northern New England Telephone Operations LLC	Global or Limited Global Facilities-Based Service	ITC-214-20030516-00243
Orwell Communications, Inc.	Global or Limited Global Resale Service	ITC-214-20001019-00628
Peoples Mutual Long Distance Company	Global or Limited Global Resale Service	ITC-214-20001207-00717
Quality One Technologies, Inc.	Global or Limited Global Resale Service	ITC-214-19990713-00464
ST Long Distance, Inc.	Global Resale Service	ITC-214-19961118-00578 (Old File No. ITC-96-636)
St. Joe Communications, Inc.	Global or Limited Global Resale Service	ITC-214-19950920-00045
Taconic TelCom Corp.	Global Resale Service	ITC-214-19970219-00095 (Old File No. ITC-97-114)
The El Paso Long Distance Company	Individual Resale Service	ITC-214-19960626-00271 (Old File No. ITC-96-351)
UI Long Distance, Inc.	Global or Limited Global Resale Service	ITC-214-20030206-00049

(h) (Answer to Questions 11 & 12) The Licensees are direct or indirect, wholly owned subsidiaries of FairPoint Parent. (See **Exhibit B** for a complete corporate structure). The following entities (i) directly or indirectly, wholly own one or more of the Licensees, (ii) are directly or indirectly, wholly owned by FairPoint Parent, and (iii) have the same principal place of business as FairPoint Parent:

ST Enterprises, Ltd., a Kansas limited company, whose primary business is a holding company.

MJD Ventures, Inc., a Delaware corporation, whose primary business is a holding company.

MJD Service Corp., a Delaware corporation, whose primary business is a holding company.

GTC Communications, Inc., a Delaware corporation, whose primary business is a holding company.

C-R Communications, Inc., an Illinois corporation, whose primary business is a holding company.

Utilities, Inc., a Maine corporation, whose primary business is a holding company.

Ravenswood Communications, Inc., an Illinois corporation, whose primary business is a holding company.

Unite Communications Systems, Inc., a Missouri corporation, whose primary business is a holding company.

Upon completion of the proposed Transaction the following entities will hold a 10% or greater, direct or indirect interest¹³ in FairPoint Parent:

Name:	Consolidated Communications, Inc.
Address:	121 South 17th Street Mattoon, Illinois 61938-3987
Citizenship:	U.S. (Illinois)
Principal Business:	Holding Company
% Interest:	100% (indirectly as 100% direct owner of FairPoint)

Name:	Consolidated Communications Holdings, Inc.
Address:	121 South 17th Street Mattoon, Illinois 61938-3987
Citizenship:	U.S. (Delaware)
Principal Business:	Holding Company
% Interest:	100% (indirectly as 100% direct owner of CCI)

¹³ Unless otherwise indicated, the ownership interests provided herein represent both equity and voting interests.

Consolidated Holdings is a publicly traded company (NASDAQ: CNSL) whose stock ownership varies on a daily basis. To its knowledge, no person or entity will hold or control a 10% or greater ownership interest in Consolidated Holdings upon completion of the Transaction.

Consolidated Holdings does not have any interlocking directorates with a foreign carrier.

(i) **(Answer to Question 14)** Transferee certifies that (a) it is not a foreign carrier within the meaning of 63.09(d) of the Commission's Rules and (b) it is not affiliated, within the meaning of 63.09 of the Commission's Rules, and will not become affiliated as a result of the proposed transaction, with any foreign carriers.

(j) **(Answer to Question 15)** Transferee does not seek to provide international telecommunications services to any destination country where: (1) Transferee is a foreign carrier in that country; (2) Transferee controls a foreign carrier in that country; (3) any entity that owns more than 25 percent of Transferee, or that controls Transferee, controls a foreign carrier in that country; or (4) two or more foreign carriers (or parties that control foreign carriers) own, in the aggregate, more than 25 percent of Transferee and are parties to, or the beneficiaries of, a contractual relation affecting the provision or marketing of international basic telecommunications services in the United States.

(k) Not applicable because Transferee is not a foreign carrier and is not, and will not become as a result of the proposed transaction, affiliated with a foreign carrier.

(m) Not applicable because Transferee is not a foreign carrier and is not, and will not become as a result of the proposed transaction, affiliated with a foreign carrier.

(n) Transferee and Licensee certify that they have not agreed to accept special concessions, directly or indirectly, from any foreign carrier with respect to any U.S. international

route where the foreign carrier possesses market power on the foreign end of the route and will not enter into such agreements in the future.

(o) Applicants certify that they are not subject to denial of federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1998. *See* 21 U.S.C. § 853a; *see also* 47 C.F.R. §§ 1.2001-1.2003.

(p) No party is requesting streamlined processing pursuant to Section 63.12(a)-(b) of the Commission's rules, 47 C.F.R. § 63.12(a)-(b).

IV. INFORMATION REQUIRED BY SECTION 63.04

Pursuant to Commission Rule 63.04(b), 47 C.F.R. § 63.04(b), Applicants submit the following information in support of their request for domestic Section 214 authority to transfer indirect control of Licensee to Consolidated Holdings in order to address the requirements set forth in Commission Rule 63.04(a)(6)-(12):

(a)(6) A description of the proposed Transaction is set forth in **Section II** above.

(a)(7) FairPoint Parent does not provide telecommunications services. The Licensees provide telecommunications services domestically as follows:

Licensee	Type	States Served
BE Mobile Communications, Incorporated	IXC	Pennsylvania
Bentleyville Communications Corporation	ILEC	Pennsylvania
Berkshire Cable Corp.	IXC	New York
Berkshire Telephone Corporation	ILEC	New York
Big Sandy Telecom, Inc.	ILEC	Colorado
Bluestem Telephone Company	ILEC	Kansas
Chautauqua and Erie Telephone Corporation	ILEC	New York
Chautauqua and Erie Communications, Inc.	IXC	New York
China Telephone Company	ILEC	Maine
Chouteau Telephone Company	ILEC	Oklahoma
Columbine Telecom Company	ILEC	Colorado
Comerco, Inc.	IXC	Washington

Licensee	Type	States Served
Community Service Telephone Co.	ILEC	Maine
C-R Long Distance, Inc.	IXC	Illinois
C-R Telephone Company	ILEC	Illinois
El Paso Long Distance Company	IXC	Illinois
Ellensburg Telephone Company	ILEC	Washington
Elltel Long Distance Corp.	IXC	Washington
Enhanced Communications of Northern New England, Inc.	IXC	Florida, Maine, Massachusetts, New Hampshire, New York, New York, Vermont,
ExOp of Missouri, Inc.	IXC, CLEC	Missouri
FairPoint Business Services, LLC	CLEC	New York, Oklahoma, Pennsylvania, Washington,
FairPoint Carrier Services, Inc.	IXC	Colorado, Florida, Illinois, Kansas, Maine, Minnesota, Missouri, North Carolina, New Hampshire, New York, Ohio, Oklahoma, Pennsylvania, Utah, Virginia, Vermont, Washington
FairPoint Communications Missouri, Inc.	ILEC	Kansas, Missouri
FairPoint Vermont, Inc.	ILEC	Vermont
Germantown Long Distance Company	IXC	Ohio
GTC, Inc.	ILEC, IXC	Alabama, Florida, Georgia
Maine Telephone Company	ILEC	Maine
Marianna and Scenery Hill Telephone Company	ILEC	Pennsylvania
Marianna Tel., Inc.	IXC	Pennsylvania
Northern New England Telephone Operations, LLC	ILEC, IXC	Maine, New Hampshire
Northland Telephone Company of Maine, Inc.	ILEC	Maine, New Hampshire
Odin Telephone Exchange, Inc.	ILEC	Illinois
Orwell Communications, Inc.	IXC	Ohio

Licensee	Type	States Served
Peoples Mutual Long Distance Company	IXC	Virginia
Peoples Mutual Telephone Company	ILEC	Virginia
Quality One Technologies, Inc.	IXC	Ohio
Sidney Telephone Company	ILEC	Maine
ST Long Distance, Inc.	IXC	Colorado, Illinois, Kansas, Missouri, Oklahoma
St. Joe Communications, Inc.	IXC	Alabama, Florida, Georgia
Standish Telephone Company	ILEC	Maine
Sunflower Telephone Company, Inc.	ILEC	Colorado, Kansas
Taconic TelCom Corp.	IXC	New York
Taconic Telephone Corp.	ILEC	Massachusetts, New York
Telephone Operating Company of Vermont, LLC	ILEC	Vermont
The Columbus Grove Telephone Company	ILEC	Ohio
The El Paso Telephone Company	ILEC	Illinois
The Germantown Independent Telephone Company	ILEC	Ohio
The Orwell Telephone Company	ILEC	Ohio
UI Long Distance, Inc.	IXC	Maine New Hampshire Vermont
YCOM Networks, Inc.	ILEC	Washington

Consolidated Holdings, through several subsidiaries, provides telecommunications services domestically as follows:

Consolidated Enterprise is a CLEC, IXC, ISP, Video and VoIP provider. Consolidated Enterprise provides telecommunications services in California, Illinois, Iowa, Kansas, Missouri, Pennsylvania and Texas. Consolidated Enterprise is authorized to provide intrastate telecommunications services, but does not currently do so, in Alabama, Kentucky, Louisiana, Ohio, and Tennessee. Consolidated Enterprise also provides cable services in California, Kansas and Missouri and open video system services in California and Missouri.

Consolidated-CA is an ILEC that provides local exchange telephone service in Sacramento and Placer Counties, California and also operates as a CLEC in certain areas in California outside of its ILEC service areas.

Consolidated Fort Bend is an ILEC that provides local exchange services in Texas.

Consolidated-IL is an ILEC operating in central Illinois.

Consolidated Mid-Comm is an ILEC operating service in Amboy, Cambria, Eagle Lake, Garden City, Good Thunder, Lake Crystal, Madison Lake, Mapleton, Pemberton, St. Clair and Vernon Center exchanges in Minnesota.

Consolidated-MN is an incumbent local exchange carrier operating in Minnesota.

Consolidated-PA is an ILEC operating in western Pennsylvania.

Consolidated TX is an ILEC operating in east Texas.

Crystal is a CLEC operating in south central Minnesota and the Des Moines, Iowa, area is authorized to provide resold interexchange services in Illinois; local exchange and interexchange services in Iowa and South Dakota.

Enventis Telecom is a competitive provider of telecommunications services authorized to operate in Indiana, Iowa, Kentucky, Minnesota, Montana, North Dakota, Ohio, South Dakota, Washington, and Wisconsin. Enventis also holds a VoIP registration in California.

IdeaOne is a CLEC operating in and around Dilworth and Moorhead, Minnesota, and Fargo and West Fargo, North Dakota.

Crystal, Enventis Telecom and IdeaOne (the “Enventis CLECs”) are expected to consolidate into Consolidated Enterprises on January 1, 2017. At that time, Consolidated Enterprises will provide services in the areas listed for the Enventis CLECs.

The operating subsidiaries of Consolidated Holdings and FairPoint Parent do not have any overlapping or adjacent ILEC local service territories. Consolidated Enterprise in Pennsylvania has operating authority in the Verizon-PA service territory which is adjacent to Bentleyville Communications Corporation (“Bentleyville Communications”) and Marianna and Scenery Hill Telephone Company (“Marianna and Scenery Hill”), but neither serves that portion of the Verizon-PA territory nor has customers in those exchanges. Consolidated Enterprise does

not have authority to serve customers in the ILEC service areas of Bentleyville or Marianna and Scenery Hill. Additional details are provided in the Public Interest Statement in Exhibit C.

(a)(8) No party is requesting streamlined processing pursuant to Sections 63.03 of the Commission's Rules, 47 C.F.R. §63.03.

(a)(9) Through this Application, Applicants seek authority with respect to both international and domestic Section 214 authorizations (this Application is being separately and concurrently filed with respect to both types of authorities in compliance with Section 63.04(b) of the Commission's rules). In addition, applications will also be filed with respect to the wireless licenses held by Licensees or their affiliates.

(a)(10) No party is requesting special consideration because it is facing imminent business failure.

(a)(11) Not applicable.

(a)(12) A statement showing how grant of this Application will serve the public interest, convenience and necessity is provided as Exhibit C.

V. CONCLUSION

For the reasons stated above, Applicants respectfully submit that the public interest, convenience and necessity would be furthered by a grant of this Application for the transfer of direct ownership and control of Licensee to Transferee.

Karen Brinkmann
KAREN BRINKMANN, PLLC
1800 M St., NW
Suite 800-N
Washington, DC 20036
Tel: 202.365.0325
KB@KarenBrinkmann.com

*Counsel for FairPoint Communications,
Inc.*

Dated: December 20, 2016

Respectfully submitted,

/s/

Russell M. Blau
Joshua Bobeck
Brett P. Ferencak
MORGAN, LEWIS & BOCKIUS LLP
2020 K Street, N.W.
Washington, DC 20006
202-373-6000 (Tel)
202-739-3001 (Fax)
russell.blau@morganlewis.com
joshua.bobek@morganlewis.com
brett.ferenchak@morganlewis.com

*Counsel for Consolidated Communica-
tions Holdings, Inc.*

EXHIBIT A

Licensee Name	Jurisdiction of Organization	Provider Type	FRN
BE Mobile Communications, Incorporated	Pennsylvania	IXC	0003179173
Bentleyville Communications Corporation	Pennsylvania	ILEC	0003774965
Berkshire Cable Corp.	New York	Cable, IXC	0003763455
Berkshire Telephone Corporation	New York	ILEC	0004491544
Big Sandy Telecom, Inc.	Delaware	ILEC	0003723509
Bluestem Telephone Company	Delaware	ILEC	0003723491
Chautauqua and Erie Telephone Corporation	New York	ILEC	0004331682
Chautauqua and Erie Communications, Inc.	New York	IXC	0003753084
China Telephone Company	Maine	ILEC	0003708245
Chouteau Telephone Company	Oklahoma	ILEC	0003723517
Columbine Telecom Company	Delaware	ILEC	0002147098
Comerco, Inc.	Washington	IXC	0008990459
Community Service Telephone Co.	Maine	ILEC	0004321618
C-R Long Distance, Inc.	Illinois	IXC	0003723483
C-R Telephone Company	Illinois	ILEC	0003723467
El Paso Long Distance Company	Illinois	IXC	0003723533
Ellensburg Telephone Company	Washington	ILEC	0001581297
Elltel Long Distance Corp.	Washington	IXC	0003752227
Enhanced Communications of Northern New England, Inc.	Delaware	IXC, CLEC	0016022634
ExOp of Missouri, Inc.	Missouri	IXC, CLEC	0004969697
FairPoint Business Services, LLC	Delaware	CLEC	0021757604
FairPoint Carrier Services, Inc.	Delaware	IXC	0024896441
FairPoint Communications Missouri, Inc.	Missouri	ILEC	0014710388
FairPoint Vermont, Inc.	Delaware	ILEC	0003723202
Germantown Long Distance Company	Ohio	IXC	0003734720,
GTC, Inc.	Florida	ILEC, IXC	0001824606
Maine Telephone Company	Maine	ILEC	0003708229
Marianna and Scenery Hill Telephone Company	Pennsylvania	ILEC	0004367678
Marianna Tel., Inc.	Pennsylvania	IXC	0004367660
Northern New England Telephone Operations, LLC	Delaware	ILEC, IXC	0016022618
Northland Telephone Company of Maine, Inc.	Maine	ILEC	0003723186
Odin Telephone Exchange, Inc.	Illinois	ILEC	0002819191
Orwell Communications, Inc.	Ohio	IXC	0003750304

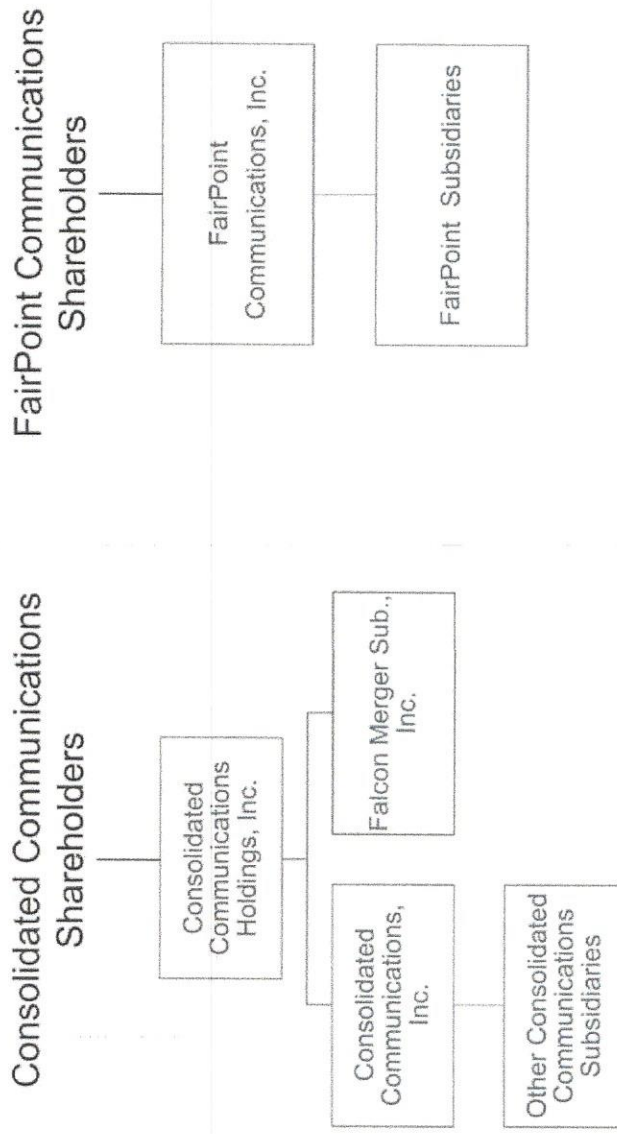
Licensee Name	Jurisdiction of Organization	Provider Type	FRN
Peoples Mutual Long Distance Company	Virginia	IXC	0006781835
Peoples Mutual Telephone Company	Virginia	ILEC	0002071116
Quality One Technologies, Inc.	Ohio	IXC	0010841211 ¹⁴
Sidney Telephone Company	Maine	ILEC	0003723210
ST Long Distance, Inc.	Delaware	IXC	0003723327
St. Joe Communications, Inc.	Florida	IXC	0003738887
Standish Telephone Company	Maine	ILEC	0003708286
Sunflower Telephone Company, Inc.	Kansas	ILEC	0003723236
Taconic TelCom Corp.	New York	IXC	0003753118
Taconic Telephone Corp.	New York	ILEC	0003772753
Telephone Operating Company of Vermont, LLC	Delaware	ILEC, IXC	0017551359
The Columbus Grove Telephone Company	Ohio	ILEC	0004332102
The El Paso Telephone Company	Illinois	ILEC	0003723525
The Germantown Independent Telephone Company	Ohio	ILEC	0003734696
The Orwell Telephone Company	Ohio	ILEC	0002946879
UI Long Distance, Inc.	Maine	IXC	0008230435
YCOM Networks, Inc.	Washington	ILEC	0001581974

¹⁴ Quality One Technologies uses FRN 0003013620 for its Form 499 filings.

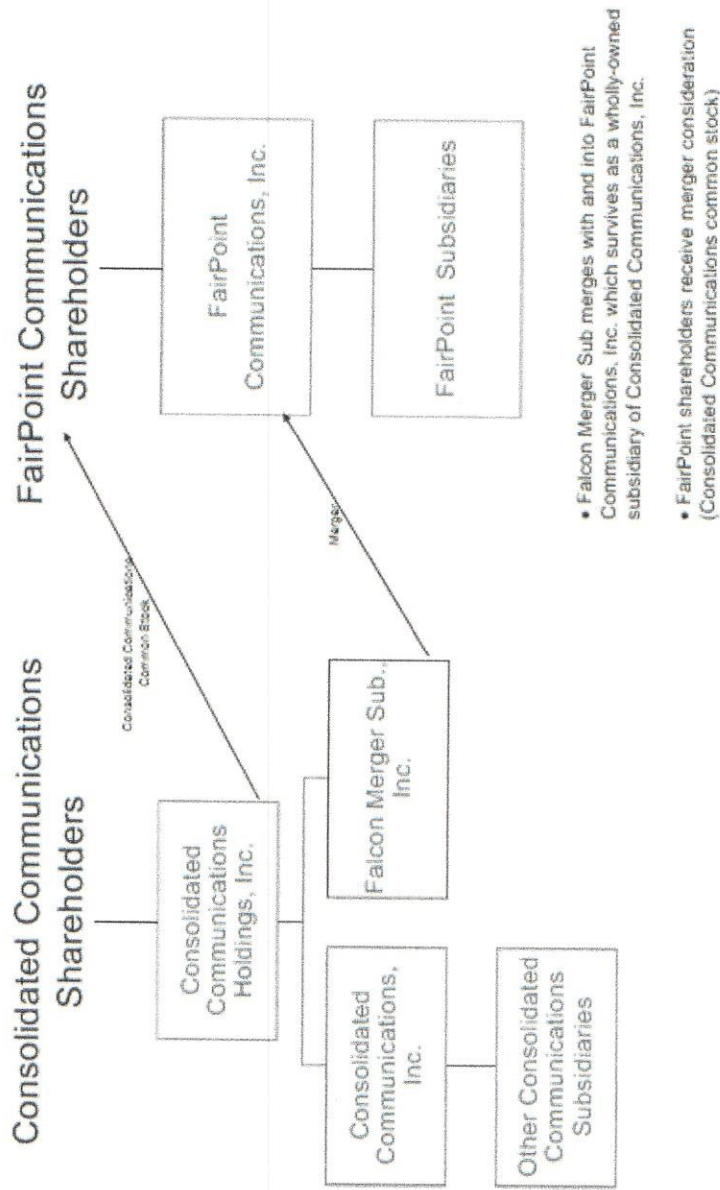
EXHIBIT B

Diagrams of the Pre- and Post-Transaction Corporate Ownership Structures

Legal Entity
Abbreviated Current Structure



Legal Entity **The Proposed Transaction**



Legal Entity
Abbreviated Post-Closing Structure

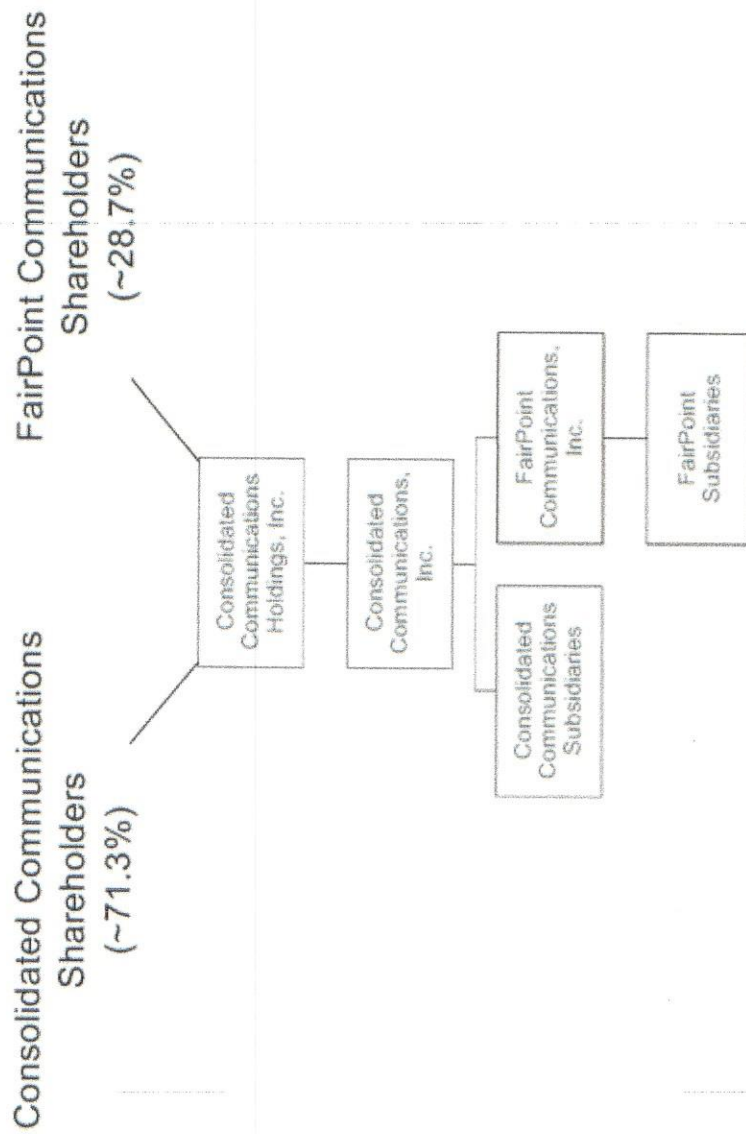


EXHIBIT C - PUBLIC INTEREST STATEMENT

I. The Transaction Satisfies the Commission's Public Interest Test

Under Sections 214(a) and 310(d) of the Act, the Commission must determine whether the proposed transfer of indirect control of Commission licenses and authorizations is consistent with the public interest, convenience, and necessity.¹⁵

The Transaction fully satisfies the public interest standard. The Commission considers four questions in making its public interest assessment: (1) whether the transaction would result in the violation of the Act or any other applicable statutory provision; (2) whether the transaction would result in a violation of Commission rules; (3) whether the transaction would substantially frustrate or impair the Commission's implementation or enforcement of the Act or interfere with the objectives of that and other statutes; and (4) whether the transaction promises to yield affirmative public interest benefits.¹⁶

The Transaction satisfies all four elements of the Commission's test. The Application demonstrates that the Transaction satisfies the first two elements because it does not violate any provision of the Act or any Commission rule. In assessing the remaining elements, the Commission considers whether a proposed transaction "could result in public interest harms by substantially frustrating or impairing the objectives or implementation of the Act or related statutes."¹⁷ If

¹⁵ *Applications Filed by Frontier Communications Corporation and Verizon Communications Inc. for the Partial Assignment or Transfer of Control of Certain Assets in California, Florida, and Texas*, Memorandum Opinion and Order, 30 FCC Rcd 9812, 9815 ¶ 8 ("Frontier/Verizon Order") (Wireline Comp. Bur. 2016); *See Applications Filed for the Transfer of Certain Spectrum Licenses and Section 214 Authorizations in the States of Maine, New Hampshire, and Vermont from Verizon Communications Inc. and its Subsidiaries to FairPoint Communications, Inc.*, Memorandum Opinion and Order, 23 FCC Rcd. 514, 519 ¶ 11 (2007) ("FairPoint/Verizon Order").

¹⁶ *SBC Communications Inc. and BellSouth Corp. for Consent to Transfer of Control or Assignment of Licenses and Authorizations*, Memorandum Opinion and Order, 15 FCC Rcd. 25459, 25464 ¶ 13 (WTB/IB 2000).

¹⁷ *Frontier/Verizon Order*, 30 FCC Rcd. at 9815 ¶ 8 ¶ 8.

the Commission finds in the affirmative, the Commission then “employs a balancing test, weighing any potential public interest harms of the proposed transaction against the potential public interest benefits.”¹⁸

The proposed transaction in this Application does not frustrate or otherwise interfere with the objectives of the Act or other statutes. Instead, it will yield substantial public interest benefits and will not result in any substantive harms. Accordingly, the Commission should promptly approve this Application.

II. The Combination is Likely to Generate Public Interest Benefits

Applicants submit that the Transaction is consistent with the public interest. The Transaction will bring together two enterprises that have demonstrated a long-standing commitment to serving customers in rural markets where deployment and maintenance of advanced telecommunications networks and services is challenging. Applicants expect that the Transaction will enable the companies to meet the local and national needs of consumers, enterprises, wholesale buyers, and other customers. The Licensees will also benefit from Consolidated Holdings’ extensive telecommunications experience and expertise, financial strength and existing and prospective customers of both companies will benefit from the combined product portfolio.

The Applicants believe that the Transaction will result in a stronger combined company and allow the combined company to offer advanced products and services and consumer choice for telecommunications and broadband services in the service areas of the Licensees. The Applicants anticipate that the quality of service provided by the Licensees will improve as a result of enhanced access to capital and the financial strengths of Consolidated Holdings and its operating companies. Long-term benefits to customers will arise from the opportunity that access

¹⁸ *Id.*

to such capital affords the Licensees to maintain, upgrade, replace and expand infrastructure and to provide advanced telecommunications services to customers. The post-Transaction management of the Licensees will also be able to draw upon the application of best practices across the combined companies and the decades of combined experience of the current management teams of each of the Applicants to create an environment focused on operating excellence for employees and customers.

Consolidated Holdings has extensive experience in providing telecommunications and related services and maintaining and investing in facilities in rural and small urban areas. In particular, Consolidated Holdings has had substantial success integrating acquired companies. It did so in 2004 when it acquired its Texas properties from TXU; in 2007 when it integrated the North Pittsburgh Telephone Company; in 2013 when it acquired SureWest; and again in 2014 when it acquired Enventis and its ILECs in Minnesota. With each ILEC acquisition, Consolidated Holdings has made it a priority to upgrade the broadband capability of its network. Currently, the Consolidated Companies provide at least 20 Mbps download speeds to 90 percent of their broadband customers.

Current and future customers of the Licensees will also enjoy the benefit of the Consolidated Companies' record of providing a high quality customer experience. These benefits will extend to installation and service appointment processes; consumer-friendly pricing and packaging choices; and the delivery of further advanced broadband services. Consolidated Holdings is committed to maintaining a local presence in the communities it serves, and will continue to fulfill the Licensees' historic commitment to their communities.

Moreover, the Applicants intend that the Transaction will be seamless to Licensees' customers. The Transaction is only a change of ownership at the holding company level, and will

not affect any of the operations or legal identities of the Licensees. Therefore, customers will not experience any immediate changes in services, or rates, terms and conditions of service. There will be no need to change any billing systems or operational support systems before closing the Transaction. The Transaction also will not involve any changes to ILEC study areas. The Licensees' existing tariffs will not be affected by the Transaction, and will remain in effect (subject to change in the ordinary course of business). Any future changes, if any, in rates, terms and conditions of service will be made in accordance with applicable rules and notice requirements.¹⁹

The Applicants seek, as part of this application, a waiver of Section 61.41(c)(2) of the Commission's rules (the "all-or-nothing" rule)²⁰ so that those Licensees currently rate-of-return regulated under the Commission's rules are not required to convert to price cap regulation as a result of the Transaction. *See infra* Section IV. Grant of the requested waiver and approval of the Transaction as proposed will ensure there will be no service disruption of any kind, and the public benefits of the Transaction will be fully realized.

A. The Combination is Expected to Improve Broadband Coverage and Speed

Consolidated Holdings has recent experience improving broadband service for ILECs it has acquired. And FairPoint Parent has made progress in bringing broadband to more customers, particularly in the New England region after the transition from Verizon control. A significant component of the combined companies' efforts to improve broadband is the Phase-II Model-

¹⁹ The Transaction does not raise any slamming concerns or necessitate compliance with procedures to notify customers prior to a carrier-to-carrier sale or transfer of subscribers as it does not involve a change in any customer's existing service provider. The customers of each Licensee will remain with their carrier and will continue to be served under such Licensee's existing authorizations. Accordingly, there are no changes in customers' preferred carrier, and no further filings or authorizations are required under the FCC's carrier selection rules (47 C.F.R. §64.1120) or under analogous state rules.

²⁰ 47 C.F.R. §61.41(c)(2).

Based support Consolidated Holdings and FairPoint Parent have each accepted. Both companies are on track to meet or exceed the intermediate and long term milestones required as a condition of receiving such support.

1. FairPoint Parent Will Continue to Comply with its Obligations as a Recipient of Connect America Fund (“CAF”) Support

FairPoint Parent receives support from both the Phase I frozen support fund and the Phase II model-based support. The Transaction will not disrupt FairPoint Parent’s commitments as a recipient of such support.

On April 29, 2015, the Wireline Competition Bureau announced the offer of model-based Phase II support for each price cap carrier to fund the deployment of voice and broadband capable networks in their service territories.²¹ FairPoint Parent accepted its award of model-based support for 14 of the 16 states where it is an ILEC and committed to meet the relevant service obligations for such support.²² The 14 states are: Alabama, Florida, Illinois, Massachusetts, Maine, Missouri, New Hampshire, New York, Ohio, Oklahoma, Pennsylvania, Virginia, Vermont and Washington. The Bureau authorized FairPoint Parent to receive this funding on August 19, 2015.²³

²¹ *Wireline Competition Bureau Announces Connect America Phase II Support Amounts Offered to Price Cap Carriers to Expand Rural Broadband*, Public Notice, 30 FCC Rcd. 3905 (Wireline Comp. Bur. 2015). Both Consolidated Holdings and FairPoint Parent have obtained waivers of the Commission’s all-or-nothing rule, 47 C.F.R. § 61.41(c)(2), to continue operating certain ILEC affiliates as rate-of-return carriers.²¹ The Commission treats the Applicants’ rate-of-return carriers as price cap carriers for CAF purposes.

²² Letter from Paul H. Sunu, Chief Executive Officer, FairPoint Communications, Inc., to Marlene H. Dortch, Secretary, FCC, WC Docket No. 10-90 (filed Aug. 18, 2015). FairPoint Parent declined the Phase II offer of model-based support in Colorado and Kansas.

²³ *Wireline Competition Bureau Authorizes Fairpoint To Receive Over \$37 Million In Connect America Phase II Support in 14 States*, Public Notice, 30 FCC Rcd. 8435 (Wireline Comp. Bur. Aug. 19, 2015).

For the two states where FairPoint Parent declined Phase II support, Colorado and Kansas, FairPoint Parent will continue to receive CAF Phase I frozen support until such time as the Commission completes its planned competitive bidding process. As of this filing, the Commission has not yet adopted final rules governing the competitive bidding process.

In the other states where FairPoint Parent is eligible for frozen support, and accepted the award of Phase II Model-based support in amounts lower than the Phase I frozen support, FairPoint Parent receives a percentage of the difference between Phase I frozen support and the annualized amount of its Phase II support. The Transaction will not impact FairPoint Parent's ability to honor its broadband commitments as a recipient of such frozen support.

2. Consolidated Improved Broadband Coverage and Speeds for its Broadband Customers in Acquired Markets.

Since 2007, Consolidated Holdings has made three ILEC acquisitions: North Pittsburgh in 2007; SureWest in 2012 and Enventis in 2014. In each acquisition, Consolidated has been able to make an immediate impact in improving both the availability and quality of the broadband service offered to customers. Consolidated expects to make a similar impact in the FairPoint markets, including Northern New England.

For example, Consolidated has increased the number of homes passed by broadband-capable facilities in its Illinois, Texas, and Pennsylvania study areas from 320,912 in 2012 to 362,173 in 2016; and in its California study area from 355,520 in 2012 to 370,755 in 2016. In the former Enventis operating companies, which were acquired in 2014, the number of homes passed has also increased in each subsequent year. Consolidated also has increased available broadband speeds in these territories since the acquisitions, and has introduced 100 Mbps download capability in portions of every market it serves.

Bringing similar improvement to FairPoint's broadband customers is achievable in no small measure because of the improvement to broadband service and quality that FairPoint has made since emerging from reorganization under Chapter 11 of the U.S. Bankruptcy Code in 2011, especially in the Northern New England states, when compared to the state of the broadband network in that region when FairPoint Parent acquired it from Verizon.

FairPoint currently provides approximately 377,000 residential voice connections, and 310,000 broadband connections (including residential, business and wholesale connections). FairPoint has expanded its broadband coverage as well as increased its available speeds since the emergence from Chapter 11 in 2011. Broadband coverage and speeds in Northern New England have increased since FairPoint Parent acquired the Verizon lines in Maine, New Hampshire and Vermont.

Further, the network improvements that provide for more and faster broadband, will continue Licensees' improvements in service quality in the Northern New England region. Overall, Licensees have significantly improved their ability to manage their total trouble load (voice plus all other services), their voice service quality reporting metrics, and FairPoint Parent anticipates that this trend will continue, although variations in results from quarter to quarter are likely because of seasonal weather factors. This trend is evident in the two states in the region — Maine and Vermont — that require Licensees to report retail service quality metrics.²⁴ In Vermont, FairPoint's Service Quality reporting results have continued to improve since the end of 2015. In Maine, FairPoint is in compliance with all current Service Quality metrics. Applicants expect this trend to continue post-transaction.

²⁴ New Hampshire does not require Licensees to submit service quality reports.

B. Combining Consolidated and FairPoint Operations and Networks Is Expected To Generate Network Efficiencies.

The combined companies also expect to realize cost benefits from the scale efficiencies of providing broadband Internet and telephone services across the combined enterprise, resulting in the ability to more effectively compete for customers on a price basis. The Applicants have estimated approximately \$55 million in merger related efficiencies. While some of these efficiencies are related to corporate overhead, a significant component of the efficiencies are related to network and operations costs.²⁵ Consolidated will leverage existing network locations to unify and connect the combined companies' disparate ILEC and CLEC networks into a single national network, connected together through 10 Gbps links, consolidating functions including ISP uplinks and cybersecurity. Connecting the combined companies' properties in this fashion will enhance the security and survivability of the network, promote the availability of improved broadband speed and speed the process of making video service available to more customers. Together, the combined enterprise will continue to deploy broadband connections not only to their CAF locations but also will increase the broadband speeds for existing customers. Further, consumers will see new services not currently offered in all markets, including video, over the top video, security, and home automation. Business customers will see the introduction of Metro-Ethernet over copper, giving small business customers in rural locations access to higher broadband speeds and new services that are not available without increased broadband capacity.

The Transaction offers an opportunity for greater network efficiencies. In addition to the synergies to be achieved through reduced overhead, the parties expect at least \$8 million annually in network access synergies.

²⁵ *FairPoint/Verizon Order*, 23 FCC Rcd. at 530 ¶ 27 ("Commission "will more likely find marginal cost reductions to be cognizable than reductions in fixed cost ... [because] ... in general, reductions in marginal cost are more likely to result in lower prices for consumers.").

Some of the network synergies will come from eliminating redundant circuits and expenses wherever possible with respect to the Applicants' long-haul networks. For example, where both parties today purchase long-haul transport for a route over which neither has fiber facilities, they can identify the amount of capacity the combined company needs for that route and attempt to purchase a higher capacity connection at a lower price per Mbps. Similarly, where the Consolidated Companies and Licensees each maintain separate arrangements at the same third party collocation facility to house and maintain fiber connections and network equipment for long-haul, the combined company will be able to reduce costs by combining connections and equipment into a single collocation arrangement, thereby reducing space needs and reducing the costs of rent and power.

These efficiencies have multiple benefits. Some directly reduce the incremental cost of providing service, offering the opportunity for Consolidated Companies to compete with larger providers with the advantages of incumbency, scale, or both. In addition, the network efficiencies—and other synergies the parties identified totaling \$55 million annually—will better position the combined company to invest where that investment is otherwise economic. Further, Consolidated Holdings met or exceeded its projected synergies in past transactions such as with North Pittsburgh in 2007 and SureWest in 2012.²⁶

Consumers will benefit from the greater reach of the combined company's fiber network. By combining the two companies' networks, the combined company is better able to offer service to multi-location businesses in both the Consolidated Companies' and Licensees' mar-

²⁶ See Consolidated Communications, Investor Presentation, Acquisition of FairPoint Communications, Dec. 5, 2016 at 13 available at http://ir.consolidated.com/common/download/download.cfm?companyid=ABEA-3FQ4FR&fileid=919815&filekey=24187901-7A3B-4381-B937-8E97BF4C65B0&filename=12.05.2016_CNSL_Investor_Presentation.pdf.

kets over company owned metro and inter-city networks (and, where possible, last-mile facilities). The Transaction thus allows the Applicants to offer more customers the benefits that come from on-net services.

III. The Proposed Transaction Benefits the Public Interest Without Posing Harm

A. The Transaction Will Not Reduce Competition or Harm Customers in any Market

The Transaction will generate these public interest benefits without causing any countervailing harms. There will be no diminution of competition in any market. FairPoint and Consolidated do not compete with each other anywhere. While each company has authorization to provide telecommunications services in six overlapping states — Alabama, Illinois, Kansas, Missouri, Ohio and Pennsylvania — their territories do not overlap and their ILEC study areas in the states where they each have ILEC operations (Illinois, Pennsylvania) are not adjacent. The Applicants have the following states in common:

- Alabama - FairPoint Parent operates an ILEC in Alabama, GTC, Inc. and an IXC, St. Joe Communications, Inc. Consolidated Enterprise is authorized to resell long-distance service in this state but has no customers.
- Illinois - FairPoint Parent operates the following ILECs: C-R Telephone Company, El Paso Telephone Company, Odin Telephone Exchange, Inc., and the following IXCs: C-R Long Distance, Inc., El Paso Long Distance Company, and ST Long Distance, Inc. Consolidated-IL is an ILEC in Illinois and Consolidated Enterprise is authorized as a CLEC. Consolidated Enterprise has no CLEC customers in FairPoint ILEC territory or in exchanges adjacent to such territory. A detailed map of the Applicants' respective service areas in Illinois can be found at Attachment 1.

- Kansas – FairPoint Parent operates the following ILECs: Bluestem Telephone Company, FairPoint Communications Missouri, Inc., Sunflower Telephone Company and an IXC: ST Long Distance, Inc. Consolidated Enterprises operates as a CLEC and IXC in the Southwestern Bell/AT&T operating territory in the state and has no CLEC customers in FairPoint ILEC territory or in exchanges adjacent to such territory. A detailed map of the Applicants' respective service areas in Kansas can be found at Attachment 2.
- Missouri - FairPoint Parent operates the following ILECs: FairPoint Communications Missouri, Inc.; a CLEC, ExOp of Missouri, Inc. (Ex-Op-MO), and an IXC: ST Long Distance, Inc. Consolidated Enterprises operates as a CLEC in Missouri. Consolidated Enterprise has no CLEC customers in FairPoint ILEC territory or exchanges adjacent to such territory. Ex-Op-MO and Consolidated Enterprise do not have any overlapping markets in Missouri. Ex-Op-MO serves 1300 access lines and 100 broadband lines in Missouri. A detailed map of the Applicants' respective service areas in Missouri can be found at Attachment 3.
- Ohio - FairPoint Parent operates the following ILECs: the Columbus Grove Telephone Company, the Germantown Independent Telephone Company, the Orwell Telephone Company, and IXCs Germantown Long Distance Company, Orwell Communications, Inc. and Quality One Technologies, Inc. Consolidated Enterprise is authorized to provide competitive telecommunications services (interexchange) in Ohio but does not currently operate in Ohio.
- Pennsylvania - FairPoint Parent operates ILECs Bentleyville Communications Corporation and Marianna & Scenery Hill Telephone Company; IXCs BE Mobile

Communications, Inc., Marianna Tel. Inc., and FairPoint Business Services, LLC. Consolidated operates an ILEC — Consolidated-PA — whose territory is not adjacent to the territories of the FairPoint ILECs. In addition, Consolidated Enterprise has CLEC customers, but its authorizations in Pennsylvania are limited to Verizon territory, both Verizon-PA and Verizon-North, and CenturyLink territories and Consolidated Enterprise currently does not provide service in exchanges adjacent to the exchanges of the FairPoint ILECs. FairPoint Business has statewide authority as a competitive access provider in Pennsylvania, but its operations are limited to areas south of Pittsburgh. A detailed map of the Applicants' respective service areas in Pennsylvania can be found at Attachment 4.

Because the Applicants do not compete for customers, particularly local exchange customers, the Transaction is “not likely to adversely affect competition” and there are thus no “potential public interest harms related to market concentration.”²⁷

B. The Transaction will be Seamless for Licensees' Wholesale Customers

The Transaction will have no effect on Licensees' customers, including their wholesale customers. Although Consolidated Holdings is acquiring control of FairPoint Parent, all of Licensees' obligations under their interconnection agreements, tariffs and other arrangements, in addition to their statutory obligations under sections 251 and 252 of the Act will remain unaffected by the Transaction. Further, Licensees will retain their obligations under sections 271-276 of the Act that have not yet sunset, and any surviving *Computer Inquiry* requirements in those

²⁷ *FairPoint/Verizon Order*, 23 FCC Rcd at 522 ¶ 16.

markets where the Commission determined a Licensee was a Bell Operating Company because it was a successor or assign of Verizon in parts of Maine, New Hampshire and Vermont.²⁸

Consolidated Holdings is also committed to continuing a collaborative relationship with the state commissions where Licensees operates, particularly those in the New England region and continuing to honor Licensees' commitments in those states. Working with regulators in those states, Licensees have already made progress to update service quality standards and foster improvements in service quality. The Transaction will not diminish those efforts and Consolidated Holdings expects to continue the collaborative process with regulators to maintain Licensees' commitment to quality service.

Further, the transaction has no similarities to the 2007 acquisition from Verizon. FairPoint's back-office systems for OSS and billing are well-established. There will be no immediate change in those systems following the transaction. Consolidated expects that after closing the combined companies' management will begin evaluating all systems, including Consolidated's legacy systems, to determine which ones best suit the needs of the larger company, and initiate a transition to unify systems company-wide. Consolidated expects this process to take between 12-24 months. By way of example, Consolidated is still managing the transition from Enventis' systems to Consolidated's systems and has managed that transition with minimal disruption.

IV. Concurrent With Approval of the Proposed Transfer of Control, the Commission Should Grant A Waiver Of the All-or-Nothing Rule to Permit Seamless Operation of the Rate-of-Return ILECs

Both Consolidated Holdings and FairPoint Parent have obtained waivers of the Commission's all-or-nothing rule to continue operating certain ILEC affiliates as rate-of-return carriers.²⁹

²⁸ *Id.* at 535-36 ¶¶ 35-36.

²⁹ *See Consolidated Communications Holdings, Inc. Petition for Waiver of Section 61.41(c) of the Commission's Rules*, Order, WC Docket No. 15-74, 30 FCC Rcd 10844 (Wireline

The Applicants respectfully request that, when the Commission approves the proposed Transaction, it waive the requirement of Section 61.41(c)(2) that a telephone company or group of telephone companies that become affiliated with a price cap carrier by merger, acquisition or similar transaction “shall become subject to price cap regulation no later than one year following the effective date” of the transaction.³⁰ The Parties seek this waiver in order to maintain the *status quo*, with the affiliated rate-of-return companies remaining under rate-of-return tariffs and price regulation, and treated as price cap companies for CAF purposes.

The Commission may waive any of its rules for good cause where, due to special circumstances, deviation from a rule would better serve the public interest and the Commission’s purposes than strict enforcement of the rule.³¹ In considering the merits of a waiver, the considerations of hardship, equity, or more effective implementation of overall policy on an individual basis must be taken into account.³² In the present case, the Commission has established complex new rules governing inter-carrier compensation and end-user pricing, with multi-year transitions requiring a number of pricing changes, and the Parties (like other price cap and rate-of-return carriers) are in the midst of that transition. Further, the Commission has an open proceeding in

Comp. Bur. 2014) (“*Consolidated Holdings Waiver Order*”); *China Telephone Company, FairPoint Vermont, Inc., Maine Telephone Company, Northland Telephone Company of Maine, Inc., Sidney Telephone Company, and Standish Telephone Company Petition for Conversion to Price Cap Regulation and for Limited Waiver Relief*, WC Docket No. 10-47, 25 FCC Rcd 4824 (Wireline Comp Bur. 2010) (“*FairPoint Parent Waiver Order*”).

³⁰ 47 C.F.R. § 61.41(c)(2).

³¹ 47 C.F.R. §1.3. *See Northeast Cellular Telephone Co. v. FCC*, 897 F.2d 1164, 1166 (D.C. Cir. 1990); *WAIT Radio v. FCC*, 418 F.2d 1153 (D.C. Cir. 1969).

³² *WAIT Radio*, 418 F.2d at 1159; *Northeast Cellular*, 897 F.2d at 1166.

which it is considering modifying or eliminating the all or nothing rule.³³ Requiring the Parties to convert their rate-of-return operating companies to price cap within the next year would be disruptive and costly, with no clear public interest benefit. Conversely, the grant of this waiver, which will simply allow the Licensees to be acquired without changing any of their day-to-day operations, pricing, or other terms of service, will better serve the public interest than strict enforcement of the rule. The Parties respectfully request the grant of this waiver simultaneous with FCC action on this application.

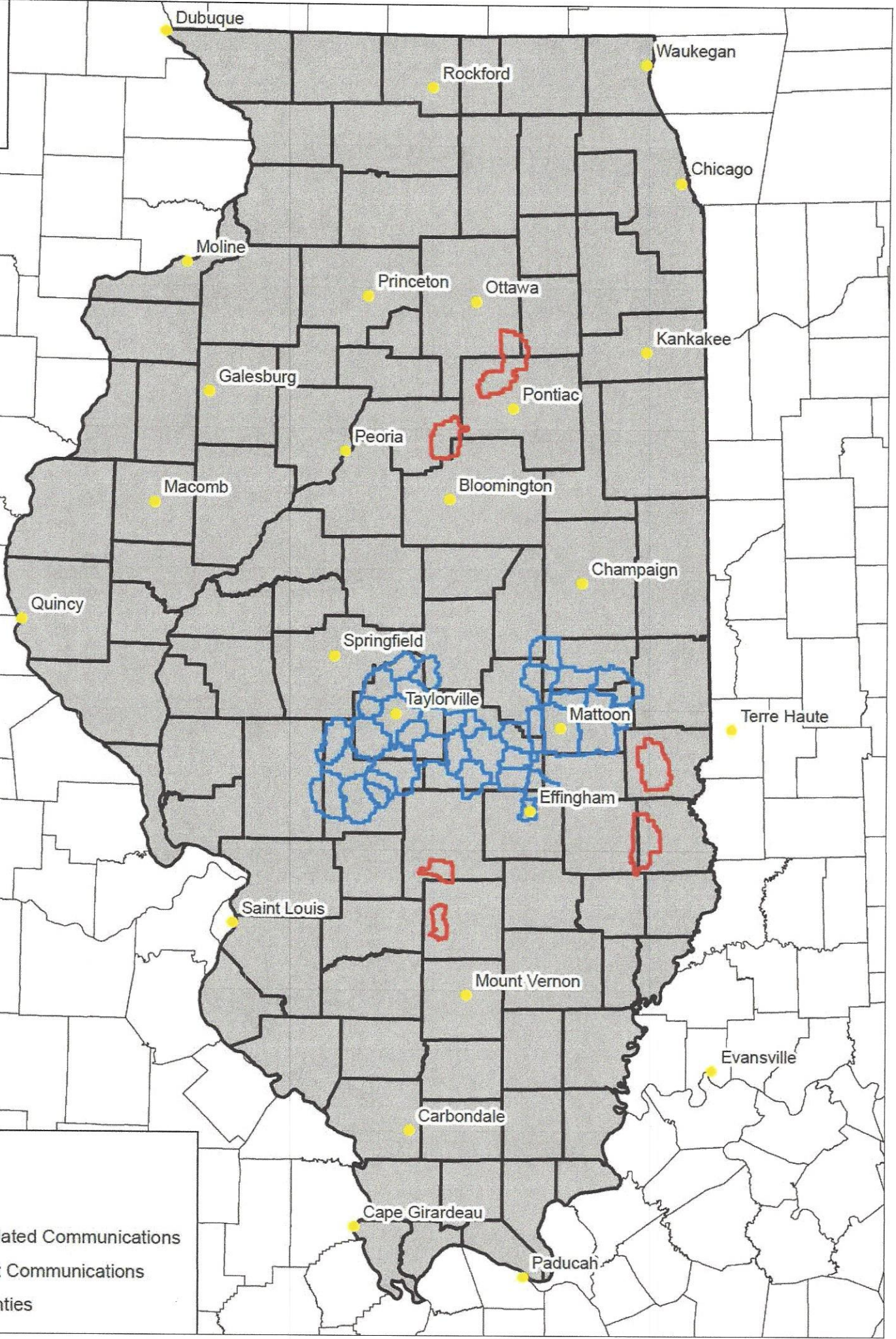
V. Conclusion

The Commission should conclude that no public interest harms are likely to result from the Transaction; that public interest benefits are likely to occur; and that Applicants have met their burden under sections 214 and 310(d) of the Act.

³³ *Connect America Fund et al.*, CC Docket No. 01-92, Report and Order, Seventh Order on Reconsideration and Further Notice of Proposed Rulemaking, 29 FCC Rcd 7051, 7145, ¶ 298 (2014).

ATTACHMENT 1

Consolidated and FairPoint Operating Territories in Illinois

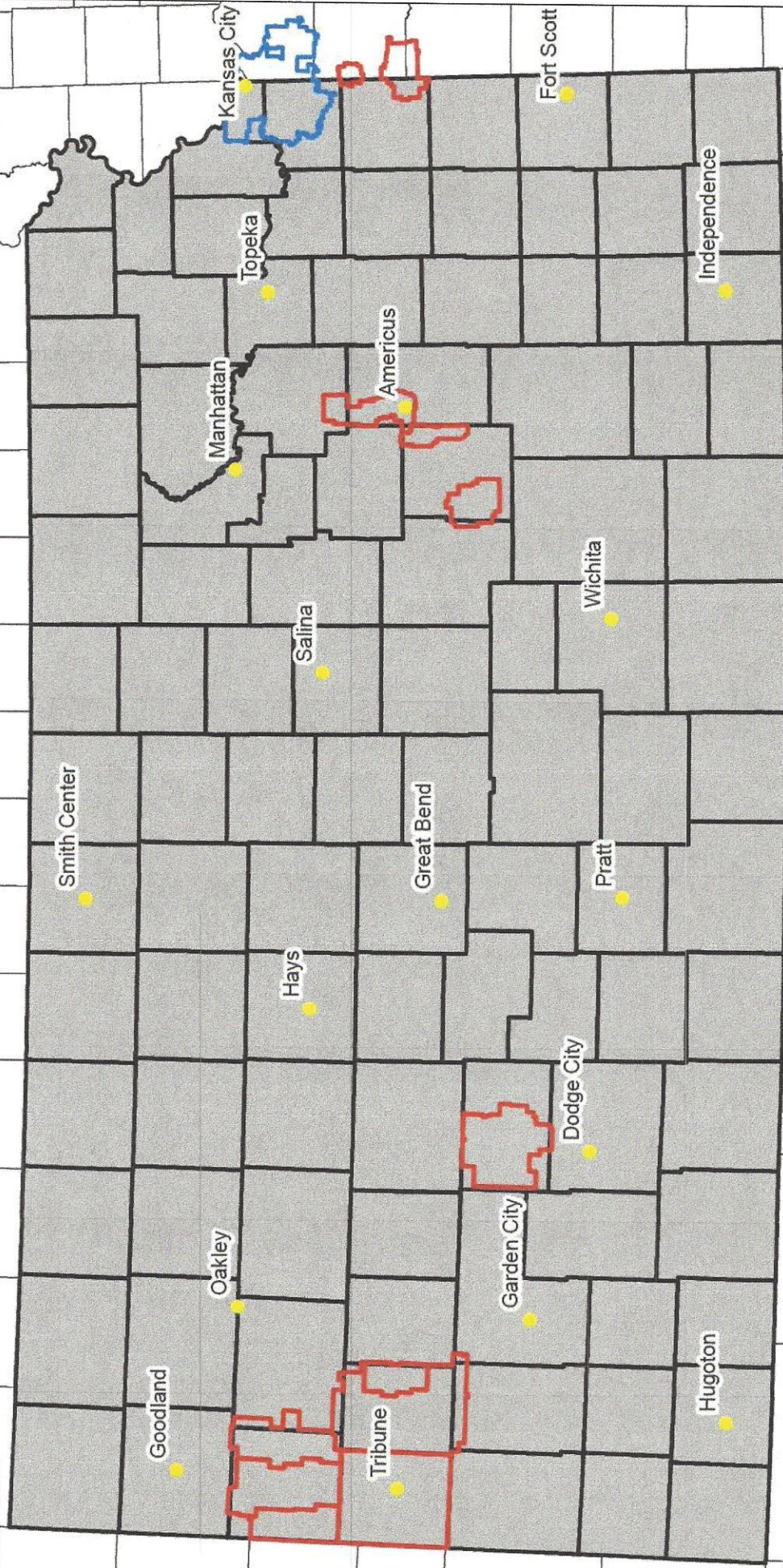


Legend

- City
- Consolidated Communications
- Fairpoint Communications
- US Counties

ATTACHMENT 2

Consolidated and FairPoint Operating Territories in Kansas

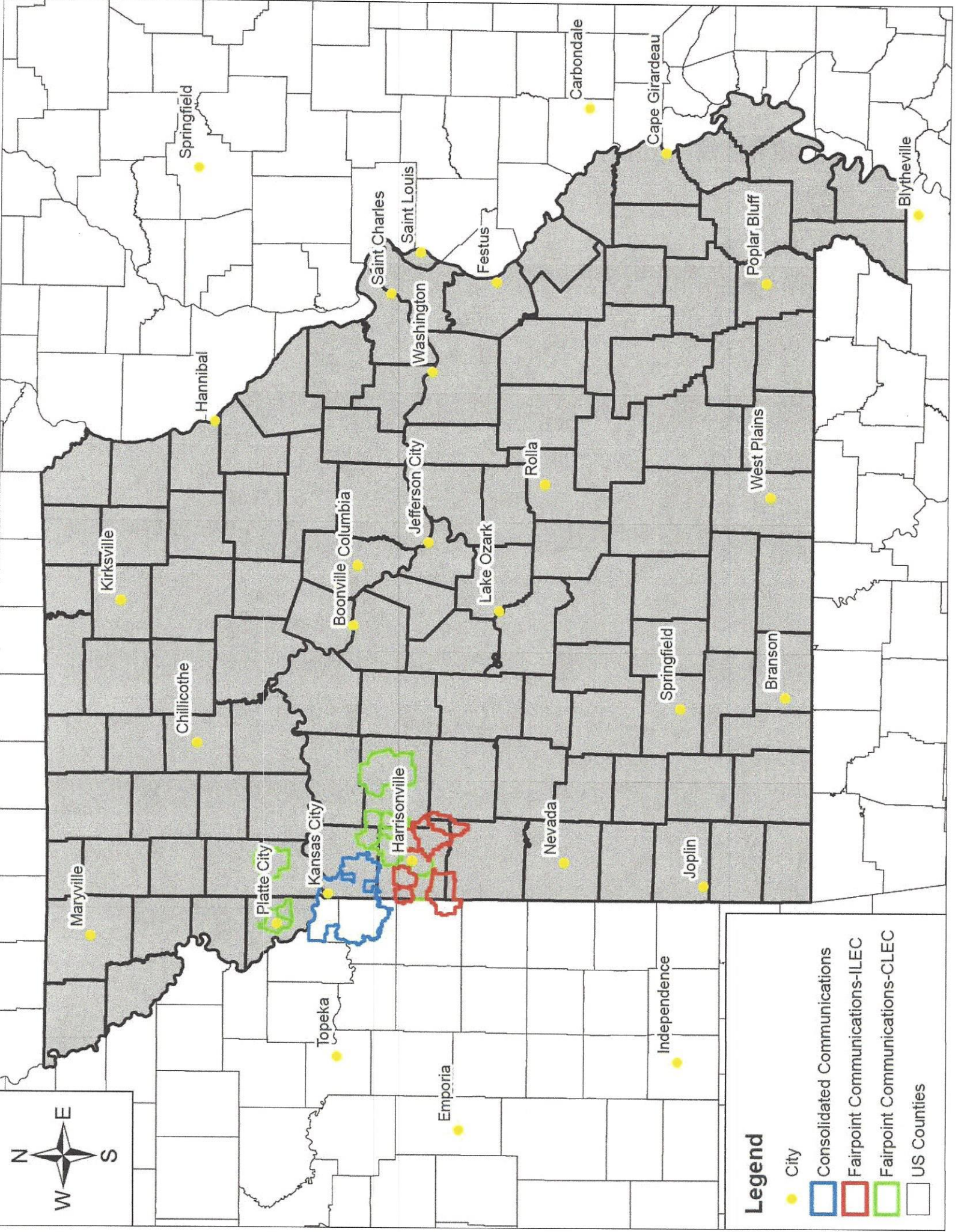
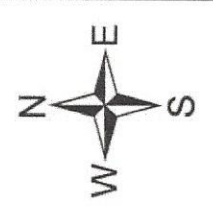


Legend

- City
- Consolidated Communications
- Fairpoint Communications
- US Counties

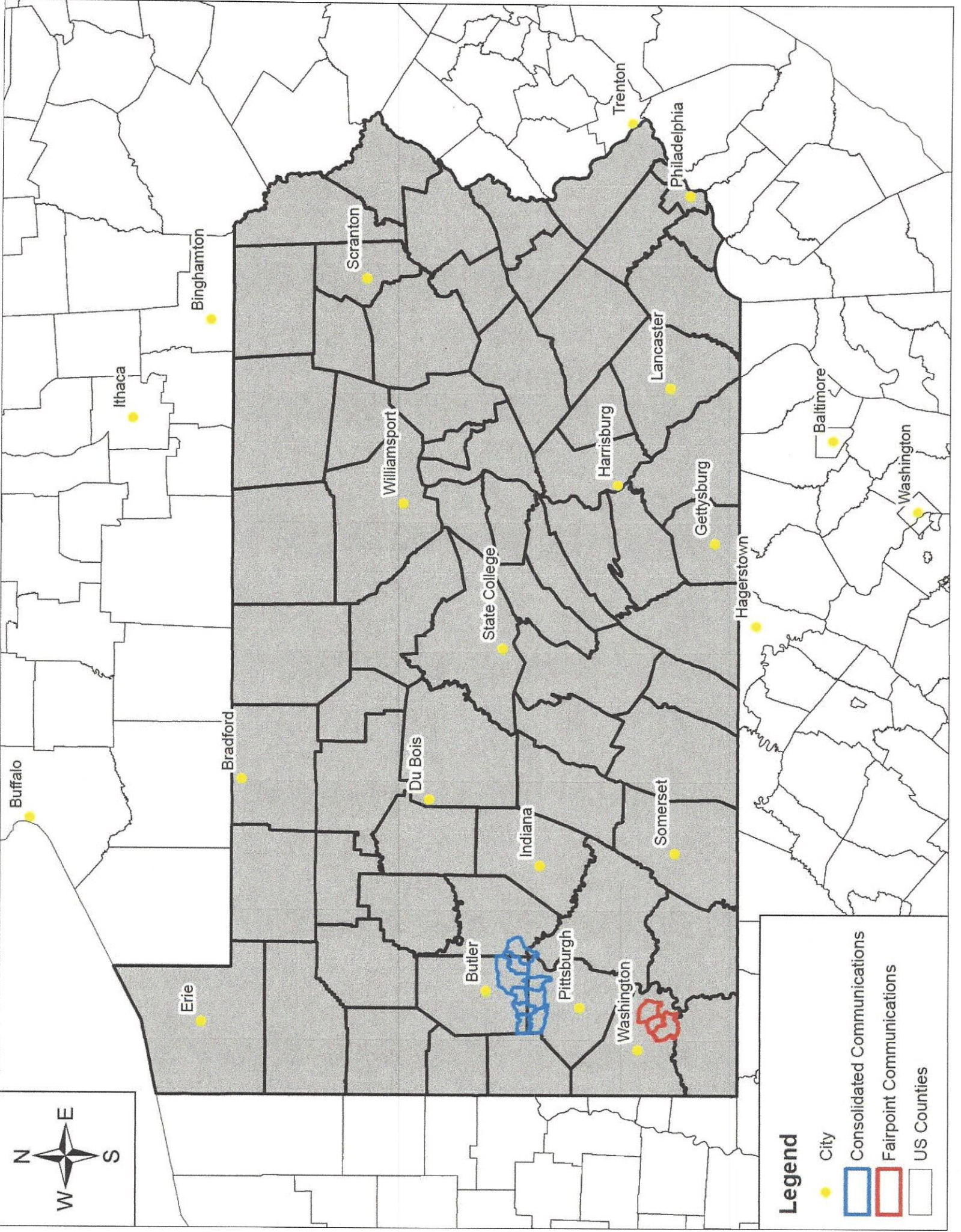
ATTACHMENT 3

Consolidated and FairPoint Operating Territories in Missouri



ATTACHMENT 4

Consolidated and FairPoint Operating Territories in Pennsylvania



Legend

- City
- Consolidated Communications
- Fairpoint Communications
- US Counties

VERIFICATION

I, Michael J Shultz, am Vice President, Regulatory & Public Policy of Consolidated Communications Holdings, Inc. ("CCHI"); that I am authorized to make this Verification on behalf of CCHI and its subsidiaries (collectively, the "Company"); that the foregoing filing was prepared under my direction and supervision; and that the contents with respect to the Company are true and correct to the best of my knowledge, information, and belief.

I declare under penalty of perjury that the foregoing is true and correct. Executed this 20 day of December, 2016.

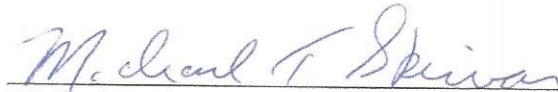


Michael J. Shultz
Vice President, Regulatory & Public Policy
Consolidated Communications Holdings, Inc.

VERIFICATION

I, Michael T. Skrivan, am Vice President Regulatory of FairPoint Communications, Inc. ("FairPoint Parent") verify; that I am authorized to make this Verification on behalf of FairPoint Parent and its subsidiaries, including the Licensees in the forgoing Application (collectively, the "Company"); that the foregoing filing was prepared under my direction and supervision; and that the contents with respect to the Company are true and correct to the best of my knowledge, information, and belief.

I declare under penalty of perjury that the foregoing is true and correct. Executed this 20 day of December, 2016.

A handwritten signature in blue ink, reading "Michael T. Skrivan", is written over a horizontal line.

Michael T. Skrivan
Vice President Regulatory
FairPoint Communications, Inc.

ATTACHMENT B

I

Consolidated Communications Holdings, Inc.

Worksheet

Industry Control Premium Data
July 2016

INDUSTRY: TELECOMMUNICATION SERVICES

Number	Acquirer	Target	Transaction Close Date	Equity Control Premiums				Enterprise Value Control Premiums			
				1 Day	1 Week	1 Month		1 Day	1 Week	1 Month	
1	BC Partners: Canada Pension Plan Investment Board; Altice N.V.	Cablevision Systems Corporation	6/12/2016	22.3%	27.9%	37.1%		10.6%	13.0%	16.6%	
2	Liberty Global plc	Cable & Wireless Communications Plc	5/11/2016	6.3%	7.4%	36.4%		4.0%	4.7%	16.0%	
3	Shinecoast Telecommunications Co.	NTELUS Holdings Corp.	5/6/2016	25.3%	38.9%	94.7%		7.7%	11.2%	20.7%	
4	Vocus Group Pty Limited	M2 Group Ltd	2/28/2016	25.3%	23.1%	14.3%		19.2%	17.6%	11.1%	
5	MBS Holdings, Inc.	Ateva, Inc.	12/21/2015	31.3%	30.2%	28.4%		46.4%	44.6%	41.7%	
6	S.A.S. Kallstream	Acropolis Telecom Société Anonyme	11/10/2015	96.7%	96.7%	96.7%		110.5%	110.5%	110.5%	
7	Vocus Communications Limited	Arcum Telecommunications Limited	7/8/2015	50.3%	42.3%	43.0%		48.8%	41.1%	41.8%	
8	Orange	azrael, plc (Ina:Orange Spain, Limited)	6/24/2015	7.9%	24.5%	36.0%		6.9%	21.1%	31.1%	
9	Liberty Global plc	Indias online S.A.	11/21/2014	32.2%	30.0%	14.3%		10.6%	10.0%	5.2%	
10	Liberty Global plc	Ziggo Holding B.V. (Ina:Ziggo Group Holding B.V.)	11/4/2014	3.8%	3.0%	4.4%		2.6%	2.1%	3.0%	
11	Level 3 Communications, Inc.	TW Telecom Inc.	10/31/2014	12.4%	22.2%	26.5%		9.5%	16.7%	19.7%	
12	Consolidated Communications Holdings Inc.	Eventis Corporation	10/8/2014	17.4%	20.4%	20.8%		10.0%	11.7%	11.8%	
13	Tower Three Partners LLC; Tower Three Partners Fund II	NIS, Inc	6/6/2014	26.6%	25.0%	25.0%		13.2%	12.5%	12.5%	
14	Liberty Global Inc. (Ina:Liberty Global plc)	Virgin Media, Inc.	6/7/2013	23.7%	21.6%	28.1%		13.6%	12.4%	15.8%	
15	SoftBank Corp. (Ina:SoftBank Group Corp.)	eAccess Ltd. (Ina:Xmobile Corporation)	1/1/2013	205.8%	263.7%	282.1%		65.1%	61.4%	67.4%	
16	Sigson, LLC	Knology, Inc.	7/17/2012	9.4%	11.5%	7.3%		4.9%	5.9%	3.8%	
17	Consolidated Communications Holdings Inc.	SureWest Communications	7/1/2012	47.5%	58.2%	87.3%		25.0%	29.6%	40.7%	

Low	3.8%	8.0%	4.4%	2.6%	2.1%	3.0%
Lower Quartile	12.4%	21.0%	20.8%	7.7%	11.2%	11.8%
Mean	41.2%	44.0%	51.9%	24.0%	27.9%	27.9%
Median	26.3%	35.0%	28.4%	11.0%	11.0%	15.7%
Upper Quartile	72.2%	78.9%	43.0%	23.0%	29.6%	40.7%
High	203.8%	263.7%	282.1%	210.5%	210.5%	210.5%

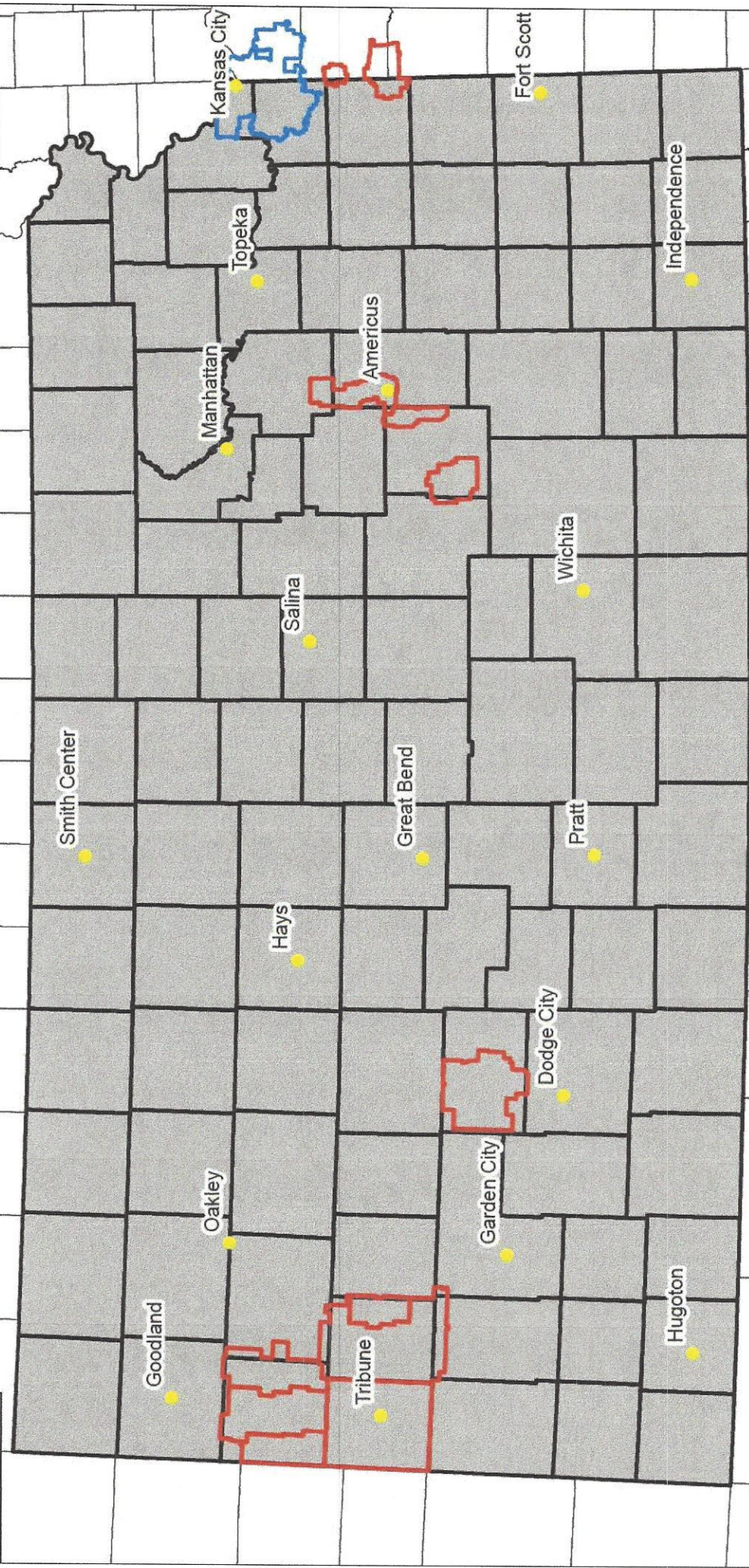
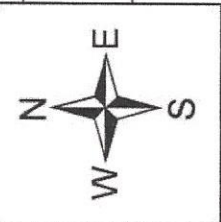
Footnotes:

[1-1] S&P Capital IQ

[1-2] Enterprise Value = MVL + Preferred Equity + Total Debt + Minority Interest - Cash & Equivalents.

Control Premium based on Equity 1 Month using ~35%

ATTACHMENT C



Legend

- City
- Consolidated Communications
- Fairpoint Communications
- US Counties