

**THE STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

Bretton Woods Telephone Company, Inc.

DT 19-_____

**Petition for Approval of Transfer of
Franchise, Works, and Systems to Affiliate**

Pursuant to RSA 374:30, II, Bretton Woods Telephone Company, Inc. (“BWTC” or the “Company”), respectfully requests the New Hampshire Public Utilities Commission (the “Commission”) to issue all necessary authorizations required to effectuate a proposed transfer of BWTC’s franchise, works, and affiliate to a newly formed affiliate, NH Granite Communications, Inc. (“NHGC”). The Prefiled Direct Testimony of Robert E. Dolan, attached hereto as **Exhibit BWTC-1**, supports this Petition. In further support of this Petition, BWTC states as follows.

A. Summary

1. The proposed transaction involves an indirect change in control of BWTC by means of an exchange of stock between two affiliated holding companies. Besides sharing a substantial degree of common ownership, the three directors of the acquiring holding company also serve as directors on the seven-member board of the conveying holding company. The new owner, like BWTC’s present owner, is a holding company primarily engaged in the ownership of rural telecommunications companies. The acquiring company has had lengthy experience in the rural communications industry. It held a controlling interest in Inter-Community Telephone Company, LLC (“ICTC”), a 2,000-line incumbent local exchange carrier (“ILEC”) located in southeastern North Dakota, from 2010 until its sale to a neighboring telephone cooperative in October 2018. Thus, the acquirer has the same technical, managerial and financial capabilities as

BWTC's present owner to maintain BWTC's obligations as an incumbent local exchange carrier in New Hampshire. The transaction will not produce any changes in the operations, facilities, management, personnel, or services of BWTC. It will be completely seamless to all of BWTC's customers and suppliers.

B. Standard of Review

2. The proposed transaction is governed by RSA 374:30, II, which provides as follows:

An incumbent local exchange carrier that is an excepted local exchange carrier may transfer or lease its franchise, works, or system, or any part of such franchise, works, or system, exercised or located in this state, or contract for the operation of its works and system located in this state, when the commission finds the utility to which the transfer is to be made is technically, managerially, and financially capable of maintaining the obligations of an incumbent local exchange carrier set forth in RSA 362:8 and RSA 374:22-p.

3. Under this statute, the Commission must review the proposed transaction "to determine whether [the acquiring company] is technically, managerially, and financially capable of maintaining the obligations of an ILEC," which

include the provision of basic telephone service throughout the ILEC's franchise territory at rates that are generally capped for a defined period of time, as well as obligations that arise pursuant to the Commission's authority under federal Communications Act of 1934, as amended, . . . and obligations related to the provision of services to competitive local exchange carriers, interexchange carriers, and wireless carriers, regardless of technology.

Joint Petition for Findings in Furtherance of the Acquisition of FairPoint Communications, Inc. and its New Hampshire Operating Subsidiaries by Consolidated Communications Holdings, Inc., DT 16-872, Order Approving Settlement Agreement and Making Findings Under RSA 374:30, II (Order No. 26,022, May 31, 2017), at 32.

4. The Commission has also held that its “inquiry under RSA 374:30, II is not limited to the acquiring company’s capability as of the closing date but must extend to consider a relevant near-term transition period,” so as to ensure operational continuity and stability. *Id.*, at 32-33.

5. The Commission has recently determined that RSA 374:30, II, applies to internal reorganizations that involve the acquisition of an ILEC-ELEC by a company under common ownership with the ILEC-ELEC. *Petition of Northland Telephone Company of Maine, Inc., for Approval of Transfer of Franchise Works and Systems to Affiliate*, DT 18-169, Order *Nisi Approving Transfer* (Order No. 26,202, Dec. 18, 2018), at 4.

5. In a transaction between holding companies that involves no change in entity, operations, facilities, management, personnel or services for the subject ILEC-ELEC, the Commission has not required the acquiring holding company to be separately authorized to conduct operations or to provide service in the State of New Hampshire. DT 16-872, Order No. 26,022, *supra*, at 37.

C. Background of BWTC and NHFC

6. BWTC is an incumbent local exchange carrier (“ILEC”) with its principal business office located at 171 Mount Washington Hotel Road, Bretton Woods, NH 03575. BWTC has offered local and intrastate telephone services in New Hampshire since 1947. Since 2012, BWTC has elected to be regulated as an excepted local exchange carrier (“ELEC”) under RSA 362:7, I(c)(2).

7. BWTC provides basic local exchange service and certain wholesale telecommunications services to customers in a single telephone exchange (603-278) in Bretton Woods, New Hampshire. As of December 31, 2018, BWTC served a total of 554 retail voice lines and provided telecommunications services to 2 wholesale customers in Bretton Woods.

8. BWTC is a “rural telephone company,” as that term is defined in the Communications Act of 1934, as amended (47 U.S.C. § 153(44)). Accordingly, BWTC is presently exempt from certain interconnection obligations under 47 U.S.C. § 251(f)(1)(A). Since 1996, BWTC has been designated by the Commission as an eligible telecommunications carrier (“ETC”) under 47 U.S.C. § 214(e)(2).

9. Since 1992, BWTC has been part of the LICT Corporation (“LICT”, formerly known as Lynch Interactive Corporation) family of businesses, headquartered in Rye, New York. BWTC is a wholly owned subsidiary of Lynch Telephone Corporation IV (“Lynch IV”), a Delaware corporation that acts as a holding company for BWTC and its sibling company, World Surfer, Inc.¹ Lynch IV is a wholly owned subsidiary of Lynch Telephone North L.L.C. (“Lynch North”), a Delaware limited liability company, which in turn is a wholly owned subsidiary of Brighton Communications Corporation (“Brighton”), a Delaware corporation. Brighton is a wholly owned subsidiary of LICT, which is a Delaware corporation. LICT is a holding company with operating subsidiaries engaged primarily in the rural telephone industry. An organizational chart showing LICT’s subsidiaries is attached here as **Exhibit BWTC-2**.

10. NHGC is a newly formed corporation that will act as the holding company for 100% of BWTC’s common stock following completion of the proposed transaction. NHGC is a wholly owned subsidiary of CIBL, Inc., a Delaware corporation which was spun off from LICT in November 2007 and has its principal offices in Reno, Nevada. Like LICT, CIBL is a holding company which, as noted above, has long had an interest in telecommunications operations in the rural telephone industry.

¹ World Surfer, Inc. (“World Surfer”) is a New Hampshire corporation that provides broadband Internet access service and other IP-enabled services to the Omni Mount Washington Resort in Bretton Woods. World Surfer is exempt from Commission regulation under RSA 362:7, II, and is referenced in this Petition solely to present the terms of the proposed transaction completely and accurately.

D. The proposed transaction

11. CIBL proposes to acquire all of the common stock of BWTC and World Surfer from LICT in exchange for 1,000 shares of CIBL's common stock. LICT would contribute BWTC's and World Surfer's stock to CIBL's new subsidiary, NHGC, which would thereby become the 100% owner of BWTC and World Surfer. In exchange, LICT's receipt of 1,000 shares of CIBL's common stock would make it approximately a 6% shareholder of CIBL.

13. An organizational chart showing the resulting corporate configuration upon the completion of the proposed transaction is attached here as **Exhibit BWTC-3**.

14. The proposed transaction will not produce any change in BWTC's operations or systems or in the rates, terms and conditions of any BWTC service. BWTC will continue to operate under its own name and will continue to provide the same services in the same manner as it now does. The proposed transaction will also not involve any changes in personnel, including in the present managers and operations staff of BWTC, nor in its facilities. The proposed transaction, when authorized and consummated, will be entirely seamless and invisible to BWTC's customers and suppliers.

15. BWTC is by far the smallest of the LICT telephone companies and is the most geographically separated from the other LICT companies. A major purpose of the proposed transaction is to provide BWTC with the benefit of the exclusive focus of CIBL, a skilled rural telecommunications holding company. BWTC will be CIBL's only ILEC and will receive all of CIBL's attention and assistance. The transaction will change only the ultimate ownership of BWTC to an affiliate of its current ultimate owner, and will leave entirely unchanged its continued existence as a New Hampshire operating entity and its operations as a service provider in New Hampshire.

16. NHGC, as the proposed acquirer of BWTC, shares common ownership and most directors and officers with Lynch IV and with the other upstream entities that presently control

BWTC. In addition, the present managers and staff of BWTC will remain unchanged and in place upon the completion of the proposed transaction and for the foreseeable future.

17. The present owners, managers and staff at BWTC have operated and managed BWTC as part of LICT since 1992. The same owners, managers and staff will continue to operate and manage BWTC following completion of the transfer of ownership to NHGC and CIBL. Accordingly, NHGC is technically, managerially, and financially capable of maintaining BWTC's obligations as an ILEC, with particular regard to its basic service obligations, its provision of wholesale services, and its obligations under the Communications Act of 1934, as amended (the "Act").

For the foregoing reasons, and based further on the reasons set forth in the accompanying Prefiled Direct Testimony of Robert E. Dolan, BWTC respectfully requests that the Commission:

- A. Make the requisite findings and issue an order authorizing the transfer of BWTC's franchise, works and systems exercised and located in New Hampshire to NHGC pursuant to RSA 374:30, II; and
- B. Grant such other relief as may be just, necessary and appropriate in the due administration of justice.

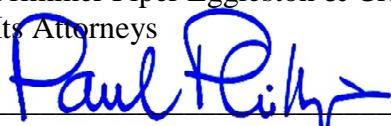
Respectfully submitted,

BRETTON WOODS TELEPHONE COMPANY, INC.

Dated: August 27, 2019

By: Primmer Piper Eggleston & Cramer PC,
Its Attorneys

By:


Paul J. Phillips, Esq. (N.H. Lic. #20788)
Primmer Piper Eggleston & Cramer PC
900 Elm Street, 19th Floor
P.O. Box 3600
Manchester, NH 03105-3600
Tel: (603) 626-3300
Fax: (603) 626-0997
pphillips@primmer.com