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A LIMITED LIABILITY PARTNERSHIP

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August 11, 2006

**VIA ELECTRONIC FILING  
VIA UPS**

Ms. Lois Meerdink  
Competitive Provider Analyst  
Public Utility Commission of Oregon  
550 Capitol Street, N.E., Suite 215  
Salem, OR 97301-2551

Re: Application of First Communications, LLC

Dear Ms. Meerdink:

Enclosed for filing with the Public Utility Commission of Oregon, please find an original and one copy of First Communications, LLC's Application to provide resold interexchange telecommunications services within the State of Oregon.

Enclosed please also find a duplicate copy of this filing and a self-addressed postage-paid envelope. Please date stamp this copy and return in the envelope provided. Please do not hesitate to call me if you have any questions and thank you for your assistance in this matter.

Sincerely,

/s/

Katherine E. Barker Marshall

Attachment

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MUMBAI, INDIA

August 11, 2006

**VIA ELECTRONIC FILING  
VIA UPS**

Lois Meerdink  
Oregon Public Utilities Commission  
550 Capitol Street NE  
Suite 215  
Salem, Oregon 97301

Re: Informational Notification of Acceris Management and Acquisition LLC and First Communications, LLC Regarding a Transfer of Assets, Including Customers, of Acceris Management and Acquisition LLC to First Communications, LLC

Dear Ms. Meerdink:

First Communications, LLC ("First Communications") and Acceris Management and Acquisition LLC ("Acceris") (together, "Parties"), by their counsel, respectfully advise the Oregon Public Utilities Commission ("Commission") of their intent to consummate a transaction involving the transfer of certain assets of Acceris to First Communications. Pursuant to the terms of an Asset Purchase Agreement ("Agreement") dated July 11, 2006, between First Communications and Acceris, First Communications will acquire certain assets of Acceris relating to its large business customer enterprise business ("Business"), including various equipment and Business customers. First Communications is filing its Application to provide interexchange services in Oregon concurrently with this Notification.

After consummation of the transactions, Acceris will retain its authorization to provide telecommunications services in Oregon in order to provide service to its customers not related to the Business. The assets and customers related to the Business will be acquired by First Communications. These customers will not experience any loss or impairment of service. They will continue to receive their existing services at the same rates, terms and conditions as at present. Future changes in the rates, terms and conditions of service will be made consistent with Commission requirements. The only material change will be in the customers' service

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provider. Notice of the change will be provided to customers in accordance with Commission and federal rules. It is the Parties' understanding that no prior Commission approval is required to consummate the transaction described above. Thus, the Parties submit this information for the Commission's information only and request that it be retained in the appropriate file.

**The Parties**

**First Communications, LLC.** First Communications, LLC is a privately held Ohio limited liability company headquartered at 3340 West Market Street, Akron, Ohio, 44333, (216) 468-1614. First Communications was formed on July 1, 1998 under the laws of the State of Ohio. McKinley Communications, LLC holds a 51% ownership interest in First Communications, First Energy Corp. holds a 32% interest in First Communications and Boich Investment Group, Ltd. Holds a 17% interest in First Communications. No other entity holds a 10% or greater ownership interest in First Communications.

First Communications is a common carrier that provides local, private line and long distance services to both business and residential customers in several states. Currently, First Communications provides telecommunications services to approximately 100,000 customers located primarily in Ohio, Michigan, Indiana, Illinois, Pennsylvania and Florida. First Communications' services include, in addition to traditional local and long distance services, toll-free services, conference calling packages, calling cards, prepaid calling cards, Internet access and dedicated and private line services. First Communications' telecommunications services are provided primarily on a resale basis using the facilities and switches that are owned and operated by other telecommunications carriers.

First Communications is authorized to provide intrastate long distance telecommunications services in California, Florida and Kentucky. First Communications is authorized to provide intrastate long distance and competitive local exchange telecommunications services in Illinois, Indiana, Michigan, New Jersey, New York, Ohio, Pennsylvania, and Wisconsin. In Oregon, First Communications is filing to be authorized to provide interexchange telecommunications services concurrently with this Notification. With years of experience in the states mentioned above, First Communications has the financial, managerial and technical qualifications needed to provide quality telecommunications services to the Business customers in Oregon acquired from Acceris.

**Acceris Management and Acquisition LLC.** Acceris Management and Acquisition LLC, a Minnesota limited liability company also conducting business as Acceris Communications or WorldxChange, is headquartered at 9530 Padgett Street, Suite 101, San Diego, CA 92126, (858) 547-5700. Acceris is a direct, wholly owned subsidiary of North Central Equity LLC ("North Central"), a privately held Minnesota holding company established in 2004, whose executives have many years of experience in the telecommunications industry.

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Mr. Elam Baer, CEO of North Central, holds 53% of the ownership interests in Acceris. No other entity holds a 10% or greater ownership interest in Acceris. Acceris is a broad based communications company, serving residential, small and medium-sized business and large enterprise customers throughout the United States. The company provides a range of products from domestic and international long distance voice services to fully managed and integrated data services and enhanced services.

Currently, Acceris is authorized to provide long distance telecommunications services in the contiguous 48 states, Hawaii and the District of Columbia, including Oregon,<sup>1</sup> except in Alaska. Acceris also is authorized to provide long distance and competitive local exchange telecommunications services in Pennsylvania, New York, New Jersey, Florida and Massachusetts. After consummation of the transactions, Acceris will retain its telecommunications authorization in Oregon in order to continue to provide telecommunications services apart from the Business being acquired by First Communications. Thus, Acceris does not seek to surrender its authorization at this time.

### **Description of the Transaction**

First Communications and Acceris have reached an Agreement providing for First Communications' acquisition of certain assets of Acceris relating to the Business, including personal property such as equipment and switches, customer contracts and working capital (including accounts receivable), but not including any federal or state telecommunications authorizations. After consummation of the transactions, First Communications will provide telecommunication services to the Acceris customers directly pursuant to its own telecommunications authorizations.

The proposed transfer of customers to First Communications will have no adverse impact on customers. The Acceris customers will continue to receive their existing services at the same rates, terms and conditions that they have prior to the transfer and any future changes in the rates, terms and conditions of service will be made consistent with Commission requirements. To ensure a seamless transition and avoid customer confusion or inconvenience, First Communications will provide advance written notice to the affected customers at least thirty (30) days prior to the transfer, explaining the change in service provider in accordance with applicable Federal Communications Commission and Commission requirements for changing a customer's presubscribed carrier. A copy of the notification letter that will be sent to the affected Business customers will be provided to the Commission upon request.

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<sup>1</sup> Acceris was certified under Docket No. CP 1292, Order No. 05-865 on July 22, 2005.

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**Qualification of First Communications**

First Communications is well-qualified managerially, technically and financially to provide telecommunications services in Oregon. First Communications has access to the financing and capital necessary to conduct its telecommunications operations and to fulfill any obligations it may undertake with respect to the operation and maintenance of its services. First Communications' management team includes individuals with substantive experience in successfully developing and operating telecommunications business. Consequentially, the company has the adequate internal technical resources to support its Oregon operations. First Communications has successfully provided a range of local and long distance telecommunications services over the past several years. Both sales and service personnel are trained professionals. First Communications will bill all of its end-user customers directly. All bills sent to end-user customers will bear the company's name and provide a toll-free number for customer inquiries and complaints. First Communications has a toll free number available for its customers to contact the company with billing and service related issues: 1-800-274-1015.

**Public Interest Considerations**

The transfer of assets to First Communications will serve the public interest. Acceris has determined that its operations with respect to the Business is no longer consistent with its long term interests. First Communications is a strong company that will continue to provide high quality services to the Acceris customers. First Communications' purchase of the Acceris assets related to the Business will strengthen First Communications, enable it to expand and better ensure that it remains a viable long-term competitor in the telecommunications marketplace.

At the same time, the proposed transfer of assets does not present any anti-competitive issues. The Parties emphasize that, following the transfer, the former Acceris customers will continue to receive services from an experienced and qualified carrier, which services will be consistent with the quality of services currently provided by Acceris. Acceris primarily resells local and long distance services to residential and business customers and First Communications has extensive experience in providing these services. The Parties anticipate that customers will experience a seamless transition of service provider. Further, these customers will be sufficiently notified of the transaction and their rights.

In addition, Acceris' exit from the Business does not present any competitive concerns. In the geographic markets in which the operations of First Communications and Acceris overlap, the market share of First Communications post-close in the local service market will be less than 5 percent. In the geographic markets in which the operations of First Communications and Acceris do not overlap, First Communications will simply step into the shoes of Acceris with respect to market share. The Parties note that there are a number of other

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carriers operating in each market, including the incumbent carrier, which in each market controls a substantial market share. In sum, this transaction will serve the public interest by strengthening the competitive position of First Communications without negative impact to either Acceris customers or competition in the markets in which Acceris operates.

As noted above, it is the Parties' understanding that no prior Commission approval is required to consummate the transfer of assets described herein. Should the Commission believe that any further action is required, the Parties respectfully request that the Commission notify the undersigned at its earliest convenience. Enclosed please find a duplicate of this letter and two (2) copies. Please date-stamp the duplicate upon receipt and return it in the self-addressed, postage-paid envelope provided. Should there be any questions regarding this matter, please contact Katherine Barker Marshall at (202) 342-8519.

Respectfully submitted,

**Acceris Management and Acquisition  
LLC**

**First Communications, LLC**

By: *Drew S. Backstrand (RAM)*  
Drew S. Backstrand  
General Counsel  
Acceris Management and Acquisition LLC  
60 South Sixth Street, Suite 2535  
Minneapolis, MN 55402  
Tel: (612) 465-0265  
Fax: (612) 455-1022

By: *Katherine Barker Marshall*  
Joan Griffin  
Melissa Conway  
Katherine Barker Marshall  
Kelley, Drye & Warren LLP  
3050 K Street, NY, Suite 400  
Washington, D.C. 20007  
Tel. (202) 342-8519  
Fax: (202) 342-8415

**APPLICATION FOR CERTIFICATE OF AUTHORITY  
TO PROVIDE TELECOMMUNICATIONS SERVICE IN OREGON**

INSTRUCTIONS: Complete every applicable section of this application. Attach additional documents and/or sheets to complete responses (if needed). You will be notified when the Commission receives your application, and again when it has been processed. Upon acceptance of this application, the Commission will publish notice pursuant to ORS 759.020(2). After submitting this application electronically, mail one copy with original signature and all attachments.

**Classification for which application is made. Check one.**

- Competitive Telecommunications Provider (local, long-distance, shared telecommunications service).
- Telecommunications Utility

**1. Exact Legal Name of Applicant:**

**First Communications, LLC**

Applicant's Assumed Business Name(s) (if any) (e.g., dba, aka)  
*Must be registered with the Corporation Division.*

**none**

Applicant's Type of Legal Entity (e.g., corporation, limited partnership)

**Limited Liability Company**

Business Address

**3340 West Market Street  
Akron OH 44333**

Phone **(216) 468-1614**

Fax **(216) 468-1680**

Email **mcegelski@firstcomm.com**

**2. Name and Address of Person to be Contacted for Further Information Regarding This Application:**

**Katherine Barker Marshall  
Kelley Drye and Warren, LLP  
3050 K Street NW, Suite 400  
Washington DC 20007**

Phone **(202) 342-8519**

Fax **(202) 342-8451**

Email **kbarker@kelleydrye.com**

**3. Name and Address of Person to be Contacted for Regulatory Information. (Commission will send requests for information to this person):**

**Mary Cegelski  
15166 Neo Parkway  
Garfield Heights OH 44128**

Phone **(216) 468-1614**

Fax **(216) 468-1680**

Email **mcegelski@firstcomm.com**

**4. Affiliated Interests:**

Are you now or have you ever been affiliated with any provider of telecommunications service that serves Oregon? If so, who? When? Describe affiliation. Affiliated interest is defined in OAR 860-032-0001.

No

**5. Previous Certificates of Authority:**

List each certificate of authority previously granted by the Oregon PUC to Applicant and to each affiliated entity, under a legal name, an assumed business name, or any other name. Include all certificates whether or not canceled. For each certificate include: name of entity, docket number, and order number.

	Name of Entity	Docket Number	Order Number
a.	Not Applicable		
b.			
c.			
d.			

**AUTHORITY REQUESTED**

**6. Does applicant request authority to provide the following services?**

- a. Shared telecommunications service (STS). STS includes resale of long-distance service to the STS provider's user group, but not to customers outside the user group. If yes, applicant must complete items 10 and 11.  Yes  No
- b. Local exchange (intraexchange) switched service (i.e., local dial tone). If yes, applicant must complete item 10.  Yes  No
- c. Local exchange (intraexchange) nonswitched, private line service (i.e., dedicated transmission service).  Yes  No
- d. Interexchange, switched service (i.e., long-distance toll). If yes, applicant must complete item 10.  Yes  No
- e. Interexchange, nonswitched, private line service (i.e., dedicated transmission service).  Yes  No

**7. How Services Will Initially Be Provided**

*The following is required for public notice and information purposes and does not request authority.*

- a. Will Applicant resell finished services of other Oregon certified carriers? (Resell means resale of finished services, not unbundled network elements.)  Yes  No
- b. Will applicant construct lines, loops, wires, fiber, or other transport facilities?  Yes  No
- c. Will Applicant have its own switching equipment?  Yes  No
- d. Will Applicant purchase (lease) unbundled network elements from other Oregon certified carriers?  Yes  No
- e. Will Applicant purchase or lease network components which are not unbundled network elements?  Yes  No

**8. Areas for which Applicant seeks authority:**

**a. Intraexchange Authority:**

Alternative I: List every local exchange in which Applicant seeks to provide local exchange (intraexchange) service.

Alternative II: List every incumbent local exchange carrier in whose exchanges Applicant seeks authority to provide local exchange (intraexchange) service.

Alternative III: If Applicant seeks authority to provide local exchange (intraexchange) service within every telephone exchange in Oregon, then specify "Statewide."

Not Applicable

**b. Interexchange Authority:**

Alternative I: List every local exchange in which Applicant seeks to provide interexchange service.

Alternative II: List every incumbent local exchange carrier in whose exchanges Applicant seeks authority to provide interexchange service.

Alternative III: If Applicant seeks authority to provide interexchange service in every telephone exchange in Oregon, then specify "Statewide."

Statewide

**9. Describe special characteristics, limitations, or restrictions that will be part of Applicant's services:**

None



**10. Operator Services:**

- a. Operator service includes, but is not limited to, billing or completion of third-party billing calls, person-to-person calls, collect calls, and credit card calls. See OAR 860-032-0001.  
Will Applicant directly offer operator services?  Yes  No
- b. ORS 759.690(1)(d) defines "operator service provider" as a person who furnishes operator service under contract with a call aggregator. ORS 759.690(1)(a) defines a call aggregator as a person who furnishes a telephone for use by the public, i.e., transient use.  
Will Applicant be an "operator service provider" as defined in ORS 759.690(1)(d)?  Yes  No

**11. Shared Telecommunications Service:**

Shared Telecommunications Service (STS) service is defined in OAR 860-032-0001. STS includes resale of long-distance service to the STS provider's user group, but not to customers outside the user group.

- a. Provide the address of the building where shared service will be provided through privately owned customer premises equipment. If Applicant intends to serve a user group located in two or more buildings, include an electronic copy of a map clearly showing the locations to be served by the Applicant. The information on the map must be precise and legible and include street names and the city where the building(s) is(are) located.

Not Applicable

- b. An STS site or location consists of one building, or it consists of a complex of buildings or a campus on contiguous property. An STS provider may interconnect separate sites in order to aggregate toll traffic. An STS provider may not interconnect separate sites in order to provide local exchange service between those sites.

If serving buildings at separate sites, will applicant interconnect the buildings in order to aggregate toll traffic?  Yes  No

- c. Describe the user group or association at the STS location.

Not Applicable

**NOTE: Applicant must apply to PUC for another certificate of authority in order to add subsequent STS sites.**

**Conditions of a certificate of authority:**

As a condition of a certificate of authority, applicant must comply with all applicable Commission rules and state law, as well as conditions listed in the certificate.

For your convenience, following is a summary of some conditions from OAR 860-032-0001 et seq. (Division 32). Additional conditions may be specified in the certificate.

- a. Certificate holder shall provide only telecommunications services authorized by the certificate.
- b. Certificate holder shall, at a minimum, meet the standard level of service specified in OAR 860-032-0012. The standard level of service is 99 percent probability that a call will not be blocked during the certificate holder's busy hour of the day.
- c. Certificate holder's books and records shall be open to inspection by the Commission to the extent necessary to verify information required by the Commission's rules.
- d. Certificate holder shall maintain its books and records according to generally accepted accounting principles and the applicable rules of the Commission.
- e. Certificate holder shall pay all access charges and subsidies imposed pursuant to the Commission's rules.
- f. Certificate holder shall pay an annual fee to the Commission pursuant to the Commission's rules. This fee will be based on the certificate holder's annual gross retail intrastate revenues and will be no less than \$100 per calendar year. The certificate holder shall collect the fee by charging an equitable amount to each retail customer and describe the amount of the apportioned charge on each retail customer's bill, pursuant to the Commission's rules.
- g. The certificate holder shall pay a quarterly amount to the Oregon Universal Service Fund based on a Commission-approved surcharge percentage assessed on all retail telecommunications services sold in Oregon pursuant to ORS 759.425(4).
- h. Certificate holder shall respond in a timely manner to Commission inquiries.

Pursuant to Residential Service Protection statutes, Chapter 290, Oregon Laws 1987, and Division 22, certificate holder shall be responsible to ensure that the Residential Service Protection Fund surcharge is remitted to the Commission. This surcharge is assessed against each paying retail subscriber at a rate that is set annually by the Commission.

Applicant understands that all services provided by Applicant must comply with all applicable Commission rules and state law, and with conditions of the certificate (check box at left).

<i>Signature of Person Authorized to Represent Applicant</i>	<b>Title</b> Chief Operating Officer
_____ Typewritten Name Joseph R. Morris	<b>Date</b> 8/11/06