MILLER SAR INC.

ANDREW O. ISAR

4423 POINT FOSDICK DRIVE, NW SUITE 306 GIG HARBOR, WA 98335

TELEPHONE: 253.851.6700
FACSIMILE: 866.474.3630

WWW.MILLERISAR.COM

#### Via eDocket and U.S. Mail

May 5, 2014

Ms. Becky Beier Executive Secretary Public Utility Commission of Oregon 3930 Fairview Industrial Dr SE Salem, Oregon 97302-1166

RE: Notification Regarding the Acquisition by Central Telecom Long Distance, Inc.

of the Customers of Consumer Telcom, Inc.

Dear Ms. Beier:

Central Telecom Long Distance, Inc., CP 1413 ("CTLD") and Consumer Telcom, Inc., CP 1351 ("Consumer Telcom") (jointly "the Companies"), hereby notify the Public Utility Commission of Oregon ("Commission") that CTLD is acquiring selected Oregon customers of Consumer Telcom, through a mutually negotiated customer base acquisition ("Transaction"). As a result of the Transaction, certain Consumer Telcom Oregon customers will be transferred to CTLD, which will become the interexchange service provider for those customers.

As described below, the Transaction will be virtually transparent to transferred customers of Consumer Telcom in terms of the services that those customers receive and the rates and terms of those services currently provided by Consumer Telcom. Consumer Telcom will maintain its current operating authority in order to redirect its telecommunications market focus in Oregon and elsewhere, and continue to assume attendant regulatory obligations. This Transaction does not constitute an Abandonment of Service pursuant to Oregon Administrative Rule 860-032-0020, accordingly.

It is the Companies understanding that prior Commission approval is not required for the Companies to complete the Transaction. This notification is provided for informational purposes only. In support of this notification, the Companies provide the following information:

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#### Introduction.

On March 20, 2014, CTLD and Consumer Telcom entered into a Customer Base Purchase and Sale Agreement ("Agreement") whereby Consumer Telcom agreed to sell, and CTLD agreed to acquire, a portion of Consumer Telcom's commercial and residential intraLATA and interLATA interexchange customers located in Oregon and certain other jurisdictions served by the Companies. Under the terms of the Transaction, CTLD is to provide transferred Consumer Telcom customers the same services at the same rates, terms and conditions provided by Consumer Telcom. The Transaction became effective on or about May 1, 2014, or following regulatory approvals where required.<sup>1</sup>

Consumer Telcom has made an affirmative business decision to redirect its market focus and to sell a portion of its existing customer base in order to concentrate its efforts on a different segment of the telecommunications market in Oregon and elsewhere. To that end, Consumer Telcom will continue to operate in the State of Oregon and comply with attendant regulatory obligations following the transfer of its customers to CTLD.

#### **Description of the Parties.**

Central Telecom Long Distance, Inc. Consumer Telcom is a privately-held corporation organized under the laws of the State of Colorado on December 21, 2007 with business address at 102 South Tejon Street, 11th Floor, Colorado Springs, CO 80903. Consumer Telcom is a provider of non-facilities-based resold of interLATA and intraLATA interexchange telecommunications services to commercial and residential customers in Oregon and throughout the U.S. Consumer Telcom has operated in the State of Oregon since June 2008.<sup>2</sup>

Consumer Telcom, Inc. Consumer Telcom is a privately held corporation organized under the laws of the State of California on September 23, 1998, with principal offices located at 701 N. Green Valley Parkway, Suite 200, Henderson, Nevada, 89014. Consumer is also a provider of non-facilities-based resold interLATA and intraLATA interexchange telecommunications services to commercial and residential customers in Oregon and throughout the U.S. Consumer Telcom has operated in the State of Oregon since February 2007<sup>3</sup>

#### **Description of the Transaction.**

Pursuant to the Agreement, CTLD will acquire certain, but not all, Consumer Telcom customer accounts, to the extent permitted under applicable law and regulations, certificates, licenses, registrations or other authorizations to provide intrastate, interstate, and international telecommunications services.

<sup>&</sup>lt;sup>1</sup> It was just determined that Oregon customers would be affected by the Transaction, and is the basis for this late notification.

<sup>&</sup>lt;sup>2</sup> Pursuant to authority granted in Order No. 08-336 (June 24, 2008).

<sup>&</sup>lt;sup>3</sup> Pursuant to authority granted in Order No. 07-061 (February 21, 2007).

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The Agreement and transfer became effective May 1, 2014, or upon approval by regulatory agencies in those jurisdictions where the Company's operate and where such authority was required. Consumer Telcom will assign to CTLD those customers whom the Companies have agreed upon and applicable governmental approvals have been obtained. In the interest of assuring seamless and uninterrupted service, all assigned customers will continue to receive service from CTLD under the same rates, terms and conditions of services as were previously provided by Consumer Telcom. CTLD will initially concur in Consumer Telcom's existing tariffs or service guides and will subsequently provide service to former Consumer Telcom subscribers under CTLD's amended tariffs or service guides.

Notification of the Transaction was provided to Customers via direct mail, and to the Federal Communications Commission ("FCC") pursuant to Section 64.1120(e) of the FCC's Rules, 4 on March 27, 2014. 5 A copy of the Customer notice sent to Consumer Telcom customers is appended at **Exhibit A**.

### **Company Contacts.**

Questions or ongoing correspondence, orders, or other Commission communications should continue to be directed to the following individuals:

## For Central Telecom Long Distance, Inc.:

Deborah Baker
President
Central Telecom Long Distance, Inc.
102 South Tejon Street, 11<sup>th</sup> Floor,
Colorado Springs, CO 80903
Telephone: 719.471.2263

#### For Consumer Telcom, Inc.:

Joseph A. Nicotra
President
Consumer Telcom, Inc.
701 N. Green Valley Parkway, Suite 200
Henderson, Nevada, 89014
Telephone: 800.872.3811

<sup>4</sup> 47 C.F.R. §64.1120(e)

<sup>&</sup>lt;sup>5</sup> See, Notification of Central Telecom Long Distance, Inc. Customer Base Acquisition Pursuant to 47 C.F.R. §64.1120(e), In the Matter of 2000 Biennial Review - Review of Policies and Rules Concerning Unauthorized Changes of Consumers Long Distance Carriers., CC Docket No. 00-257 (March 27, 2014).

#### **Public Interest Considerations.**

Companies respectfully submit that the proposed Transaction serves the public interest. The Transaction will result in the assignment of Consumer Telcom customers to an existing long-standing company with established operating history in the State that will continue to provide telecommunications services to transferred customers without interruption. Further the proposed Transaction is structured to assure an orderly transition of customers from Consumer Telcom to CTLD. The terms and conditions of the Transaction are equitable to both parties. And, the Transaction will not affect the public in Oregon.

In accordance with the terms of their service contracts and the rules and procedures of the FCC and applicable state(s), including this Commission, customers have been properly notified of the proposed transaction and the change in their telecommunications provider from Consumer to CTLD. CTLD and Consumer Telcom have provided customers with more than 30 days advanced notice of the transfer pursuant to Section 64.1120(e) of the FCC's rules, 47 C.F.R. §64.1120(e). Notification of the transaction has also been provided to the FCC pursuant to 47 C.F.R. §64.1120(e).

Please acknowledge receipt and acceptance of this submission. Thank you for your attention to this matter. Questions may be directed to Andrew Isar at 253.851.6700.

Respectfully submitted,

MILLER ISAR, INC.

Andrew O. Isar

Regulatory Consultants to Central Telecom Long Distance, Inc. Consumer Telcom, Inc.

**Enclosures** 

# **EXHIBIT A**

Customer Notice

(Attached)

# CENTRAL TELECOM LONG DISTANCE, INC.

# 102 South Tejon Street Suite 1100 Colorado Springs. CO 80903 http://centraltelecomlongdistance.com/

# **Notice of Carrier Change**

March 25, 2014

Dear Valued Consumer Telcom, Inc. Customer:

Great news for your long distance service! Following a reevaluation of its business focus, your current long distance company, Consumer Telcom, Inc. ("CTI") has entered into an agreement with Central Telecom Long Distance, Inc. ("CTLD") to acquire certain business holdings. As a result, Central Telecom Long Distance, Inc., will automatically become your new long distance telecommunication services provider after May 1, 2014. (The specific date(s) of the transfer of your interstate and intrastate telephone services may differ depending upon when we receive the applicable federal and state regulatory approvals.)

Please rest assured that the transaction will not affect the services you currently receive. You will continue to receive services with the same rates, features, terms, and conditions as you currently enjoy, with the added convenience of receiving one bill through your local telephone company, where available. In the event that changes are made to your service you will be notified by separate mailing thirty (30) days prior to the changes becoming effective.

You will not be responsible for any charges associated with the transfer of your account. All charges associated with the transfer to CTLD will be borne by CTLD. Although you have the right to select the carrier of your choice, we value your business and hope that CTLD may continue to serve you. If you should choose another telephone provider you will need to contact that carrier directly to arrange for the change prior to the transfer of your services to CTLD and also provide CTLD with notice per existing service terms. It can take several weeks for a new carrier to make the switch and you may also incur service initiation fees from that provider such as service order, installation and other similar charges associated with establishing a new service account.

If you currently have a preferred carrier freeze on your account you will still be automatically transferred to CTLD on the effective date unless you have selected another carrier before the effective date. To arrange a new freeze or confirm an existing freeze, you must contact your local service provider.

CTLD will be responsible for responding any customer inquiries prior to and during the transfer of service from CTI to CTLD. CTLD's toll free customer service number for CTLD is 888-988-9818, which will remain the same after your services are transferred.

You can trust that you will be provided with the same quality service to which you have grown accustomed with CTI. We welcome you to CTLD and look forward to meeting all your long distance communication needs. Please visit the web site http://centraltelecomlongdistance.com/ for more information.

Sincerely,

The Product Management Team Central Telecom Long Distance, Inc.