

STATE OF VERMONT  
PUBLIC SERVICE BOARD

Docket No. 7045

Petition of Americatel Corporation, d/b/a 1010 )  
123 Americatel, for Approval of Indirect )  
Transfer of Control )

Order entered: 3/14/2005

**I. INTRODUCTION**

On January 28, 2005, Americatel Corporation, d/b/a 1010 123 Americatel ("Americatel" or "Petitioner"), filed a petition ("Petition") and Telecommunications Merger and or Acquisition Request for Approval Form ("Application") requesting authority from the Vermont Public Service Board ("Board"), pursuant to 30 V.S.A. § 107, for approval of an indirect transfer of control of Americatel resulting from a change in the ownership structure of its ultimate parent company.

On March 3, 2005, the Vermont Department of Public Service ("Department") filed a letter with the Board recommending the Board approve the transfer of control because the proposed transaction would not detrimentally impact Vermont consumers or cause them inconvenience or confusion. The Department further recommended the Board approve the Petition without further investigation or hearing.

The Board has reviewed the Petition and the accompanying documents and agrees that approval should be granted without hearing.

**II. FINDINGS OF FACT**

Based upon the Petition and accompanying documents, we hereby make the following findings of fact.

1. Americatel was issued a Certificate of Public Good (CPG No. 390) to provide telecommunications services in Vermont on April 30, 1998. Application at 1.
2. Pursuant to a holding company level transaction, Almendral S.A. will acquire a controlling interest in Americatel's parent company, Empresa Nacional de Telecomunicaciones,

S.A., which will result in Americatel becoming an indirect subsidiary of Amendral S.A. Neither Almendral S.A. nor Empresa Nacional de Telecomunicaciones, S.A. are certificated carriers in Vermont. Petition at 5-6.

4. Following the transaction, Americatel will continue to operate under its current name and tariff. Accordingly, the transfer will not cause any inconvenience for Vermont consumers. Application at 2-3.

5. The proposed transaction will promote the public interest by allowing Americatel access to greater resources, thereby enhancing Americatel's ability to compete in the telecommunications market and ensuring the continued existence of telecommunications competition in Vermont. Petition at 6-7.

### **III. DISCUSSION**

The proposed transaction requires approval by the Board under 30 V.S.A § 107. This statute conditions approval of a proposed transfer of control upon a finding that the transfer of control will promote the public good (30 V.S.A § 107). This standard is met in this case.

Under 30 V.S.A. § 107(a), "[n]o company shall directly or indirectly acquire a controlling interest in any company subject to the jurisdiction of the [Board] . . . without the approval of the [Board]." "Controlling interest" is defined as "ten percent or more of the outstanding voting securities of a company" or such other interest as the Board determines "to constitute the means to direct or cause the direction of the management or policies of a company." 30 V.S.A. § 107(c)(1).<sup>1</sup> In order to approve the acquisition of such a controlling interest, the Board must first find that it will "promote the public good." 30 V.S.A. § 107(b).

After reviewing the Petition, we conclude that 30 V.S.A. § 107 applies because the holding company level transaction contemplated will result in the indirect transfer of controlling interest of Americatel. We further conclude that the transfer of control will not affect the services that Americatel currently provides to customers in Vermont. Americatel will continue to offer service at the same rates, terms and conditions. The proposed transaction will also allow Americatel access to greater resources, which may, in turn, result in enhanced competition among

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1. The statute also provides that "[t]he presumption that ten percent or more of the outstanding voting securities of a company constitutes a controlling interest may be rebutted by a company under procedures established by the board by rule." 30 V.S.A. § 107(c)(1).

providers of telecommunications services in Vermont. The resulting transfer of control, therefore, will promote the public good. For all of these reasons, we conclude that the proposed transaction meets the standards set forth in 30 V.S.A. § 107 and should be approved.

**IV. CONCLUSIONS**

The indirect transfer of control of Americatel should be approved because the transaction will promote the public good of the State of Vermont and will not result in obstructing or preventing competition. 30 V.S.A. § 107(b).

**V. ORDER**

IT IS HEREBY ORDERED, ADJUDGED AND DECREED by the Public Service Board of the State of Vermont that:

1. The transfer of control of Americatel Corporation, d/b/a 1010 123 Americatel, will promote the public good and, therefore, is approved.
2. Petitioners shall file a letter notifying the Board of the completion of the transaction within one week of such completion.

DATED at Montpelier, Vermont, this 14<sup>th</sup> day of March, 2005.

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	)	PUBLIC SERVICE
	)	
<u>s/David C. Coen</u>	)	BOARD
	)	
	)	OF VERMONT
<u>s/John D. Burke</u>	)	

OFFICE OF THE CLERK

Filed: March 14, 2005

Attest: s/Susan M. Hudson  
Clerk of the Board

*NOTICE TO READERS: This decision is subject to revision of technical errors. Readers are requested to notify the Clerk of the Board (by e-mail, telephone, or in writing) of any apparent errors, in order that any necessary corrections may be made. (E-mail address: Clerk@psb.state.vt.us).*

*Appeal of this decision to the Supreme Court of Vermont must be filed with the Clerk of the Board within thirty days. Appeal will not stay the effect of this Order, absent further Order by this Board or appropriate action by the Supreme Court of Vermont. Motions for reconsideration or stay, if any, must be filed with the Clerk of the Board within ten days of the date of this decision and order.*