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A Professional Limited Liability Company

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Philip R. Adams, Jr.

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JUL 25 2008

**SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION**

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SC PUBLIC SERVICE
COMMISSION

July 17, 2008

Via Overnight Mail

Executive Secretary
South Dakota Public Utilities Commission
500 East Capitol Avenue
Pierre, South Dakota 57501

RECEIVED
JUL 18 2008
PSC SC
DOCKETING DEPT.

Re: Notification by Telecom Management, Inc. d/b/a Pioneer Telephone and Broadwing Communications, LLC for Approval of an Asset Purchase Agreement

Dear Sir or Madam:

On behalf of Telecom Management, Inc. d/b/a Pioneer Telephone and Broadwing Communications, LLC ("Broadwing") (together "Applicants")¹, this letter is to advise the Commission of Asset Purchase Agreements (the "Agreements"), whereby Pioneer will acquire Broadwing's residential and small medium enterprise ("SME") long distance customer accounts in this State (the "Acquisition").

It is our understanding, based upon review of the applicable statutes and regulations, that this transaction does not require prior Commission approval. Accordingly, absent written notice to the contrary within thirty (30) days of the date of this letter, the parties will proceed to consummate the transaction in a timely fashion.

Pioneer is a Maine corporation with principal offices located at 583 Warren Avenue, Portland, ME 04103. Pioneer is a certified long distance telecommunications provider in this State.²

¹ The Applicants elected to execute separate purchase agreements for each base of customers that are to be acquired.

² Pioneer provides resold long distance telecommunications services in this State pursuant to authority granted in Docket No. TC-04-105, dated July 27, 2004.

Broadwing is a Delaware limited liability company and a wholly-owned subsidiary of Level 3 Communications, LLC, with principal offices located at 1025 Eldorado Boulevard, Broomfield, CO 80021. Broadwing is a certified long distance telecommunications provider in this State³.

The Acquisition contemplates the following:

- a. Pioneer will acquire ownership, right, title and interest in and to substantially all of Broadwing's residential and SME customer accounts, as defined in the Agreements.
- b. Broadwing will receive the purchase price set forth in the Agreements,

The Acquisition will consolidate and transfer Broadwing's residential and SME accounts to Pioneer in order to create a single, larger provider of telecommunications services, facilitating efficiencies to benefit all of Pioneer's customers, including those customers acquired from Broadwing. Service to Broadwing's customers will continue uninterrupted.

Broadwing's customers will be given the opportunity to switch their service to a different carrier. Pioneer anticipates that none of Broadwing's customers will experience any increase in rates due to the Acquisition. To the extent that any of Broadwing's rates are not presently included in Pioneer's Tariffs, Pioneer will amend its Tariffs accordingly to include such rates. As a result, the transaction should not cause any inconvenience or confusion to Broadwing customers. Those Broadwing customers who choose not to switch their service to a different carrier will receive service from Pioneer.

Broadwing's technical, managerial and financial personnel will assist with the transition and integration of the acquired assets after the transaction and Pioneer's technical, managerial and financial personnel will continue to serve the transferred Broadwing customers with the same high level of expertise.

Critical to the Acquisition is the need to ensure the continuation of high quality service to all customers currently served by Broadwing. The Acquisition will serve the public interest in that it will ensure that current Broadwing customers maintain uninterrupted service. The Acquisition will also serve to create a heightened level of operating efficiency, which will serve to enhance the overall capacity of Pioneer to compete in the marketplace and to provide telecommunications

³ Broadwing provides resold long distance telecommunications services in this State pursuant to authority granted in Docket No.03-00240, dated July 3, 2003. Originally granted to C II Communications Operations, LLC which changed its name to Broadwing in Docket No. 03-0559 dated February 19, 2004.

services to a greater number of consumers in this State at competitive rates.

Applicants do not request transfer of Broadwing's Certificates of Public Convenience and Necessity, or other operating authority, to Pioneer.

The parties are forwarding this letter to the Commission for informational purposes only, to be included in the appropriate files. Absent receipt of written notification to the contrary within thirty (30) days of the date of this letter, the Applicants will proceed under the understanding that no approval or other formal action is required by the Commission prior to consummation of the proposed transaction.

Enclosed are the original and eleven (11) copies of this letter. Please return one (1) of the copies file-stamped in the envelope provided. If you need any further information or have any questions regarding the matters discussed herein, please do not hesitate to contact me. Thank you for your assistance in this matter.

Respectfully submitted,



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Counsel for Broadwing Communications, LLC



Dear Customer:

Level 3 Communications, LLC and its affiliate Broadwing Corporation are selling their residential long distance customers to Telecom Management, Inc. d/b/a Pioneer Telephone. This transaction will require certain regulatory approvals. While awaiting those approvals, Pioneer will be managing your account on behalf of Level 3. The companies expect the transaction to be completed by <<EstimatedClosingDate>>.

The potential change in ownership of your account will not affect or disrupt your current service in any way. Your rates and the terms and conditions of your existing service will not be adversely affected as a result of this transaction. Pioneer will notify you of any changes to your rates, terms and conditions of service after the transaction is completed. However, there will be a billing cycle change for most customers. Bills will now be issued on or about the 15th of each month.

You should not incur any carrier-change charges from your local telephone company as a result of this transaction. If such a charge appears on the bill from your local telephone company, please call the customer service department toll-free at **(888) 492-6878** and a representative will reimburse you or credit your account accordingly.

Any "freeze" you have placed on your existing telephone lines to prevent unauthorized transfer to another long distance carrier will need to be reinstated by you after the transfer is complete. Your customer care representative can provide you with further details.

You have a choice of long distance providers and have the right to choose a different carrier for your services. If you decide to switch to a different carrier and you have **not** informed Level 3 by the date of the transfer, your services and account will be transferred to Pioneer. Pioneer will be responsible for any outstanding Level 3 inquiries or complaints after the date of the transfer. Please contact a Customer Service Representative at **(888) 492-6878** if you have any questions.

Pioneer welcomes you and appreciates the opportunity to be your long distance service provider.

Sincerely,

Sue Bouchard, President
Pioneer Telephone

Randy Dunbar, Senior Vice President
Level 3 Communications