



PUBLIC NOTICE

Federal Communications Commission
445 12th St., S.W.
Washington, D.C. 20554

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DA 16-582
May 25, 2016

**DOMESTIC SECTION 214 APPLICATION FILED FOR THE
TRANSFER OF CONTROL OF
CONSOLIDATED COMMUNICATIONS OF IOWA COMPANY
D/B/A PREMIER COMMUNICATIONS**

NON-STREAMLINED PLEADING CYCLE ESTABLISHED

WC Docket No. 16-150

Comments Due: June 8, 2016

Reply Comments Due: June 15, 2016

Consolidated Communications, Inc. (CCI), Consolidated Communications of Iowa Company (formerly known as Heartland Telecommunications Company of Iowa) (Heartland), Crystal Communications, Inc. (Crystal), Mutual Telephone Company of Sioux Center, Iowa d/b/a Premier Communications (Mutual), Premier Communications, Inc. (Premier), and Winnebago Cooperative Telecom Association (Winnebago) (together, Applicants) filed an application (Application) pursuant to section 214 of the Communications Act of 1934, as amended, and section 63.03 of the Commission's rules, requesting approval to: (1) transfer control of Heartland from CCI to Mutual; (2) transfer certain assets from Heartland to Winnebago; and (3) transfer certain assets from Crystal to Premier and Winnebago.¹

CCI, an Illinois corporation, does not provide telecommunications services in any geographic area. Heartland, a Minnesota corporation and subsidiary of CCI, is a rural incumbent local exchange carrier (LEC) that provides local telecommunications services, high speed Internet access services, and access services to residential and business customers in the Akron, Bancroft, Boyden, Doon, Hawarden, Hull, Ireton, Lakota, Rock Rapids, Rock Valley and Sibley local exchange areas in Iowa and the North Rock Rapids exchange area in Minnesota and the West Akron and West Hawarden local exchange areas in South Dakota.² CCI's competitive LEC and long distance subsidiaries are authorized to provide telecommunications services in Alabama, California, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Minnesota, Missouri, Montana, North Dakota, Ohio, South Dakota, Tennessee, Texas,

¹ See 47 C.F.R § 63.03; 47 U.S.C. § 214. Applicants state that they have separately filed a Study Area Waiver Petition associated with this transaction. See *Wireline Competition Bureau Seeks Comment On Joint Petition of Mutual Telephone Company of Sioux Center, Iowa d/b/a Premier Communications and Winnebago Cooperative Telecom Association to Waive the Definition of "Study Area" as Codified in Part 36 of the Commission's Rules*, Public Notice, CC Docket No. 96-45 (rel. May 23, 2016). Applicants also filed applications for the assignment of international services.

² See Application for a description of CCI's other incumbent LEC subsidiaries that are not a part of the proposed transaction.

Washington and Wisconsin. Crystal, a Minnesota corporation and an affiliate of Heartland, currently provides interstate and international long distance services to Heartland's local exchange customers.

Mutual, an Iowa corporation, is a rural incumbent LEC that currently provides local exchange telecommunications service, exchange access, Internet and advanced telecommunications services to approximately 3,600 access lines in the Sioux Center, Iowa exchange. Northern Iowa Telephone Company, an incumbent LEC and wholly owned subsidiary of Mutual, serves the Iowa exchanges of Hinton, Matlock, Maurice, Sanborn, Little Rock and Granville. Webb-Dickens Telephone Corporation, an incumbent LEC and wholly owned subsidiary of Mutual, serves the Iowa exchanges of Dickens and Webb. Mutual's affiliated competitive LEC, Premier, an Iowa corporation, provides cable television service in small, rural communities located within certain of Heartland's telephone exchange areas. Applicants state that Premier's cable systems overlap with certain communities where Heartland operated incumbent LEC facilities; however, Heartland does not provide cable television service in any affected communities. Applicants contend that, to the extent the proposed traction involves the geographic overlap of certain local franchise areas and telephone exchange service areas, the transaction qualifies for exemption under section 652 of the Communications Act of 1934, as amended.³ Applicants state that no individual or entity owns ten percent or more of Mutual.⁴

Winnebago, an Iowa cooperative association, is a rural incumbent LEC that currently provides local exchange telecommunications service, long distance exchange access, Internet, television, wireless services, computer and data back-up services over 5,200 access lines to 17 exchanges in northern Iowa and four exchanges in southern Minnesota.⁵ Applicants state that although the service territories of Heartland and those of Mutual and Winnebago do not overlap, some of them are adjacent. Applicants state that no member owns or controls a ten percent or greater interest in Winnebago.⁶

Applicants state that pursuant to a Stock Purchase Agreement between CCI and Mutual, Mutual will acquire the stock of Heartland and thus all or substantially all of the operations and assets of Heartland in the Akron, Bancroft, Boyden, Doon, Hawarden, Hull, Ireton, Lakota, Rock Rapids, Rock Valley and Sibley local exchange areas in Iowa, the North Rock Rapids exchange area in Minnesota and the West Akron and West Hawarden local exchange areas in South Dakota. Applicants describe that immediately following the stock purchase, Heartland will transfer to Winnebago all, or substantially all, of its operations and assets relating to the Laokta, Iowa, and Bancroft, Iowa local exchange areas. Applicants further state that Heartland's current customers receive long distance service from Crystal,

³ See 47 U.S.C. § 572.

⁴ Applicants state that the following officers, directors and key management of Mutual are each U.S. citizens: Howard Beernink, Board President; David Krahling, Board Vice President; Glen Vermeer, Board Secretary; James Mouw, Board Treasurer; Douglas Boone, CEO; Chad Feenstra, Director; Owner Dykshorn, Director; Mike McAlpine, Director; John Koerselman, Director; Ted Hengeveld, Director.

⁵ Winnebago provides services as an incumbent LEC in the following exchanges in northern Iowa: Rake, Buffalo Center Rural, Buffalo Center Urban, Woden, Crystal Lake, Thompson, Scarville, Leland, Forest City Rural, Miller, Fertile, Joice, Lake Mills, South Emmons, Hanlontown, Kensett and, Grafton and the following exchanges in Minnesota: Conger, Emmons, North Rake, and Twin Lakes. Winnebago wholly owns the following competitive LEC operations in the following exchanges: Winnebago Cooperative Telecom Association, competitive LEC, serves the Iowa exchanges of Forest City Urban, Northwood, Manly, Garner, Britt, and Mason City, and the Minnesota exchanges of Albert Lea and Glenville.

⁶ Applicants state that the following officers and directors and key management of Winnebago are each U.S. citizens: Mark Johnson, President; Steve Thorland, Vice President; Mike Stensrud, Secretary/Treasurer; Larry Foley, Director; Dale Meinders, Director; Jerry Ouverson, Director; Curt Helland, Director; Mark Thoma, General Manager/Executive Vice President.

those customers' long distance services will be transferred to a provider in the same corporate family as their post-closing local exchange provider concurrently with the transaction. Accordingly, Crystal's customers in the Bancroft and Lakota exchanges will be transferred to Winnebago and Crystal's customers in the other Heartland exchanges will be transferred to Premier. Applicants assert that Mutual and Winnebago have a history of investing in their existing service areas and have traditions of local community involvement, which they claim will benefit transferring Heartland customers. Applicants state that affected Heartland customers will not experience any immediate change to rates, terms or conditions of service, and in no event will the transaction result in the interrupt, reduction, loss or impairment of service to customers.

Domestic Section 214 Application Filed for the Transfer of Control of Consolidated Communications of Iowa, WC Docket No. 16-150 (filed May. 3, 2016).

GENERAL INFORMATION

The transfer of control and assets identified herein has been found, upon initial review, to be acceptable for filing as a non-streamlined application. The Commission reserves the right to return any transfer application if, upon further examination, it is determined to be defective and not in conformance with the Commission's rules and policies. Pursuant to section 63.03(a) of the Commission's rules, 47 CFR § 63.03(a), interested parties may file comments **on or before June 8, 2016**, and reply comments **on or before June 15, 2016**. Pursuant to section 63.52 of the Commission's rules, 47 C.F.R. § 63.52, commenters must serve a copy of comments on the Applicants no later than the above comment filing date.

Pursuant to section 63.03 of the Commission's rules, 47 CFR § 63.03, parties to this proceeding should file any documents in this proceeding using the Commission's Electronic Comment Filing System (ECFS): <http://apps.fcc.gov/ecfs/>.

In addition, e-mail one copy of each pleading to each of the following:

- 1) Myrva Freeman, Wireline Competition Bureau, myrva.freeman@fcc.gov;
- 2) Dennis Johnson, Wireline Competition Bureau, dennis.johnson@fcc.gov;
- 3) Jim Bird, Office of General Counsel, jim.bird@fcc.gov;
- 4) David Krech, International Bureau, david.krech@fcc.gov;
- 5) Sumita Mukhoty, International Bureau, sumita.mukhoty@fcc.gov.

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The proceeding in this Notice shall be treated as a "permit-but-disclose" proceeding in accordance with the Commission's *ex parte* rules. Persons making *ex parte* presentations must file a copy of any written presentation or a memorandum summarizing any oral presentation within two business days after the presentation (unless a different deadline applicable to the Sunshine period applies). Persons making oral *ex parte* presentations are reminded that memoranda summarizing the presentation must (1) list all persons attending or otherwise participating in the meeting at which the *ex parte* presentation was made, and (2) summarize all data presented and arguments made during the presentation. If the

presentation consisted in whole or in part of the presentation of data or arguments already reflected in the presenter's written comments, memoranda or other filings in the proceeding, the presenter may provide citations to such data or arguments in his or her prior comments, memoranda, or other filings (specifying the relevant page and/or paragraph numbers where such data or arguments can be found) in lieu of summarizing them in the memorandum. Documents shown or given to Commission staff during ex parte meetings are deemed to be written ex parte presentations and must be filed consistent with rule 1.1206(b), 47 C.F.R. § 1.1206(b). Participants in this proceeding should familiarize themselves with the Commission's ex parte rules.

For further information, please contact Myrva Freeman at (202) 418-1506 or Dennis Johnson at (202) 418-0809.

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