



PUBLIC NOTICE

Federal Communications Commission
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DA 02-3311
Released: November 29, 2002

**DOMESTIC SECTION 214 APPLICATION FILED FOR CONSENT TO TRANSFER
CONTROL OF BALTIC TELECOM COOPERATIVE AND EAST PLAINS TELECOM,
INC. TO SPLITROCK TELECOM COOPERATIVE, INC.**

STREAMLINED PLEADING CYCLE ESTABLISHED

WC Docket No. 02-342

On October 17, 2002, Baltic Telecom Cooperative (“Baltic”), its wholly-owned subsidiary East Plains Telecom, Inc. (“East Plains”) and Splitrock Telecom Cooperative, Inc. (“Splitrock”), filed an application pursuant to section 214 of the Communications Act of 1934, as amended, 47 U.S.C. § 214, for Commission consent to transfer control of Baltic and East Plains to Splitrock.¹

Applicants assert that this transaction is entitled to presumptive streamlined treatment pursuant to section 63.03(b)(2)(iii) of the Commission’s rules because the applicants are incumbent independent local exchange carriers that have, in combination, fewer than two (2) percent of the nation’s subscriber lines installed in the aggregate nationwide, and no overlapping or adjacent service areas.²

Baltic is a South Dakota cooperative corporation that is owned by its approximately 1,570 member-owners. Baltic is a rural carrier that provides wireline local exchange service and exchange access service to residential and business customers in two telephone exchanges (Baltic and Crooks) in Minnehaha County, South Dakota (2000 population: 148,281). Baltic serves approximately 1,889 access lines in these two exchanges.

¹ Baltic and Splitrock each hold 33.33 percent interests in ABS LMDS Venture, the licensee of nine Local Multipoint Distribution Service (LMDS) facilities. Baltic also holds a 50 percent interest in H&B LMDS Venture, the licensee of one LMDS facility. The applicants are filing separate applications with respect to these wireless licenses. Any action on this domestic 214 application is without prejudice to Commission action on other related pending applications.

² See 47 C.F.R. § 63.03(b)(2)(iii).

Baltic owns 100 percent of the issued and outstanding stock of East Plains, which is a rural carrier providing wireline local exchange service and exchange access service to residential and business customers in the Alcester exchange in Union County, South Dakota (2000 county population: 12,584) and the Hudson exchange in Lincoln County, South Dakota (2000 county population: 24,131). East Plains serves approximately 1,132 access lines in the two exchanges. Its Hudson exchange also serves approximately 37 access lines in the community of East Hudson in Sioux County, Iowa (2000 county population: 31,589).

Splitrock is a South Dakota cooperative corporation that is owned by its approximately 4,093 member-owners. Splitrock is a rural carrier that provides wireline local exchange service and exchange access service to residential and business customers in two telephone exchanges (Brandon and Garretson) in Minnehaha County, South Dakota (2000 county population: 148,281). Splitrock serves approximately 5,190 access lines in the two exchanges. Its Garretson exchange also serves approximately 78 access lines across the state line in Rock County, Minnesota (2000 county population: 9,781). Splitrock's subsidiary, Splitrock Properties, Inc., provides wireline local exchange and exchange access services on a total of 1,538 access lines in three additional South Dakota exchanges: Howard (Miner County), Oldham (Kingsbury County), and Ramona (Lake County).

The proposed transaction entails a two-step merger of two small telephone cooperatives in rural South Dakota. The first step will be the distribution of all of the assets and liabilities of Baltic's wholly-owned, for-profit subsidiary, East Plains (approximately 986 telephone subscribers) to Baltic, and the termination of the corporate existence of East Plains. All telephone subscribers of East Plains will become member-owners of the Baltic cooperative (approximately 1,570 members-owners at the present time, and approximately 2,556 members-owners after the dissolution of East Plains). The second step will be the merger of the Baltic cooperative into the larger Splitrock cooperative. The applicants state that shortly after the closing of the proposed transaction, Splitrock will change its name to Alliance Communications Cooperative, Inc.

The Applicants state that approval of this application is in the public interest because it will produce a larger and more financially sound cooperative. Applicants assert that the merged entity will be able to realize increased economies of scale and to allocate its work force efficiently, and that its increased size and credit capacity will better assure its access to affordable financing.

Applicants state that the transaction will have no adverse impacts upon competition because Splitrock and Baltic are very small telephone cooperatives that provide local exchange service and exchange access service to a total of 9,749 access lines in South Dakota (approximately 2 percent of South Dakota lines). Splitrock and Baltic state that they serve portions of the rural northern part of Minnehaha County, and that the southern part of the county contains the city of Sioux Falls. The Applicants state that they are currently the only providers of wireline local exchange and exchange access service in their service areas, but that they are

increasingly subject to competition from Sioux Falls-based wireless carriers such as Verizon Wireless, Sprint PCS, Rural Cellular Corporation, CellularOne, Western Wireless Corporation and Nextel Communications.

GENERAL INFORMATION

The transfer of control application identified herein has been found, upon initial review, to be acceptable for filing as a streamlined application. The Commission reserves the right to return any transfer of control application if, upon further examination, it is determined to be defective and not in conformance with the Commission's rules and policies. Interested parties may file **comments within 14 days** and **reply comments within 21 days** of this notice.³ Unless otherwise notified by the Commission, an applicant is permitted to transfer control of the domestic lines or authorization to operate on the 31st day after the date of this notice. Comments may be filed using the Commission's Electronic Comment Filing System (ECFS) or by filing paper copies. *See Electronic Filing of Documents in Rulemaking Proceedings*, 63 Fed. Reg. 24121 (1998).

Comments filed through the ECFS can be sent as an electronic file via the Internet to <<http://www.fcc.gov/e-file/ecfs.html>>. Generally, only one copy of an electronic submission must be filed. If multiple docket or rulemaking numbers appear in the caption of this proceeding, however, commenters must transmit one electronic copy of the comments to each docket or rulemaking number referenced in the caption. In completing the transmittal screen, commenters should include their full name, U.S. Postal Service mailing address, and the applicable docket or rulemaking number. Parties may also submit an electronic comment by Internet e-mail. To get filing instructions for e-mail comments, commenters should send an e-mail to ecfs@fcc.gov, and should include the following words in the body of the message, "get form <your e-mail address>." A sample form and directions will be sent in reply.

Parties who choose to file by paper must file an original and four copies of each filing. If more than one docket or rulemaking number appear in the caption of this proceeding, commenters must submit two additional copies for each additional docket or rulemaking number. Filings can be sent by hand or messenger delivery, by commercial overnight courier, or by first-class or overnight U.S. Postal Service mail (although we continue to experience delays in receiving U.S. Postal Service mail). The Commission's contractor, Vistrionix, Inc., will receive hand-delivered or messenger-delivered paper filings for the Commission's Secretary at 236 Massachusetts Avenue, N.E., Suite 110, Washington, D.C. 20002. The filing hours at this location are 8:00 a.m. to 7:00 p.m. All hand deliveries must be held together with rubber bands or fasteners. Any envelopes must be disposed of before entering the building. Commercial overnight mail (other than U.S. Postal Service Express Mail and Priority Mail) must be sent to 9300 East Hampton Drive, Capitol Heights, MD 20743. U.S. Postal Service first-class mail, Express Mail, and Priority Mail should be addressed to 445 12th Street, SW, Washington, D.C.

³ See 47 C.F.R. § 63.03(a).

20554. All filings must be addressed to the Commission's Secretary, Office of the Secretary, Federal Communications Commission.

In addition, one copy of each pleading must be sent to each of the following:

- (1) the Commission's duplicating contractor, Qualex International, 445 12th Street, S.W., Room CY-B402, Washington, D.C. 20554; e-mail: qualexint@aol.com; facsimile: (202) 863-2898; phone: (202) 863-2893.
- (2) Tracey Wilson, Competition Policy Division, Wireline Competition Bureau, 445 12th Street, S.W., Room 5-C437, Washington, D.C. 20554; e-mail: twilson@fcc.gov, and
- (3) William Dever, Competition Policy Division, Wireline Competition Bureau, 445 12th Street, S.W., Room , 5-C266, Washington, D.C. 20554; e-mail: wdever@fcc.gov; and
- (4) Nandan Joshi, Office of General Counsel, 445 12th Street, S.W., Room 8-A820, Washington, D.C. 20554; e-mail: njoshi@fcc.gov.

Filings and comments are also available for public inspection and copying during regular business hours at the FCC Reference Information Center, Portals II, 445 12th Street, SW, Room CY-A257, Washington, DC, 20554. They may also be purchased from the Commission's duplicating contractor, Qualex International, Portals II, 445 12th Street, SW, Room CY-B402, Washington, DC, 20554, telephone 202-863-2893, facsimile 202-863-2898, or via e-mail qualexint@aol.com.

For further information, please contact Tracey Wilson, at (202) 418-1394 or William Dever, Competition Policy, Wireline Competition Bureau at (202) 418-1578.

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