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DA 06-1411 Released: July 7, 2006

DOMESTIC SECTION 214 APPLICATION FILED FOR TRANSFER OF CONTROL OF TEKSTAR COMMUNICATIONS, INC.'S AUTHORIZATION AND OTHER ASSETS SERVING NISSWA, MINNESOTA TO CONSOLIDATED TELEPHONE COMPANY

NON-STREAMLINED PLEADING CYCLE ESTABLISHED

WC Docket No. 06-126

Comments Due: July 21, 2006

Reply Comments Due: July 28, 2006

On June 16, 2006, Tekstar Communications, Inc. ("Tekstar") and Consolidated Telephone Company ("Consolidated") (together, "Applicants") filed an application requesting authority to transfer control of Tekstar's section 214 authorization and other assets serving Nisswa, Minnesota to Consolidated. The Applicants did not request streamlined treatment for this application pursuant to section 63.03 of the Commission's rules.²

Tekstar, a Minnesota corporation, provides competitive local exchange services and resold long distance toll services to customers in fifteen north central and northwest Minnesota exchanges (Detroit Lakes, Battle Lake, Henning, Wadena, Staples, Hawley, Nisswa, Bemidji, Cass Lake, Crookston, Fergus Falls, Glenwood, Grand Rapids, Mahnomen, and Thief River Falls) in which Qwest Corporation ("Qwest") is the incumbent local exchange carrier ("LEC"), and in four west central Minnesota exchanges (Long Prairie, Carlos, Alexandria, and Browerville) in which Sprint Minnesota, Inc. is the incumbent LEC. Tekstar is wholly owned by Tekstar Cablevision, Inc., a Minnesota corporation, which provides cable television services and other non-regulated telecommunications services in many of the same areas in which Tekstar operates. Tekstar Cablevision, Inc. is wholly owned by Arvig Enterprises, Inc. ("Arvig"), a Minnesota corporation, which owns six incumbent LECs (East Otter Tail Telephone Company, Twin Valley-Ulen Telephone Company, Callaway Telephone Company, The People's Telephone Company of Bigfork, Midwest Telephone Co., and Osakis Telephone Company). The

² See 47 C.F.R. § 63.03.

¹ See 47 U.S.C. § 214.

³ These six carriers provide local exchange services and exchange access services in twenty-seven rural local exchanges in central, west central, and northwest Minnesota. Arvig also owns WETEC, LLC, a competitive LEC that is authorized by the Minnesota Public Utilities Commission to provide competitive local exchange services and resold long distance toll services in six north central Minnesota exchanges in which Qwest is the incumbent

following entities or individuals own a 10 percent or greater equity interest in Arvig Enterprises, Inc.: Allen Arvig, a U.S. Citizen (31.1%); Arvig Employee Stock Ownership Plan, a U.S. entity (20.2%); and Donna Ward, a U.S. citizen (18.6%).

Consolidated, a Minnesota cooperative corporation, is an incumbent LEC that provides local exchange service and exchange access in ten north central Minnesota exchanges (Freedhem, Leader, Lincoln, Mission, Motley, Nokay Lake, Outing, Pillager, Randall, and Sullivan Lake). Consolidated also provides competitive local exchange services and resold long distance toll services to customers in two north central Minnesota exchanges (Brainerd and Nisswa) in which Qwest is the incumbent LEC. Consolidated is also authorized by the Minnesota Public Utilities Commission to provide competitive local exchange services and resold long distance toll services to customers in two additional north central Minnesota exchanges (Little Falls and Staples) in which Qwest is the incumbent LEC. No individual owner-member owns or controls 10% or more of Consolidated's equity.

The proposed transaction consists of the sale of Tekstar's Nisswa competitive LEC exchange (including its equipment, customer base, and federal and state authorizations) to Consolidated.⁴ Following the proposed transaction, Consolidated will merge Tekstar's Nisswa equipment and operations into its own local exchange equipment and operations.

The Applicants state that the proposed transaction will serve the public interest, convenience, and necessity because it will allow Consolidated to offer more telecommunications and information services to Nisswa residents at faster speeds and with increased reliability, and it will permit Consolidated's enlarged competitive LEC to compete more vigorously and effectively with Qwest in Nisswa, as well as with other competitive LECs, wireless providers, and VoIP providers.

GENERAL INFORMATION

The transfer of 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 of assets application if, upon further examination, it is determined to be defective and not in conformance with the Commission's rules and policies. Pursuant to sections 1.415 and 1.419 of the Commission's rules, 47 CFR §§ 1.415, 1.419, interested parties may file comments **on or before July 21, 2006** and reply comments **on or before July 28, 2006**. Comments may be filed using: (1) the Commission's Electronic Comment Filing System (ECFS), (2) the Federal Government's eRulemaking Portal, or (3) by filing paper copies. See Electronic Filing of Documents in Rulemaking Proceedings, 63 FR 24121 (1998).

LEC. Arvig sometimes refers to its affiliated incumbent and competitive LECs under the trade name of Arvig Communication Systems.

⁴ The City of Nisswa is located in Crow Wing County, Minnesota and has a population of approximately 2,000. Qwest is presently the incumbent LEC serving Nisswa. Four competitive LECs (including Tekstar and Consolidated) presently offer competitive local exchange services in Nisswa. In addition, five wireless carriers and an increasing number of VoIP providers offer services that compete in whole or part with traditional wireline local exchange services.

⁵ See 47 C.F.R. § 63.03(a).

- Electronic Filers: Comments may be filed electronically using the Internet by accessing the ECFS: http://www.fcc.gov/cgb/ecfs/ or the Federal eRulemaking Portal: http://www.regulations.gov. Filers should follow the instructions provided on the website for submitting comments.
- For ECFS filers, if multiple docket or rulemaking numbers appear in the caption of this proceeding, filers must transmit one electronic copy of the comments for each docket or rulemaking number referenced in the caption. In completing the transmittal screen, filers 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, filers should send an e-mail to ecfs@fcc.gov, and include the following words in the body of the message, "get form." A sample form and directions will be sent in response.
- Paper Filers: 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 appears in the caption of this proceeding, filers 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). All filings must be addressed to the Commission's Secretary, Office of the Secretary, Federal Communications Commission.

The Commission's contractor 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 <u>before</u> 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, Express, and Priority mail should be addressed to 445 12th Street, S.W., Washington D.C. 20554.

People with Disabilities: To request materials in accessible formats for people with disabilities (braille, large print, electronic files, audio format), send an e-mail to fcc504@fcc.gov or call the Consumer & Governmental Affairs Bureau at 202-418-0530 (voice), 202-418-0432 (tty).

You may submit comments, identified by the above noted docket number, by any of the following methods:

- Federal eRulemaking Portal: http://www.regulations.gov. Follow the instructions for submitting comments.
- Federal Communications Commission's Web Site: http://www.fcc.gov/cgb/ecfs/. Follow the instructions for submitting comments.
- People with Disabilities: Contact the FCC to request reasonable accommodations (accessible format documents, sign language interpreters, CART, etc.) by e-mail: <u>FCC504@fcc.gov</u> or phone: 202-418-0530 or TTY: 202-418-0432.

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

- 1) The Commission's duplicating contractor, Best Copy and Printing, Inc., 445 12th Street, S.W., Room CY-B402, Washington, D.C. 20554, www.bcpiweb.com; phone: (202) 488-5300 fax: (202) 488-5563;
- 2) Cecilia Seppings, Competition Policy Division, Wireline Competition Bureau, 445 12th Street, S.W., Room 5-C230, Washington, D.C. 20554; email: Cecilia.Seppings@fcc.gov;
- 3) Adam Kirschenbaum, Competition Policy Division, Wireline Competition Bureau, 445 12th Street, S.W., Room 5-C211, Washington, D.C. 20554; e-mail: Adam.Kirschenbaum@fcc.gov; and
- 4) Jim Bird, Office of General Counsel, 445 12th Street, S.W., Room 8-C824, Washington, D.C. 20554; e-mail: jim.bird@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, S.W., Room CY-A257, Washington, D.C. 20554. They may also be purchased from the Commission's duplicating contractor, Best Copy and Printing, Inc., Portals II, 445 12th Street, S.W., Room CY-B402, Washington, D.C. 20554, telephone: (202) 488-5300, fax: (202) 488-5563, or via e-mail www.bcpiweb.com.

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For further information, please contact Cecilia Seppings at (202) 418-1588, or Adam Kirschenbaum at (202) 418-7280.