



PUBLIC NOTICE

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

News Media Information 202 / 418-0500
Fax-On-Demand 202 / 418-2830
TTY 202 / 418-2555
Internet: <http://www.fcc.gov>
<ftp.fcc.gov>

DA 06-866
Released: April 14, 2006

DOMESTIC SECTION 214 APPLICATION FILED FOR THE TRANSFER OF CONTROL OF MONTEZUMA MUTUAL TELEPHONE COMPANY TO IOWA TELECOMMUNICATIONS SERVICES, INC.

NON-STREAMLINED PLEADING CYCLE ESTABLISHED

WC Docket No. 06-76

Comments Due: April 28, 2006

Reply Comments Due: May 5, 2006

On February 27, 2006, Montezuma Mutual Telephone Company (“Montezuma”) and Iowa Telecommunications Services, Inc. (“Iowa Telecom”) (collectively, the “Applicants”), filed an application, pursuant to sections 63.03 and 63.04 of the Commission’s rules,¹ requesting authority to transfer control of Montezuma to Iowa Telecom.

Applicants, which are both incumbent local exchange carriers (“LECs”) with adjacent exchanges, do not request presumptive streamlined treatment for this Application under section 63.03 of the Commission’s rules.² Montezuma’s incumbent Deep River, Iowa exchange is adjacent to Iowa Telecom’s What Cheer, Iowa exchange. In addition, Montezuma’s incumbent Montezuma, Iowa-exchange is adjacent to Iowa Telecom’s Grinnell, Malcolm, and New Sharon, Iowa exchanges.³ Because the Applicants have adjacent service areas, this application is not subject to streamlined treatment.⁴

Montezuma, an Iowa corporation, is an independent incumbent LEC headquartered in Montezuma, Iowa. Montezuma provides local, interLATA, and intraLATA long distance service, dial-up, and broadband Internet access services to approximately 2,200 rural residential

¹ 47 C.F.R. §§ 63.03, 63.04; *see* 47 U.S.C. § 214.

² 47 C.F.R. § 63.03.

³ 47 C.F.R. § 63.03(b)(2)(iii).

⁴ *See* 47 C.F.R. §§ 63.03(b)(2)(iii), 63.03(b)(3), and 63.03(c)(1); *Implementation of Further Streamlining Measures for Domestic Section 214 Authorizations*, 17 FCC Rcd 5517, 5534 (2002), para. 32.

and business customers. Montezuma is 60.33% owned by an individual, M.B. McFarlin, a U.S citizen, who holds 108 of the total 179 shares of Montezuma and 11.2% by an individual, Francis E. Freeborn, a U.S. citizen, who holds 20 of Montezuma's outstanding shares. No other individual or company owns directly or indirectly 10% or more of the equity of Montezuma.

Iowa Telecom, an Iowa corporation, is an independent incumbent LEC headquartered in Newton, Iowa. Iowa Telecom currently provides local exchange and exchange access service and dial-up and broadband services to residential and business customers in 294 exchanges widely distributed throughout the State of Iowa, comprising a total of approximately 240,500 access lines. Iowa Telecom's competitive LEC affiliate, Iowa Telecom Communications, Inc., provides local exchange and exchange access service and dial-up and broadband Internet access services to residential and business customers in 18 exchanges widely distributed throughout the State of Iowa, comprising a total of approximately 20,200 access lines. Iowa Telecom's competitive LEC affiliate, IT Communications, LLC, just began offering local exchange and exchange access service and dial-up and broadband Internet access services to residential and business customers in the Iowa City, Iowa market in January 2006. Iowa Telecom is 10.40% owned by Pine Island Capital Corporation, a U.S. corporation whose principal business is investments. Pine Island Capital Corporation is 100% owned by Iowa Network Services, Inc., a U.S. corporation whose principal business is telecommunications. No individual entity owns 10% or more of Iowa Network Services, Inc. No individual entity other than Pine Island Capital Corporation or Iowa Network Services, Inc. directly or indirectly owns 10% or more of Iowa Telecommunications Services, Inc.

The Applicants entered into an Agreement and Plan of Merger on December 11, 2005 ("Agreement") in which Montezuma agreed to transfer its customer base and assets to Iowa Telecom. In accordance with the Agreement, IWA MC, Inc., a wholly owned subsidiary of Iowa Telecom, will be merged with Montezuma, and Montezuma will be the surviving corporation in the merger. Following the merger, Iowa Telecom will own all of the outstanding capital stock of Montezuma. Montezuma operates as an average schedule company, and Iowa Telecom intends to operate the two companies on a non-integrated basis after the acquisition. Post-consummation, Iowa Telecom will continue to offer the services currently offered to Montezuma customers.

Applicants state that the proposed transaction will serve the public interest because Montezuma's customers will be served by an experienced rural provider. Applicants also maintain that customers will not experience any changes or interruption of service and will continue to receive their current service at the same rates.

GENERAL INFORMATION

The transfer of control 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 control 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 April 28, 2006 and reply comments on or before May 5, 2006.⁵

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).

- **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 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, 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).

⁵ See 47 C.F.R. § 63.03(a).

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: FCC504@fcc.gov 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) Tracey Wilson-Parker, Competition Policy Division, Wireline Competition Bureau, 445 12th Street, S.W., Room 5-A103, Washington, D.C. 20554; email: tracey.wilson-parker@fcc.gov;
- (3) Jodie May, Competition Policy Division, Wireline Competition Bureau, 445 12th Street, S.W., Room 5-C234, Washington, D.C. 20554; e-mail: jodie.may@fcc.gov;
- (4) Susan O'Connell, Policy Division, International Bureau, 445 12th Street, S.W., Room 7-B544, Washington, D.C. 20554; email: susan.o'connell@fcc.gov; and
- (5) James Bird, Office of General Counsel, 445 12th Street, S.W., Room 8-C824, Washington, D.C. 20554; e-mail: james.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 CYB402, Washington, D.C. 20554, telephone: (202) 488-5300, fax: (202) 488-5563, or via e-mail www.bcpiweb.com.

For further information, please contact Tracey Wilson-Parker at (202) 418-1394, or Jodie May at (202) 418-0913.

- FCC -