



PUBLIC NOTICE

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DA 07-4318
Released: October 17, 2007

**DOMESTIC SECTION 214 APPLICATION FILED FOR THE ACQUISITION
OF ASSETS OF SHELL ROCK TELEPHONE COMPANY FROM
RURAL COMMUNICATIONS HOLDING CORPORATION TO
SHELL ROCK COMMUNICATIONS, INC.**

NON-STREAMLINED PLEADING CYCLE ESTABLISHED

WC Docket No. 07-232

Comments Due: October 31, 2007
Reply Comments Due: November 7, 2007

On October 9, 2007, Rural Communications Holding Corporation (RCHC) and its wholly owned subsidiary, Shell Rock Telephone Company (SRTC, together with RCHC, Transferors), filed an application pursuant to sections 63.03 and 63.04 of the Commission's rules¹ requesting approval to transfer assets of SRTC to Shell Rock Communications, Inc. (SRCI or Transferee) (collectively, Applicants).

The Applicants do not seek streamlined treatment for this application under section 63.03(b) of the Commission's rules.² SRTC, an Iowa corporation, is an incumbent local exchange carrier (LEC) serving the Shell Rock exchange in Butler County in northeast Iowa. SRCI is a newly-formed Iowa corporation that is a wholly owned subsidiary of Butler-Bremer Mutual Telephone Company d/b/a Butler-Bremer Communications ("BBC"). BBC, also an Iowa corporation, is an incumbent LEC serving four northeastern Iowa exchanges: (1) Plainfield (Bremer, Butler, and Chickasaw Counties); (2) Frederika (Bremer County); (3) Tripoli (Bremer County); and (4) Clarksville (Butler County). The Shell Rock exchange is adjacent to the Plainfield and Clarksville exchanges of BBC. Applicants state that RCHC's incumbent LEC subsidiaries, identified below, and BBC (and SRCI after it acquires the Shell Rock exchange) have, in combination, fewer than two percent of the nation's subscriber lines installed in the aggregate nationwide. However, because of the adjacent service areas the Applicants have identified, this application is not entitled to presumptive streamlined treatment.

In addition to SRTC, RCHC owns 100 percent of the following three rural incumbent LECs: Blue Earth Valley Telephone Company ("Blue Earth"), a Minnesota corporation that serves the Blue

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

² 47 C.F.R. § 63.03(b).

Earth, Elmore, Guckeen, Huntley, Wells, and Winnebago exchanges in south central Minnesota; Easton Telephone Company (“Easton”), a Minnesota corporation that serves the Easton exchange in south central Minnesota; and Eckles Telephone Company (“Eckles”), a Minnesota corporation that serves the New Prague exchange in eastern Minnesota. In addition, Blue Earth Valley Telephone Company owns 100 percent of Minnesota Lake Telephone Company (“Minnesota Lake”), a Minnesota corporation that serves the Minnesota Lake exchange in south central Minnesota. Blue Earth Valley Communications, Inc. (“BEVCI”), a Minnesota corporation, owns 100 percent of the equity of RCHC. The following U.S. citizens and U.S.-based entities own at least 10 percent of the equity of BEVCI: Neil and Sue Eckles (22.41 percent); Gail Eckles (24.66 percent); William V. Eckles (19.84 percent); Eckles Dynasty Trust #1 (16.55 percent); and Eckles Dynasty Trust #2 (16.55 percent). Applicants state that no other individual or entity will directly or indirectly own at least 10 percent of the equity of SRTC or RCHC after the proposed transaction. BEVCI holds a 33 percent ownership interest in Hector Communications Corporation (“Hector”), a holding company that owns nine incumbent LECs that provide local exchange and resold long distance services in 28 rural exchanges in Minnesota, Wisconsin, and North Dakota.³

BBC, which Applicants state is the only entity that will own at least 10 percent of the equity of SRCI, has no interest holders that hold a 10 percent or greater interest in the company. In addition to its incumbent LEC exchanges identified above, BBC’s wholly owned subsidiary, B&B Communications Network, Inc., an Iowa corporation, provides interstate and intrastate long distance toll services in and around Plainfield, Clarksville, Frederika, and Tripoli, Iowa. BBC’s wholly owned subsidiary, Cedar-Wapsie Communications, Inc., also an Iowa corporation, provides wireless services in Butler, Bremer, and Chickasaw counties in Iowa.

The proposed transaction will be accomplished by the sale of SRTC’s local exchange service business and assets to SRCI. The assets include SRTC’s customer accounts, local exchange plant, real property, and federal and state authorizations. Applicants state that SRTC will remain in existence as an Iowa corporation and wholly owned subsidiary of RCHC, but will no longer provide local exchange service in the Shell Rock exchange.

Applicants state that the proposed transaction is in the public interest because RCHC’s incumbent LEC subsidiaries and BBC are established rural telecommunications service providers and have proven records of providing high quality service at affordable rates, and that they will ensure that the residents of Shell Rock continue to receive these benefits.

³ The nine rural incumbent LECs are (1) Arrowhead Communications Corp, serving the communities of Bena and Cotton in northeastern Minnesota; (2) Eagle Valley Telephone Company, serving the community of Clarissa in central Minnesota; Felton Telephone Company, serving the communities of Felton, Averill, Hitterdal, and Borup in northwestern Minnesota ; (4) Granada Telephone Company, serving the community of Granada in southwestern Minnesota; (5) Hager Telecom, Inc., serving the communities of Hager City and Bay City in southwestern Wisconsin; (6) Indianhead Telephone Company, serving the communities of Exeland, Radisson, and Weyerhaeuser in northwestern Wisconsin; (7) Loretel Systems, Inc., serving the communities of Ada, Audubon, Cormorant, Frazee, Glyndon, Hendrum/Perley, Lake Park, and Pelican Rapids in northwestern Minnesota, including a few cross border extensions into North Dakota; (8) Pine Island Telephone Company, serving the communities of Pine Island and Oronoco in southeastern Minnesota; and (9) Sleepy Eye Telephone Company, serving the communities of Sleepy Eye, Hanska, Goodhue, Bellechester, White Rock, and Mazeppa in south central and southeastern Minnesota.

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 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 October 31, 2007** and reply comments **on or before November 7, 2007**. 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. 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).

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.bcpweb.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) David Krech, Policy Division, International Bureau, 445 12th Street, S.W., Room 7-A664 Washington, D.C. 20554; email: david.krech@fcc.gov; and
- 5) 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.bcpweb.com.

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

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