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

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DA 08-1374 Released: June 10, 2008

DOMESTIC SECTION 214 APPLICATION FILED FOR THE TRANSFER OF CONTROL OF BLACKDUCK TELEPHONE COMPANY TO PAUL BUNYAN TELEPHONE COOPERATIVE

NON-STREAMLINED PLEADING CYCLE ESTABLISHED

WC Docket No. 08-83

Comments Due: June 24, 2008 Reply Comments Due: July 1, 2008

On May 30, 2008, Blackduck Telephone Company (Blackduck) and Paul Bunyan Rural Telephone Cooperative (Paul Bunyan, collectively Applicants) filed an application pursuant to sections 63.03 and 63.04 of the Commission's rules¹ requesting approval to transfer control of Blackduck from the current shareholders to Paul Bunyan.

The Applicants do not seek streamlined treatment for this application under section 63.03(b) of the Commission's rules. Blackduck is an incumbent local exchange carrier (LEC) that serves the Blackduck exchange in Beltrami County in rural, north central Minnesota and the Ash River exchange in St. Louis County in rural, northeastern Minnesota. Paul Bunyan is an incumbent LEC that serves the Deer River, Squaw Lake, Northome, Kelliher, Ponemah, Red Lake, Puposky, Solway, Turtle River, Becida, and Laporte exchanges in Beltrami, Hubbard, Koochiching, and Itasca Counties in rural, north central Minnesota. The incumbent local exchange service areas of Blackduck and Paul Bunyan are adjacent. Applicants state that the Blackduck exchange is surrounded to the north, east, and west by Paul Bunyan's Kelliher, Northome, Squaw Lake, Turtle River, and Puposky exchanges. Applicants further state that Blackduck and Paul Bunyan have, in combination, fewer than two percent of the nation's subscriber lines installed in the aggregate nationwide, but, because of the adjacent service areas the Applicants have identified, this application is not entitled to presumptive streamlined treatment.

¹ 47 C.F.R. §§63.03, 63.04; *see* 47 U.S.C. § 214. Applicants are also filing applications to transfer radio licenses. Any action on this domestic section 214 application is without prejudice to Commission action on other related, pending applications.

² 47 C.F.R. § 63.03(b).

Blackduck, a Minnesota corporation, is currently owned by three U.S. citizens: Herbert J. Lien (38.14 percent), Richard B. Lien (38.14 percent), and Andrea Lien Southard (23.72 percent). Applicants state that Blackduck also has ownership interests in Northwest Minnesota Special Access, LLC (5.26 percent) that provides data and video services to schools and libraries in Minnesota, in Northern Transport Group, LLC (10 percent) that provides special access services in Minnesota, and in Central Transport Video Group, LLC (11.11 percent) that provides video transport services in Minnesota.

Paul Bunyan, a Minnesota corporation, is a competitive LEC in the Bemidji, Cass Lake, Grand Rapids, and Itasca State Park exchanges in Beltrami, Cass, Hubbard, and Itasca Counties in rural, north central Minnesota. It also resells interstate long distance services to customers in its incumbent and competitive local exchange areas. Applicants state that Paul Bunyan also has ownership interests in Northwest Minnesota Special Access, LLC (5.26 percent), Northern Transport Group, LLC (10 percent), and Broadband Visions, LLC (8.19 percent) that provides broadband services in Minnesota. Applicants state that Paul Bunyan is a rural telephone cooperative and that no member-owner directly or indirectly owns or controls 10 percent of more of the equity interests of the company.

The proposed transaction entails the transfer of Blackduck from its three existing shareholders to Paul Bunyan and will be accomplished by the sale of all issued and outstanding stock of Blackduck to Paul Bunyan.

The Applicants state that the proposed transaction is in the public interest because Paul Bunyan is an established rural telephone company that serves communities in Minnesota that are adjacent to Blackduck's exchanges, and because the transaction will ensure that Blackduck's customers continue to receive high quality, state of the art services at affordable 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 section 63.03(a) of the Commission's rules, 47 CFR § 63.03(a), interested parties may file comments **on or before June 24, 2008** and reply comments **on or before July 1, 2008**. 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 <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).

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) 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.bcpiweb.com.

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

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