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

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DA 08-1929

Released: August 19, 2008

DOMESTIC SECTION 214 APPLICATION FILED FOR THE TRANSFER OF CONTROL OF SWISHER TELEPHONE COMPANY FROM TELEPHONE ACQUISITION COMPANY, LLC TO SOUTH SLOPE COMMUNICATIONS COMPANY

NON-STREAMLINED PLEADING CYCLE ESTABLISHED

WC Docket No. 08-164

Comments Due: September 2, 2008

Reply Comments Due: September 9, 2008

On August 5, 2008, Telephone Acquisition Company, LLC (TAC) and South Slope Communications Company (South Slope, collectively Applicants) filed an application pursuant to sections 63.03 and 63.04 of the Commission's rules¹ requesting approval to transfer control of Swisher Telephone Company (STC) from TAC to South Slope.

The Applicants do not seek streamlined treatment for this application under section 63.03(b) of the Commission's rules. STC is an independent, incumbent local exchange carrier (LEC) that provides local exchange telephone and exchange access services to a single exchange serving the area in and around the City of Swisher in Johnson and Linn counties in east central Iowa. South Slope, an Iowa corporation, is wholly owned by South Slope Cooperative Telephone Company (South Slope Cooperative), also an Iowa corporation. South Slope does not offer telecommunications services. South Slope Cooperative is an independent, incumbent LEC serving the Amana, Ely, Fairfax, Newhall, Norway, and North Liberty exchanges in Benton, Johnson, Linn, and Iowa counties in east central Iowa. South Slope Cooperative also provides local exchange services to the majority of customers in the Oxford, Solon, and Tiffin exchanges in Johnson County. In addition, South Slope Cooperative provides incumbent LEC services in the Coralville, South Cedar Rapids, Shueyville, Walford, and Watkins exchanges in Benton, Johnson, Linn, Iowa, and Cedar counties. Applicants state that the Swisher exchange served by STC is adjacent to South Slope Cooperative's Ely, Fairfax, and North Liberty exchanges. Applicants further state that STC and South Slope Cooperative are incumbent LECs that have, in combination, fewer than two percent of the subscriber lines installed in the aggregate nationwide

¹ 47 C.F.R. §§ 63.03, 63.04; *see* 47 U.S.C. § 214. Applicants are also filing applications for the transfer of control of wireless authorizations. Any action on this domestic section 214 application is without prejudice to Commission action on other related, pending applications. On August 15, 2008, Applicants filed a supplement to their domestic section 214 application.

² 47 C.F.R. § 63.03(b).

³ Applicants state that South Slope Cooperative has had a petition pending since August 2004 to become an incumbent LEC in the three exchanges mentioned.

and no overlapping service areas, but, because of the adjacent service areas the Applicants have identified, this application is not entitled to presumptive streamlined treatment.⁴

TAC, an Iowa limited liability company, acquired control of STC on May 15, 2008 and now seeks to sell the stock of STC to South Slope. TAC was formed by four U.S.-based telephone companies that each own 25 percent of the equity of TAC: Interstate Enterprises, Ltd. (Interstate), Schaller Telephone Company (Schaller), Farmers Mutual Telephone Company d/b/a OmniTel Communications (OmniTel), and Breda Telephone Corp (Breda).⁵ Interstate, Schaller, OmniTel, and Breda and their affiliates provide incumbent LEC services in rural areas in Iowa, as well as intrastate and interstate long distance services in their incumbent LEC service areas.

Applicants state that South Slope Cooperative is a rural telephone cooperative with approximately 14,350 member-owners, none of which owns or controls 10 percent or more of the voting and/or equity interests, either presently or after completion of the proposed transaction. In addition to its local exchange and exchange access services, South Slope Cooperative resells intrastate and interstate long distance service in its local exchange service areas. Applicants further state that South Slope Cooperative received certification to provide competitive LEC services within the Swisher, Iowa exchange, but has not yet completed construction of competitive LEC facilities or commenced provision of competitive services there.

Pursuant to the terms of the proposed transaction, South Slope will acquire all of the issued and outstanding Class A voting stock and all of the issued and outstanding Class B non-voting stock from TAC. STC will continue to exist as an Iowa corporation and as an incumbent LEC that provides interstate exchange access services and interstate interexchange services.

Applicants assert that a grant of the application will serve the public interest, convenience, and necessity. The Applicants state that the proposed transaction is in the public interest because, under South Slope's ownership and control, STC will continue to provide quality telecommunications services at affordable rates for the businesses and residents of rural eastern central Iowa.

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 September 2, 2008** and reply comments **on or before September 9, 2008**. Comments may be filed using: (1) the Commission's Electronic Comment Filing System (ECFS), (2) the Federal Government's e-Rulemaking Portal, or (3) by filing paper copies. *See Electronic Filing of Documents in Rulemaking Proceedings*, 63 FR 24121 (1998).

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⁴ 47 C.F.R. § 63.03(b)(2)(iii).

⁵ Applicants state that Interstate is owned 100 percent by Interstate 35 Telephone Co., an Iowa corporation that has the following 10 percent or greater owners, who are U.S. citizens: Robert Mauer (35 percent), Virginia Mauer Cox (30 percent), Valerie Weis (30 percent). Schaller, an Iowa corporation, has the following 10 percent or greater owners, who are U.S. citizens: Steve Reimers (46 percent), Missy Kestel (35.5 percent), and Joann Reimers (15.5 percent). Applicants further state that no entity or individual owns more than 10 percent of the equity of OmniTel or Breda, both of which are Iowa corporations.

- Electronic Filers: Comments may be filed electronically using the Internet by accessing the ECFS: http://www.fcc.gov/cgb/ecfs/ or the Federal e-Rulemaking 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; e-mail: tracey.wilson-parker@fcc.gov;
- 3) Michelle Sclater, Competition Policy Division, Wireline Competition Bureau, 445 12th Street, S.W., Room 5-C266, Washington, D.C. 20554; e-mail: michelle.sclater@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.

For further information, please contact Tracey Wilson-Parker at 202 / 418-1394, or Michelle Sclater at 202 / 418-0388.