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

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DA 08-2327

Released: October 21, 2008

DOMESTIC SECTION 214 APPLICATION FILED FOR THE TRANSFER OF CONTROL OF STATE LONG DISTANCE TELEPHONE COMPANY TO TDS TELECOMMUNICATIONS CORPORATION

NON-STREAMLINED PLEADING CYCLE ESTABLISHED

WC Docket No. 08-212

Comments Due: November 4, 2008

Reply Comments Due: November 12, 2008

On October 6, 2008, State Long Distance Telcom, Ltd. (SLD) and its wholly owned subsidiary, State Long Distance Telephone Company (State LD), and TDS Telecommunications Corporation (TDS Telecom) (collectively, Applicants) filed an application, pursuant to section 63.03 of the Commission's rules, to transfer control of State LD to TDS Telecom.¹

SLD, a Wisconsin corporation that does not provide telecommunications services, is the parent company of State LD, a Wisconsin corporation that provides incumbent local exchange (LEC) services in Elkhorn, Wisconsin and in the surrounding townships in Walworth County, Wisconsin. TDS Telecom, a Delaware corporation, is a wholly owned subsidiary of Telephone and Data Systems, Inc. (TDS). TDS is a U.S.-based holding company that operates 112 incumbent LEC subsidiaries in multiple states through TDS Telecom. TDS also owns 80.8 percent of the nationwide wireless provider, United States Cellular Corporation (USCC), that provides service to over six million customers in 26 states, including in Walworth County, Wisconsin where the State LD exchange is located. In Wisconsin, TDS currently operates 20 incumbent LECs, as well as a competitive LEC, TDS Metrocom, LLC. Applicants state that State LD and TDS Telecom are incumbent LECs that have, in combination, fewer than two percent of the subscriber lines installed in the aggregate nationwide and that none of TDS Telecom's wireline incumbent LEC or competitive LEC exchanges overlap or are adjacent to the incumbent LEC service area of State LD. Because this transaction is more complex than usual, in order to analyze whether the proposed transaction would serve the public interest, this application will not be streamlined.²

Applicants state that TDS is controlled by a voting trust whose trustees are LeRoy T. Carlson, Jr., Walter C.D. Carlson, Prudence E. Carlson, and Letitia G.C. Carlson, all U.S. citizens. They further

¹ 47 C.F.R § 63.03; *see* 47 U.S.C. § 214. Applicants are also filing an application for transfer of control associated with authorization for international services. Any action on this domestic section 214 application is without prejudice to Commission action on other related, pending applications. Applicants filed a supplement to their domestic section 214 application on October 20, 2008.

² 47 C.F.R. § 63.03(b), (c)(1)(v).

state that the voting trust controls 52.3 percent of the voting power of TDS's total shares that vote in matters other than the election of directors and 94.4 percent of the Series A Common Shares that elect eight of TDS's 12 directors, and that no other individual or entity controls a 10 percent or greater interest in TDS.

Pursuant to the terms of the proposed transaction, SLD will merge with and into State Long Distance Telecom, LLC, a Delaware limited liability company and a wholly owned subsidiary of TDS Telecom. State Long Distance Telecom, LLC will be the surviving entity of the merger and will continue to be a wholly owned subsidiary of TDS Telecom.

Applicants assert that a grant of this application will serve the public interest, convenience, and necessity. They state that the transaction will have virtually no impact on competition in Wisconsin, that there are several competitive providers in Walworth County, and that TDS Telecom will invest in and enhance State LD's facilities and services in order to make it a stronger competitor. Applicants further assert that TDS Telecom and USCC operate separately and that the proposed transaction will not impact competition in the State LD exchange.

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 November 4, 2008** and reply comments **on or before November 12, 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).

- 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:

- 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) 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; e-mail: david.krech@fcc.gov;
- 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.