



PUBLIC NOTICE

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

News Media Information 202 / 418-0500
Internet: <http://www.fcc.gov>
TTY: 1-888-835-5322

DA 09-2621
Released: December 22, 2009

DOMESTIC SECTION 214 APPLICATION FILED FOR THE ACQUISITION OF ASSETS OF DIRECT COMMUNICATIONS, LLC BY IOWA TELECOMMUNICATIONS SERVICES, INC.

STREAMLINED PLEADING CYCLE ESTABLISHED

WC Docket No. 09-227

Comments Due: January 5, 2010
Reply Comments Due: January 12, 2010

On December 14, 2009, Iowa Telecommunications Services, Inc. (Iowa Telecom) filed an application pursuant to section 63.03 of the Commission's rules to transfer control of Direct Communications, LLC (Direct), formerly a subsidiary of Sherburne Tele Systems, Inc. (Sherburne), to Iowa Telecom.¹ Iowa Telecom closed this transaction without approval on July 1, 2009 as part of a larger transaction for which it received section 214 authority to acquire the assets of Sherburne, an incumbent and competitive local exchange carrier (LEC) in Minnesota.² Direct, a Minnesota limited liability company, was an indirect, partially-owned subsidiary of Sherburne and provides competitive local exchange and interstate transport services to approximately 10 customers in Minnesota. Prior to the closing, Iowa Telecom owned one-third of Direct through its 2008 purchase of Bishop Communications Corporation, a wholly-owned, indirect subsidiary of Iowa Telecom. Iowa Telecom states that, on September 24, 2009, it purchased the remaining one third of Direct from New Ulm Telephone Company.³ Iowa Telecom, a publicly traded Iowa corporation, is an incumbent LEC in 288 exchanges in Iowa and in 10 exchanges in Minnesota through its Lakedale Telephone Company subsidiary. Iowa Telecom provides competitive LEC services in Iowa and in 104 exchanges in Minnesota through its Lakedale Link, Inc. and

¹ 47 C.F.R § 63.03; *see* 47 U.S.C. § 214. Iowa Telecom filed a supplement to its domestic section 214 application on December 17, 2009.

² On December 17, 2009, Iowa Telecom filed a request for special temporary authority to allow Direct to continue to provide service pending action on the application. Iowa Telecom asserts that it was unaware at the time of the Sherburne transaction that the services provided by Direct were interstate telecommunications services. The Wireline Competition Bureau granted the STA on December 22, 2009 for a period of 60 days. Letter from Gregory J. Vogt, Counsel for Iowa Telecom, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 09-227 (filed Dec. 17, 2009). Any action on this domestic section 214 application does not preclude or prejudice enforcement action related to an unauthorized transfer of control.

³ Iowa Telecom states that the transfer of *de jure* control of Direct occurred with the transfer of the second third of the company to Iowa Telecom from Sherburne on July 1, 2009. It further states that, because Sherburne no longer owns or controls the shares or assets of Direct, Sherburne is not a party to the application.

Lakedale Link, LLC subsidiaries and majority-owned EN-TEL Communications, LLC subsidiary.⁴ Iowa Telecom states that no party directly or indirectly holds a 10 percent or greater equity interest in the company.

Pursuant to the terms of the transaction, Iowa Telecom acquired substantially all of the assets of Sherburne and its subsidiaries, including Sherburne's one-third interest in Direct, on July 1, 2009. Iowa Telecom asserts that the proposed transaction is entitled to presumptive streamlined treatment under section 63.03(b)(2)(iii) of the Commission's rules and that a grant of the application will serve the public interest, convenience, and necessity.⁵

Domestic Section 214 Application Filed for the Acquisition of Assets of Direct Communications, LLC by Iowa Telecommunications Services, Inc., WC Docket No. 09-227 (filed Dec. 14, 2009).

GENERAL INFORMATION

The Wireline Competition Bureau finds, upon initial review, that the transfer of certain assets identified herein is acceptable for filing as a 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 C.F.R. § 63.03(a), interested parties may file comments **on or before January 5, 2010**, and reply comments **on or before January 12, 2010**. Unless otherwise notified by the Commission, the Applicants may transfer control on the 31st day after the date of this notice.⁶ Comments must be filed electronically using (1) the Commission's Electronic Comment Filing System (ECFS) or (2) the Federal Government's e-Rulemaking Portal. *See* 47 C.F.R. § 63.03(a) ("All comments on streamlined applications shall be filed electronically . . ."); *Electronic Filing of Documents in Rulemaking Proceedings*, 63 FR 24121 (1998).

- 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.

⁴ Iowa Telecom states that it provides wireless services in Minnesota through its Lakedale Communications, LLC subsidiary. It further states that Direct does not provide competitive LEC services in any exchanges in Minnesota in which Iowa Telecom operates as an incumbent LEC. It also asserts that Direct does serve customers in locations adjacent to or overlapping the competitive LEC operations of Iowa Telecom, and that there are no adverse competitive consequences as a result of the transaction.

⁵ 47 C.F.R. § 63.03(b)(2)(iii).

⁶ Such authorization is conditioned upon receipt of any other necessary approvals from the Commission in connection with the proposed transaction.

In addition, e-mail one copy of each pleading to each of the following:

- 1) The Commission's duplicating contractor, Best Copy and Printing, Inc., fcc@bcpiweb.com; phone: (202) 488-5300; fax: (202) 488-5563;
- 2) Tracey Wilson-Parker, Competition Policy Division, Wireline Competition Bureau, tracey.wilson-parker@fcc.gov;
- 3) Jodie May, Competition Policy Division, Wireline Competition Bureau, jodie.may@fcc.gov;
- 4) David Krech, Policy Division, International Bureau, david.krech@fcc.gov; and
- 5) Jim Bird, Office of General Counsel, jim.bird@fcc.gov.

Filings and comments are 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; e-mail: fcc@bcpiweb.com; url: www.bcpiweb.com.

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).

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