



PUBLIC NOTICE

Federal Communications Commission
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DA 13-428
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**DOMESTIC SECTION 214 APPLICATION FILED FOR THE
TRANSFER OF CONTROL OF
SUBSIDIARIES OF HECTOR COMMUNICATIONS CORPORATION**

NON-STREAMLINED PLEADING CYCLE ESTABLISHED

WC Docket No. 13-55

Comments Due: March 28, 2013

Reply Comments Due: April 4, 2013

On February 20, 2013, Hector Communications Corporation (Hector), Blue Earth Valley Communications, Inc. (Blue Earth Valley), Arvig Enterprises, Inc. (Arvig), and New Ulm Telecom, Inc. (New Ulm) (together, Applicants) filed an application pursuant to section 63.03 of the Commission's rules¹ requesting approval for the transfer of control of subsidiaries of Hector to either Blue Earth Valley, Arvig, or New Ulm. Applicants consummated this transaction without authority on December 31, 2012.² Applicants are not requesting streamlined treatment for this application.

Hector, a Minnesota corporation, was a holding company that provided, through its U.S.-based subsidiaries, incumbent local exchange carrier (LEC) and long distance services in rural portions of Minnesota, Wisconsin, and North Dakota. The subsidiaries are: (1) Granada Telephone Company (incumbent LEC and long distance service in Granada, Minnesota); (2) Hager Telecom, Inc. (incumbent LEC and long distance service in Hager City and Bay City, Wisconsin); (3) Indianhead Telephone Company (incumbent LEC and long distance service in Exeland, Radisson, and Weyerhaeuser, Wisconsin); (4) Pine Island Telephone Company (incumbent LEC and long distance service in Pine Island and Oronoco, Minnesota); (5) Arrowhead Communications Corp. (incumbent LEC and long distance service in Bena and Cotton, Minnesota); (6) Eagle Valley Telephone Company (incumbent LEC and long distance service in Clarissa, Minnesota); (7) Felton Telephone Company (incumbent LEC and

¹ 47 C.F.R. § 63.03; *see* 47 U.S.C. § 214. Applicants also filed applications for a transfer of control associated with authorization for international and wireless 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 March 7, 2013.

² Applicants filed a request for special temporary authority (STA) to allow them to continue to provide service to customers while the domestic section 214 application is pending. On March 12, 2013, the Wireline Competition Bureau granted the STA for the domestic authorization for a period of 60 days. Letter from Gerard J. Duffy, Counsel, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 13-55 (filed Mar. 7, 2013). A grant of the domestic section 214 application will be without prejudice to any enforcement action by the Commission for non-compliance with the Communications Act of 1934, as amended, or the Commission's rules.

long distance service in Felton, Averill, Hitterdal, and Borup, Minnesota); (8) Loretel Systems, Inc. (incumbent LEC and long distance service in Ada, Audubon, Cormorant, Frazee, Glyndon, Hendrum/Perley, Lake Park, and Pelican Rapids, Minnesota); (9) Sleepy Eye Telephone Company (incumbent LEC and long distance services in Sleepy Eye, Hanska, Goodhue, Bellechester, White Rock, and Mazeppa, Minnesota); (10) Cannon Communications Corp. (long distance service in Red Wing, Minnesota and nearby portions of western Wisconsin); (11) Indianhead Communications Company (long distance service in Wisconsin).

Prior to the transaction, Hector was owned by Blue Earth Valley (33 percent), Arvig (33 percent), and New Ulm (33 percent), all Minnesota telecommunications corporations. The following U.S. citizen and U.S. entities own Blue Earth Valley: William V. Eckles (19.84 percent), Eckles Dynasty Trust #1 (37.33 percent), and Eckles Dynasty Trust #2 (39.58 percent). The following U.S.-based entities own Arvig: Allen R. Arvig Revocable Trust (22.21 percent); Arvig Employee Stock Ownership Plan (36.70 percent). Applicants state that no person or entity owns or controls 10 percent or more of the equity of New Ulm. Applicants further state that Blue Earth Valley, Arvig, and New Ulm each have subsidiaries that have incumbent LEC service areas that are adjacent to the LEC service areas of one or more of the distributed Hector affiliates.

Applicants state that they undertook a reorganization effective December 31, 2012 under which they dissolved Hector and distributed its operating subsidiaries to the Hector stockholder that was geographically closest and most capable of assuming operational control of each entity. As a result of the reorganization, the following six subsidiaries were distributed to BCS Holdings, LLC, a wholly owned subsidiary of Blue Earth Valley: Granada Telephone Company, Hager Telecom, Inc., Indianhead Telephone Company, Pine Island Telephone Company, Cannon Communications Corp. and Indianhead Communications Company. Alliance Telecommunications Corporation, an intermediate Hector subsidiary that owns Arrowhead Communications Corp, Eagle Valley Telephone Company, Felton Telephone Company, and Loretel Systems, Inc., was distributed to Arvig, and Sleepy Eye Telephone Company was distributed to New Ulm.

Applicants state that a grant of the application will serve the public interest, convenience, and necessity. They assert that Blue Earth Valley, Arvig, and New Ulm are experienced rural telecommunications service providers and that the proposed transaction ensures that the Hector subsidiaries will continue to receive high quality services at affordable rates.

Domestic Section 214 Application Filed for the Transfer of Control of the Subsidiaries of Hector Communications Corporation, WC Docket No. 13-55 (filed Feb. 20, 2013).

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 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 March 28, 2013**, and reply comments **on or before April 4, 2013**. Pursuant to section 63.52 of the Commission's rules, 47 C.F.R. § 63.52, commenters must serve a copy of comments on the Applicants no later than the above comment filing date.

Pursuant to section 63.03 of the Commission's rules, 47 CFR § 63.03, parties to this proceeding should file any documents in this proceeding using the Commission's Electronic Comment Filing System (ECFS): <http://fjallfoss.fcc.gov/ecfs2/>.

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

- 1) Myrva Charles, Competition Policy Division, Wireline Competition Bureau, myrva.charles@fcc.gov;
- 2) Jodie May, Competition Policy Division, Wireline Competition Bureau, jodie.may@fcc.gov;
- 3) David Krech, Policy Division, International Bureau, david.krech@fcc.gov; and
- 4) Jim Bird, Office of General Counsel, jim.bird@fcc.gov.

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).

The proceeding in this Notice shall be treated as a “permit-but-disclose” proceeding in accordance with the Commission’s *ex parte* rules.³ Persons making *ex parte* presentations must file a copy of any written presentation or a memorandum summarizing any oral presentation within two business days after the presentation (unless a different deadline applicable to the Sunshine period applies). Persons making oral *ex parte* presentations are reminded that memoranda summarizing the presentation must (1) list all persons attending or otherwise participating in the meeting at which the *ex parte* presentation was made, and (2) summarize all data presented and arguments made during the presentation. If the presentation consisted in whole or in part of the presentation of data or arguments already reflected in the presenter’s written comments, memoranda or other filings in the proceeding, the presenter may provide citations to such data or arguments in his or her prior comments, memoranda, or other filings (specifying the relevant page and/or paragraph numbers where such data or arguments can be found) in lieu of summarizing them in the memorandum. Documents shown or given to Commission staff during *ex parte* meetings are deemed to be written *ex parte* presentations and must be filed consistent with rule 1.1206(b), 47 C.F.R. § 1.1206(b). Participants in this proceeding should familiarize themselves with the Commission’s *ex parte* rules.

For further information, please contact Myrva Charles at (202) 418-1506 or Jodie May at (202) 418-0913.

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³ 47 C.F.R. §§ 1.1200 *et seq.*