



PUBLIC NOTICE

Federal Communications Commission
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DA 16-731
June 28, 2016

DOMESTIC SECTION 214 APPLICATION FILED FOR THE ACQUISITION OF ASSETS OF ROTHSAY TELEPHONE COMPANY, INC. BY OTTER COM, INC.

STREAMLINED PLEADING CYCLE ESTABLISHED

WC Docket No. 16-195

Comments Due: July 12, 2016

Reply Comments Due: July 19 2016

Rothsay Telephone Company, Inc. (RTC) and Otter Com, Inc. (OCI) (together, Applicants) filed an application pursuant to section 214 of the Communications Act of 1934, as amended, and section 63.03 of the Commission's rules requesting authorization to transfer assets of RTC to OCI.¹

RTC, a Minnesota corporation, is an incumbent local exchange carrier (LEC) in a single rural exchange (the Rothsay, Minnesota exchange) located in Wilkin and Otter Tail Counties in west central Minnesota. RTC provides local exchange service and exchange access service (less than 450 access lines) and also resells interstate and intrastate long distance toll service to customers within its local exchange service area. The following U.S. citizens directly own at least 10 percent of the equity of RTC: Paul Stowman (45 percent), Wayne Stowman (31 percent), and David Stowman (14 percent). RTC owns an 18 percent limited partnership interest in Val-Ed Joint Ventures L.L.P., a Minnesota limited liability partnership which provides local exchange and exchange access services in Fargo, North Dakota and Wahpeton and Moorhead, Minnesota.

OCI, a Minnesota corporation, serves as a holding company for telecommunications-related investments, and also provides long distance, internet, and video/cable services. OCI is a wholly owned subsidiary of Park Region Mutual Telephone Company (Park Region), a Minnesota corporation and member-owned cooperative, which provides service as an incumbent LEC to six rural exchanges (Dalton, Underwood, Ashby, Erhard, Maine, and Vining) in Otter Tail and Grant Counties in west central Minnesota.² Applicants state that none of the member-owners of Park Region hold as much as a one percent voting or equity interest in the cooperative.

¹ See 47 U.S.C. § 214; 47 C.F.R § 63.03.

² After completion of the proposed transaction, Applicants state that OCI will own a 36 percent limited partnership interest in Val-Ed Joint Ventures L.L.P. OCI owns a controlling 92 percent member interest in Otter Tail Telcom, LLC, a Minnesota limited liability company, which provides local exchange and exchange access services in the Fergus Falls and Battle Lake exchanges (approximately 4,200 access lines) in Otter Tail County in west central Minnesota. After completion of the proposed transaction, OCI will wholly own Otter Tail Telcom, LLC. OCI owns

The proposed transaction involves the sale of substantially all the assets, properties, contracts, and business operations of RTC to OCI. OCI will assign these assets to a newly formed wholly owned subsidiary which will operate the acquired assets and provide the same local exchange and interexchange services under the same name, “Rothsay Telephone Company, Inc.” In this way, OCI and its’ newly formed subsidiary, Rothsay Telephone Company, Inc., will acquire ownership and control of the blanket section 214 authorization of RTC.

Applicants state that RTC’s sole local telephone exchange, the Rothsay, Minnesota exchange, is adjacent to—but does not overlap or compete for customers with—the Fergus Falls exchange of Otter Tail Telecom, LLC, which is owned by OCI (92 percent) and RTC (7 percent).³ Applicants assert that the newly formed Rothsay Telephone Company will provide service to its customers under the same rates, terms, and conditions as currently provided, and that a grant of the application will serve the public interest, convenience, and necessity. We accept this for streamlined processing pursuant to our authority to afford streamlining to particular applications on a case-by-case basis.⁴

Domestic Section 214 Application Filed for the Acquisition of Assets of Rothsay Telephone Company, Inc. by Otter Com, Inc., WC Docket No. 16-195 (filed June 13, 2016).

GENERAL INFORMATION

The transfer of control identified herein has been found, upon initial review, to be 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 CFR § 63.03(a), interested parties may file comments **on or before July 12, 2016**, and reply comments **on or before July 19, 2016**. 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. Unless otherwise notified by the Commission, the Applicants may transfer assets on the 31st day after the date of this notice.

a five percent member interest in West Central Transport Group, LLC, a Minnesota limited liability company which provides fiber optic and other transport services in Minnesota. After completion of the proposed transaction, OCI will own a 10 percent member interest in West Central Transport Group, LLC. OCI owns a 18 percent member interest in Sky Com 700 MHz, LLC, a Minnesota limited liability company which holds 700 MHz Low Band licenses for Stations WPZA241 and WQIZ619 in Minnesota 5 – Wilkin (CMA286). Valley Telephone Company, a Minnesota Corporation and wholly owned subsidiary of Park Region, provides local exchange and exchange access services (approximately 500 access lines) in Browns Valley in Traverse County in west central Minnesota. Valley Telephone also provides cable television services in the Browns Valley area. Applicants state that OCI has no other affiliates that offer domestic telecommunications services.

³ See Letter from Gerald J. Duffy, Attorney for Applicants, WC Docket No. 16-195 (filed June 24, 2016) (requesting streamline treatment because there are no overlapping service areas and because the transaction involves only the assets of an incumbent LEC by means other than an acquisition of corporate control); *see also supra* note 2; 47 C.F.R. § 63.03(b).

⁴ See *Implementation of Further Streamlining Measures for Domestic Section 214 Authorizations*, Report and Order, 17 FCC Rcd 5517, 5531-32, 5535, paras. 28, 34 (2002); 47 C.F.R § 63.03(a).

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://apps.fcc.gov/ecfs/>.

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

- 1) Tracey Wilson, Competition Policy Division, Wireline Competition Bureau, tracey.wilson@fcc.gov;
- 2) Gregory Kwan, Competition Policy Division, Wireline Competition Bureau, gregpry.kwan@fcc.gov;
- 3) Jim Bird, Office of General Counsel, jim.bird@fcc.gov;

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The proceeding in this Notice shall be treated as a "permit-but-disclose" proceeding in accordance with the Commission's *ex parte* rules. 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 Tracey Wilson at (202) 418-1394 or Gregory Kwan at (202) 418-1191.

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