



PUBLIC NOTICE

Federal Communications Commission
45 L St., N.E.
Washington, D.C. 20554

News Media Information 202 / 418-0500
Internet: <http://www.fcc.gov>

DA 21-1214
September 28, 2021

DOMESTIC SECTION 214 APPLICATION FILED FOR THE TRANSFER OF CONTROL OF NEW KNOXVILLE TELEPHONE COMPANY AND GOLDSTAR COMMUNICATIONS, LLC TO SCHURZ COMMUNICATIONS, INC.

NON-STREAMLINED PLEADING CYCLE ESTABLISHED

WC Docket No. 21-361

Comments Due: October 12, 2021
Reply Comment Due: October 19, 2021

By this Public Notice, the Wireline Competition Bureau seeks comment from interested parties on an application¹ filed by the New Knoxville Telephone Company (NKTC) and Schurz Communications, Inc. (Schurz) (together, Applicants), pursuant to section 214 of the Communications Act of 1934, as amended, and sections 63.03-04 of the Commission's rules, requesting consent to transfer control of NKTC and its subsidiary, GoldStar Communications, LLC (GoldStar) (NKTC and Goldstar, together, the Licensees), to Schurz.²

NKTC, an Ohio corporation, provides service as an incumbent local exchange carrier (LEC) in Auglaize County and certain rural portions of Shelby County, Ohio.³ NKTC holds 98% of the ownership interests in GoldStar, an Ohio limited liability company, that provides competitive LEC services in Allen, Auglaize, Mercer, Shelby, and Van Wert Counties, Ohio, and also provides long distance services in multiple states.⁴ The current ownership of NKTC is widely held, and no interest holder has a 10% or greater interest in NKTC.⁵

¹ See Joint Application of the New Knoxville Telephone Company and Schurz Communications, Inc., for Grant of Authority Pursuant to Section 214 of the Communications Act of 1934, as amended, and Section 63.03 and 63.24 of the Commission's Rules to Transfer Control of Authorization Holders to Schurz Communications, Inc., WC Docket No. 21-361 (filed Sept. 13, 2021), <https://ecfsapi.fcc.gov/file/10913265801197/New%20Knoxville-Schurz%20Joint%20App%20TOC%20214%20FINAL%2009-13-21.pdf> (Application).

² See 47 U.S.C. § 214; 47 CFR §§ 63.03-04. Applicants also filed applications for the transfer of authorizations associated with international services. On September 23, 2021, Applicants filed a supplement (Supplement) to their domestic section 214 application. Any action on this domestic section 214 application is without prejudice to Commission action on other related, pending applications.

³ Application at 3; Supplement at 1.

⁴ Application at 3; Supplement at 1-2. Applicants state that the remaining 2% of Goldstar will be assigned to NKTC prior to the consummation of the proposed transaction. Application at 2-3 and n. 1. NKTC also wholly-owns NK Telco, Inc. (NK Telco), an Ohio corporation and cable operator that provides cable TV and Internet service in the communities of New Knoxville, New Bremen, Minster, Fort Loramie, Botkins, Anna, Sidney, Maria Stein, Russia, Jackson Center, Piqua, Ohio. Application at 3; Supplement at 2.

⁵ Application at 3.

Schurz, an Indiana corporation, through its indirect wholly-owned subsidiary, Long Lines, LLC (Long Lines), provides service as an incumbent LEC in various counties in Iowa and South Dakota,⁶ and provides competitive LEC and other services in several states.⁷ Applicants state that the service areas of Schurz's affiliates and subsidiaries do not overlap and are not adjacent with NKTC, Goldstar, or NK Telco.⁸ Schurz is a privately held company operated by members of the Schurz family, led by Mr. Todd Schurz, a U.S. citizen and President and CEO of Schurz.⁹

Pursuant to the terms the proposed transaction, NKTC will become a direct, wholly-owned subsidiary of Schurz, and GoldStar and NK Telco will become indirect wholly-owned subsidiaries of Schurz.¹⁰ Specifically, Schurz will acquire control through a wholly-owned subsidiary, Good River Broadband, Inc. (Merger Sub), an Ohio corporation created for the purpose of completing the proposed transaction, and Merger Sub will merge with and into NKTC, whereupon the separate existence of Merger Sub will cease, and NKTC will be the surviving corporation.¹¹

Applicants assert that a grant of the application would serve the public interest, convenience, and necessity.¹² Applicants state that the proposed transaction "will enable the Licensees to access additional capital, management, and technical resources that will make them stronger competitors" and that, following the consummation of the proposed transaction, "the Licensees will continue to provide service at the same rates, terms, and conditions, as governed by existing tariffs and contracts."¹³

⁶ Long Lines, a Delaware limited liability and holding company, wholly-owns the following incumbent LECs: Northwest Iowa Telephone, LLC, a Delaware limited liability company, providing service in Woodbury and Monona Counties, Iowa; Jordan-Soldier Valley Telephone Company, an Iowa corporation, providing service in Monona County, Iowa; and Jefferson Telephone Company, LLC, a Delaware limited liability company, providing service in Union County, South Dakota. Supplement at 2.

⁷ Long Lines wholly-owns the following competitive LECs: Long Lines Metro, LLC, CommChoice of Iowa, L.L.C., and Orange City Communications, LLC, each Delaware limited liability companies providing service in Iowa, and Long Lines Siouxland, LLC, a Nebraska limited liability company, providing service in Nebraska. Supplement at 2-3. Schurz also wholly-owns the following U.S.-based entities providing broadband, video, and voice services: Antietam Broadband, incorporated as Antietam Cable Television, LLC, serving Hagerstown, Maryland and surrounding communities in Washington County, Maryland; Long Lines, LLC, serving sixteen communities in Iowa, Nebraska, and South Dakota; Orbitel Communications, LLC, serving the City of Maricopa, Arizona, and the surrounding planned communities (also in Arizona): Sun Lakes, Sun Bird, Robson Ranch, SaddleBrooke, and SaddleBrooke Ranch; Champlain Broadband, LLC, serving customers in Chittenden County, Vermont; and Hiawatha Broadband Communications, Inc., serving customers in Minnesota and Wisconsin. Application at 8, n. 9; *see also* Supplement at 2-3.

⁸ Application at 4; Supplement at 3.

⁹ *Id.* The only 10% or greater interest holder in Schurz is the Schurz Communications Voting Trust Agreement (the Schurz Trust), an Indiana Trust, which holds a 75.17% voting interest in Schurz. The following U.S. citizens are the beneficiaries of the Schurz Trust: Franklin D. Schurz, Jr. (28%); Kathryn F. Schurz (19%); Mary Ann Schurz (19%); and Laura E. Ray (15%). *Id.* at 9-10.

¹⁰ *Id.* at 4.

¹¹ *Id.*

¹² *Id.* at 5-6.

¹³ *Id.*

Because the proposed transaction is more complex than those accepted for streamlined treatment, and in order to analyze whether the proposed transaction would serve the public interest, we accept the Application for non-streamlined processing.¹⁴

Domestic Section 214 Application Filed for the Transfer of Control of
New Knoxville Telephone Company and GoldStar Communications, LLC to
Schurz Communications, Inc., WC Docket No. 21-361 (filed Sept. 13, 2021).

GENERAL INFORMATION

The application identified herein has been found, upon initial review, to be acceptable for filing. The Commission reserves the right to return any application if, upon further examination, it is determined to be defective and not in conformance with the Commission's rules and policies.

Interested parties may file comments **on or before October 12, 2021**, and reply comments **on or before October 19, 2021**. Comments may be filed using the Commission's Electronic Comment Filing System (ECFS) or by paper.

- **Electronic Filers:** Comments may be filed electronically by accessing ECFS at <http://apps.fcc.gov/ecfs/>.
- **Paper Filers:** Parties who choose to file by paper must file an original and one copy 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 commercial overnight courier or by first-class or overnight U.S. Postal Service mail.¹⁵ All filings must be addressed to the Commission's Secretary, Office of the Secretary, Federal Communications Commission.
 - Commercial overnight mail (other than U.S. Postal Service Express Mail and Priority Mail) must be sent to 9050 Junction Drive, Annapolis Junction, MD 20701. U.S. Postal Service first-class, Express, and Priority mail must be addressed to 45 L Street, NE, Washington, DC 20554.

People with Disabilities: We ask that requests for accommodations be made as soon as possible in order to allow the agency to satisfy such requests whenever possible. Send an email to fcc504@fcc.gov or call the Consumer and Governmental Affairs Bureau at (202) 418-0530.

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) Gregory Kwan, Competition Policy Division, Wireline Competition Bureau, gregory.kwan@fcc.gov;

¹⁴ 47 CFR § 63.03(c)(1)(v).

¹⁵ Effective March 19, 2020, and until further notice, the Commission no longer accepts any hand or messenger delivered filings. This is a temporary measure taken to help protect the health and safety of individuals, and to mitigate the transmission of COVID-19. See *FCC Announces Closure of FCC Headquarters Open Window and Change in Hand-Delivery Policy*, Public Notice, 35 FCC Rcd 2788 (OS 2020).

- 3) David Krech, Telecommunications and Analysis Division, International Bureau, david.krech@fcc.gov; and
- 4) Jim Bird, Office of General Counsel, jim.bird@fcc.gov

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 CFR § 1.1206(b). Participants in this proceeding should familiarize themselves with the Commission’s *ex parte* rules.

To allow the Commission to consider fully all substantive issues regarding the application in as timely and efficient a manner as possible, petitioners and commenters should raise all issues in their initial filings. New issues may not be raised in responses or replies.¹⁶ A party or interested person seeking to raise a new issue after the pleading cycle has closed must show good cause why it was not possible for it to have raised the issue previously. Submissions after the pleading cycle has closed that seek to raise new issues based on new facts or newly discovered facts should be filed within 15 days after such facts are discovered. Absent such a showing of good cause, any issues not timely raised may be disregarded by the Commission.

For further information, please contact Myrva Charles at (202) 418-1506 or Gregory Kwan at (202) 418-1191.

-FCC-

¹⁶ See 47 CFR § 1.45(c).