



PUBLIC NOTICE

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DA 21-1591

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**DOMESTIC 214 APPLICATION GRANTED FOR THE ACQUISITION OF ASSETS OF
CONSOLIDATED COMMUNICATIONS OF OHIO COMPANY, LLC
BY HANSON COMMUNICATIONS OF OHIO, LLC**

WC Docket No. 21-399

By this Public Notice, the Wireline Competition Bureau (Bureau) grants an application filed by Consolidated Communications of Ohio Company, LLC (Consolidated Ohio) and Hanson Communications of Ohio, LLC (Hanson) (collectively, Applicants), pursuant to section 214 of the Communications Act of 1934, as amended (Act), and sections 63.03-04 of the Commission's rules, requesting consent to transfer substantially all the assets of Consolidated Ohio to Hanson.¹

On November 10, 2021, the Bureau released a public notice seeking comment on the Application.² The Bureau did not receive comments or petitions in opposition to the Application.

Applicants and Description of Transaction

Consolidated Ohio, a Delaware limited liability company, operates as an incumbent local exchange carrier (LEC) in the Ohio study areas of the Columbus Grove Telephone Company, The Germantown Independent Telephone Company, and the Orwell Telephone Company.³ Consolidated Ohio serves approximately 3,864 customer access lines in parts of Allen, Ashtabula, Butler, Geauga, Hancock, Henry, Montgomery, Putnam, Trumbull, and Warren Counties in Ohio.⁴

Hanson, a privately held Ohio limited liability company, is wholly owned by Hanson

¹ See 47 U.S.C. § 214; 47 CFR §§ 63.03-04. Domestic Section 214 Application Filed for the Acquisition of Assets of Consolidated Communications Of Ohio Company, LLC by Hanson Communication Of Ohio, LLC, WC Docket No. 21-399 (filed Oct. 14, 2021) <https://ecfsapi.fcc.gov/file/101416789077/HCI-Consolidated%20214%20Application.pdf> (Application). Applicants filed a supplement to their application on November 4, 2021. Letter from Benjamin Dickens, Jr. and Salvatore Taillefer, Jr., Counsel for Hanson Communications of Ohio, LLC, and Richard Cameron, Counsel for Consolidated Communications, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 21-399 (filed Nov. 4, 2021) (Supplement). Applicants also filed an application for the assignment of international authorizations. Any action on the domestic 214 application is without prejudice to Commission action on other pending applications.

² *Domestic Section 214 Application Filed for the Acquisition of Assets of Consolidated Communications of Ohio Company, LLC By Hanson Communications of Ohio, LLC*, WC Docket No. 21-199, Public Notice, DA 21-1416 (WCB Nov. 10, 2021).

³ Application at 1-2, 6.

⁴ *Id.* at 6. Applicants state that Consolidated Ohio's predecessors in interest accepted Connect America Fund Phase II universal service support, and that Consolidated Ohio was required to offer voice and broadband service to 1,247 locations in Ohio for annual support of \$420,997. *Id.* at 6 (citing *Wireline Competition Bureau Authorizes Fairpoint to Receive Over \$37 Million in Connect America Phase II Support in 14 States*, WC Docket No. 10-90, Public Notice, 30 FCC Rcd 8435 (WCB 2015)).

Communications, Inc. (HCI), a Minnesota holding company.⁵ HCI's eight incumbent LEC operating companies serve approximately 10,061 access lines and provide broadband connections to approximately 15,357 customers in Minnesota, Nebraska, South Dakota, and Ohio.⁶ Hanson's competitive LEC subsidiary, TSC Communications, Inc. (TSC), provides limited service to certain customers in Consolidated Ohio's incumbent LEC service area.⁷ The following U.S. citizens hold a 10% or greater interest in HCI: Bruce Hanson (22.04%); Mark Hanson (24.65%); and Susan Anderson (22.04%).⁸

Pursuant to the terms of an Asset Purchase Agreement, Consolidated Ohio has agreed to sell to HCI, and HCI has agreed to purchase, substantially all of the assets, property, and rights of Consolidated Ohio.⁹ Following the closing of the proposed transaction, the assets, property, and rights currently held by Consolidated Ohio will be owned and operated by Hanson.¹⁰

Discussion

We find, upon consideration of the record, that grant of the Application will serve the public interest, convenience, and necessity. To make this determination under Commission precedent, we consider whether the proposed transaction could result in public interest harms by substantially frustrating or impairing the objectives or implementation of the Act or related statutes.¹¹ We then employ a balancing test weighing any potential public interest harms of the proposed transaction against any potential public interest benefits.¹² The Applicants bear the burden of proving, by a preponderance of the evidence, that the proposed transaction, on balance, serves the public interest.¹³

⁵ Application at 4-5.

⁶ *Id.* at 5. HCI's incumbent LEC subsidiaries are Clara City Telephone Company, Sacred Heart Telephone Company, Fort Randall Telephone Company d/b/a Mt. Rushmore Telephone Company, Starbuck Telephone Company, Telephone Service Company, The Middle Point Home Telephone Company, and Zumbrota Telephone Company. Application at Exhibit B (Hanson Communications, Inc. ILEC Affiliate Chart).

⁷ Supplement at 4.

⁸ *Id.* at 2-3. Applicants state that the remaining 31.23% (approximately) is held by "ten individual qualified subchapter S trusts with ten individual family-member beneficiaries, each in the amount of 3.12% equity." Supplement at 3. Each beneficiary is a U.S. citizen, and Maria J. Hanson, a U.S. citizen, is the trustee for five of the trusts, and Douglas Anderson, a U.S. citizen, is the trustee for the other five trusts. Supplement at 3.

⁹ Application at 7.

¹⁰ *Id.* at 7.

¹¹ See, e.g., *Application of Verizon Communications Inc. and América Móvil S.A.B. de C.V. for Consent to Transfer Control of International Section 214 Authorization*, GN Docket No. 21-112; IBFS File No. ITC-T/C-20200930-00173, Memorandum Opinion and Order, FCC 21-121, at para. 21 (rel. Nov. 22, 2021) (*Verizon-TracFone Order*) (citing *China Mobile International (USA) Inc., Application for Global Facilities-Based and Global Resale International Telecommunications Authority Pursuant to Section 214 of the Communications Act of 1934, as Amended*, Memorandum Opinion and Order, 34 FCC Rcd 3361, 3366, para. 9 (2019); *Applications for Consent to the Assignment and/or Transfer of Control of Licenses, Adelphia Communications Corporation (and subsidiaries, debtors-in-possession), Assignors, to Time Warner Cable Inc. (subsidiaries), Assignees; Adelphia Communications Corporation, (and subsidiaries, debtors-in-possession), Assignors and Transferors et al.*, MB Docket No. 05-192, Memorandum Opinion and Order, 21 FCC Rcd 8203, 8219-21, paras. 27-28 (2006) (*Adelphia-TWC Order*)).

¹² See *Verizon-TracFone Order* at para. 21 (citing *Applications of AT&T Inc. and DIRECTV for Consent to Assign or Transfer Control of Licenses and Authorizations*, MB Docket No. 14-90, Memorandum Opinion and Order, 30 FCC Rcd 9131, 9140, para. 18 (2015) (*AT&T-DIRECTV Order*) (further internal citations omitted).

¹³ See *Verizon-TracFone Order* at para. 21 (citing *AT&T-DIRECTV Order*, 30 FCC Rcd at 9140, para. 18; *Adelphia-TWC Order*, 21 FCC Rcd at 8217, para. 23; *Application of EchoStar Communications Corp., General Motors Corp., and Hughes Electronics Corp., Transferors, and EchoStar Communications Corp., Transferee*, CS Docket No. 01-

(continued....)

We find that there are no potential public interest harms identified in the record. First, the proposed transaction likely will not adversely affect competition. Applicants state that there is a *de minimis* overlap involving certain limited operations of Hanson’s competitive LEC subsidiary, TSC, which serves four schools in Consolidated Ohio’s Columbus Grove and Orwell incumbent LEC service areas in Ohio.¹⁴ They further state that the schools are part of a consortium of schools in Ohio served by other providers, that the consortium asked TSC to serve those particular schools, and that TSC did not otherwise have plans to expand service in those areas.¹⁵ There is unlikely to be any material public interest harm in this case since TSC serves a small number of business customers as part of a limited service arrangement, and there is no evidence that TSC intended to further compete in those areas.¹⁶ Second, Hanson remains financially and technically obligated to meet all public interest and performance obligations associated with the receipt of Connect America Fund support, which is scheduled to end December 31, 2021, in accordance with the Commission’s pre-transaction approval of its qualifications.¹⁷ We expect that the proposed transaction will not negatively impact these obligations. To that end, Hanson “acknowledges and affirmatively assumes the commitments, responsibilities, and liabilities agreed to by Consolidated Ohio as a recipient of Connect America Fund (CAF) Phase II support, effective as of the closing of the proposed transaction.”¹⁸

We next consider whether the proposed transaction is likely to generate verifiable, transaction-specific public interest benefits.¹⁹ Applicants must provide evidence of a claimed benefit to allow the Commission to verify its likelihood and magnitude.²⁰ Where potential harms appear unlikely, as is the

348, Hearing Designation Order, 17 FCC Rcd 20559, 20574, para. 25 (2002) (*EchoStar-DIRECTV HDO*) (further internal citations omitted).

¹⁴ Application at 10-11; Supplement at 4.

¹⁵ Supplement at 4.

¹⁶ See *Joint Applications of Telephone and Data Systems, Inc. and Chorus Communications, Ltd. For Authority to Transfer Control of Commission Licenses and Authorizations Pursuant to Sections 214 and 310(d) of the Communications Act and Parts 22, 63 and 90 of the Commission's Rules*, Memorandum Opinion and Order, 16 FCC Rcd 15293, 15296-99, para. 9-10 (CCB/WTB 2001) (authorizing a transfer of control involving an incumbent LEC and a competitive in-region provider of local exchange and exchange access services where overlap was limited and the transaction overall resulted in public interest benefits, and finding no concerns where the competitive LEC did not intend further entry into the market of the other party, also citing *Application of GTE Corporation, Transferor, and Bell Atlantic Corporation, Transferee, for Consent to Transfer Control of Domestic and International Sections 214 and 310 Authorizations and Application to Transfer Control of a Submarine Cable Landing License*, CC Docket No. 98-184, Memorandum Opinion and Order, 15 FCC Rcd 14,032, 14,088, 14,090-92, paras. 100, 105, 108, 110 (2000); *Application of Ameritech Corp., Transferor, and SBC Communications Inc., Transferee, for Consent to Transfer Control of Corporations Holding Commission Licenses and Lines Pursuant to Sections 214 and 310(d) of the Communications Act and Parts 5, 22, 24, 25, 63, 90, 95 and 101 of the Commission's Rules*, CC Docket No. 98-141, Memorandum Opinion and Order, 14 FCC Rcd 14,712, 14,745, para. 66 (1999)).

¹⁷ Application at 11-12; Supplement at 3-4.

¹⁸ Supplement at 3. See Application at 7 (“Both Consolidated Ohio and HCI are parties to an Asset Purchase Agreement (“APA”) whereby Consolidated Ohio has agreed to sell and assign to HCI, and HCI has agreed to purchase, substantially all of the assets, property, and rights of Consolidated Ohio. Following the closing of the Transaction, the assets, property, and rights currently held by Consolidated Ohio will be owned and operated by Hanson, a subsidiary of HCI created for that purpose.”). The Consolidated Ohio service areas receive CAF Phase II support, and Hanson is assuming all obligations, including for any possible non-compliance under section 54.320. 47 CFR § 54.320.

¹⁹ See *AT&T/DIRECTV Order*, 30 FCC Rcd at 9237, para. 273-274.

²⁰ See *id.* at 9237-38, paras. 275-76.

case with the Application before us here, the Commission accepts a lesser degree of magnitude and likelihood than when harms are present.²¹

Applicants claim that the proposed transaction will result in improved services and increased broadband deployment. Hanson plans to “spend approximately \$11 million within in the first five years of acquisition to replace copper and coaxial plant with fiber, specifically Gigabit Passive Optical Network technology (G-PON).”²² Applicants state that G-PON technology provides scalability to address customer’s needs to gigabit-per-second speeds.²³ Hanson states that, in spite of anticipated supply chain and chip shortages, it “expects to be able to begin significant deployment in 2023 as these conditions ease,”²⁴ and that it anticipates making gigabit service available to approximately 75% of customers within the Consolidated Ohio study areas within the first five years post-transaction.²⁵ The Commission has specified that ensuring consumers receive new or additional services is an important public interest factor.²⁶ Moreover, accelerating private sector deployment of advanced services is one of the aims of the Communications Act.²⁷ Hanson further states that it has experience acquiring carriers and serving rural markets.²⁸ Based on the record of this proceeding, we find it likely that the proposed transaction would result in some public interest benefits, including improved services and increased broadband deployment. Absent any potential harms, and considering that the proposed transaction is likely to yield some benefits, we find, on balance, that the proposed transaction serves the public interest.

Therefore, pursuant to section 214 of the Act, 47 U.S.C. § 214, and sections 0.91, 0.291, 63.03, and 63.04 of the Commission’s rules, 47 CFR §§ 0.91, 0.291, 63.03, and 63.04, the Bureau hereby grants the Application discussed in this Public Notice.

Pursuant to section 1.103 of the Commission’s rules, 47 CFR § 1.103, the grant is effective upon release of this Public Notice.²⁹ Petitions for reconsideration under section 1.106 or applications for review under section 1.115 of the Commission’s rules, 47 CFR §§ 1.106, 1.115, may be filed within 30 days of the date of this Public Notice.

For further information, please contact Dennis Johnson, Wireline Competition Bureau, Competition Policy Division, (202) 418-0809.

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²¹ *See id.*

²² Application at 10.

²³ *Id.*

²⁴ Supplement at 3.

²⁵ *Id.* at 2-3.

²⁶ *See, e.g., AT&T-DIRECTV Order*, 30 FCC Rcd at 9140, para. 19.

²⁷ *See Verizon-TracFone Order* at para. 22 (citing 47 U.S.C. §§ 254, 332(c)(7), 1302; Telecommunications Act of 1996, Preamble, Pub. L. No. 104-104, 110 Stat. 56 (1996) (one purpose of the Act is to “accelerate rapidly private sector deployment of advanced telecommunications and information technologies and services”)).

²⁸ Application at 7, 9.

²⁹ We direct Applicants to submit, within 30 days of closing the proposed transaction, a notice in WC Docket No. 21-399 that the proposed transaction has closed with the consummation date, and also provide a courtesy copy of the notice to hcinfo@usac.org.