



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 23-515
Released: June 14, 2023

**DOMESTIC SECTION 214 APPLICATION FILED FOR THE TRANSFER OF CONTROL
OF WINN TELEPHONE COMPANY D/B/A WINN TELECOM TO
PENINSULA FIBER NETWORK, LLC**

NON-STREAMLINED PLEADING CYCLE ESTABLISHED

WC Docket No. 23-84

Comments Due: June 28, 2023

Reply Comment Due: July 5, 2023

By this Public Notice, the Wireline Competition Bureau seeks comment from interested parties on an application filed by Winn Telephone Company d/b/a Winn Telecom (Winn Telecom) and Peninsula Fiber Network, LLC (PFN) (together, Applicants), pursuant to section 214 of the Communications Act of 1934, as amended, and sections 63.03-04 of the Commission's rules,¹ requesting consent to transfer control of Winn to PFN.²

Winn Telecom, a Michigan corporation, provides service as an incumbent local exchange carrier (LEC) in the Winn Exchange, and as a competitive LEC to residential and business customers in rural areas of 67 exchanges in the Lower Peninsula of Michigan.³ Specifically, Winn Telecom provides local exchange, exchange access, tandem, domestic toll, SS7, Ethernet, and broadband Internet services.⁴ Winn Telecom provides voice, data, and internet services, as well as high speed optical transport within its service territory. Winn Telecom, an eligible telecommunications carrier (ETC) in Michigan and NECA Rate-of-Return Cost Company, receives approximately \$14, 419 a month in Connect America Fund Broadband Loop support and approximately \$2,532 in high-cost loop support.⁵ Winn Telecom is wholly owned by Winn

¹ See 47 U.S.C. § 214; 47 CFR §§ 63.03-04.

² See Application for Assignment of Domestic Section 214 Authorization of Winn Telephone Co. d/b/a Winn Telecom to Peninsula Fiber Network, LLC, WC Docket No. 23-84 (filed Feb. 6, 2023) (Application). Applicants filed supplements to the Application on April 4, 2023 and May 24, 2023. Supplement to Application for Change of Control of Winn Telephone Co. d/b/a Winn Telecom to Peninsula Fiber Network, LLC, WC Docket No. 23-84 (filed Apr. 4, 2023) (April Supplement); Supplement to Application for Change of Control of Winn Telephone Co. d/b/a Winn Telecom to Peninsula Fiber Network, LLC, WC Docket No. 23-84 (filed May 24, 2023) (May Supplement). Any action on this domestic section 214 application is without prejudice to Commission action on other related, pending applications.

³ Application at 1-2, 8. Winn Telecom has a license to provide local exchange service to all zones and exchange areas in the state of Michigan, but does not provide services in all such exchanges. *Id.* at 2, 8.

⁴ *Id.* at 8.

Communications Co. (Winn Comm), a Michigan corporation that does not directly offer domestic telecommunications services.⁶ There are no persons with a 10% or greater ownership in Winn Comm.⁷

PFN, a Michigan limited liability company licensed by the Michigan Public Service Commission, provides local exchange service, exchange access service, tandem services, domestic toll service, SS7, Ethernet, and broadband Internet service either directly or through various subsidiaries and affiliates, all in rural areas of the Upper Peninsula and the northern Lower Peninsula of Michigan.⁸ PFN is the parent corporation of Alpha Connect, LLC,⁹ a Michigan limited liability company, Huron Mountain Communications Co., a Michigan company, and Peninsula Fiber Network Next Generation Services (PFN Next Gen), LLC, a Michigan limited liability company.¹⁰ PFN does not have a 10% or greater ownership interest in any other telecommunications provider.¹¹

PFN is 50% owned by Baraga Telephone Company (Baraga),¹² a Michigan corporation, and 50% owned by Hiawatha Communications, Inc. (HCI),¹³ a Michigan corporation.¹⁴ Baraga and HCI also provide local exchange service, exchange access service, tandem services, domestic toll service, SS7, Ethernet, and broadband Internet service either directly or through various subsidiaries and affiliates, all in rural areas of the Upper Peninsula of Michigan.¹⁵ Baraga has no subsidiaries and is a Rate-of-Return Average Schedule Company and a designated ETC receiving Rural Digital Opportunity Fund Phase I Auction (Auction 904) support and Alternative Connect America Model (ACAM) II support.¹⁶ HCI, not a designated ETC, receives approximately \$837,630 of ACAM

⁵ April Supplement at 2-3; May Supplement at 2. While Winn Telecom participates in the Lifeline program, it has no Lifeline subscribers. April Supplement at 4. It also participates in the Emergency Broadband Benefit Program and Affordable Connectivity Program. *Id.*

⁶ Application at 8; April Supplement at 2.

⁷ Application at 5; April Supplement at 5.

⁸ Application at 2, 9.

⁹ April Supplement at 2, 4.

¹⁰ On March 4, 2021, the Michigan Public Service Commission approved Huron's voluntary relinquishment of its license to provide basic local exchange service as it no longer served any customers in Michigan. PFN Next Gen is authorized to provide basic local exchange service to all exchange areas and zones in the state of Michigan, and has filed tariffs to provide end-user local exchange service several exchanges of AT&T Michigan, Frontier North, Inc., Wolverine Telephone Co., and CenturyTel Midwest- Michigan, Inc. Application at 2, 9-10.

¹¹ April Supplement at 5.

¹² *Id.* at 2-3; May Supplement at 2.

¹³ HCI is principally a holding company that owns the switch used by its subsidiaries, and provides executive functions to them, but does not offer domestic telecommunications services except through its subsidiaries. April Supplement at 6.

¹⁴ Application at 3.

¹⁵ *Id.* at 3, 10.

funding.¹⁷ HCI is the parent of three Michigan corporations that are local exchange service providers and ETCs in the Upper Peninsula of Michigan—Hiawatha Telephone Company (HTC), Midway Telephone Company (Midway), and Ontonagon County Telephone Company (Ontonagon).¹⁸ HCI does not own a 10% or greater interest in any other telecommunications providers.¹⁹ The ultimate persons with a 10% or greater ownership interest in PFN are Paul Stark (25.1%), the Paul W. Stark Children’s Trust FBO Laura Stark Inal (21.84%), as shareholders of Baraga, and the Tidd Family Trust – Myrtle Tidd, Beneficial Owner (25%) and the Nebel Family Trust (25%) as shareholders of HCI. Neither Mr. Stark nor any of the three trusts own a 10% or greater interest in any other provider of telecommunications other than those identified above.²⁰ Additionally, there is no overlap in the service territories between PFN, its subsidiaries or parent companies, and Winn Telecom.²¹

Pursuant to the terms of the proposed transaction, PFN and Winn Comm entered into an Agreement and Plan of Merger to effectuate the transfer of control of Winn Comm and its subsidiaries to PFN. Applicants propose the transfer of control of the Section 214 authorization held by Winn Telecom, a subsidiary of Winn Comm, to PFN.²² The proposed transaction will be effectuated through the acquisition by PFN of 100% ownership of Winn Comm through a “reverse triangular merger” in which PFN Sub LLC, an acquisition subsidiary of PFN, would merge into Winn Comm and then cease its existence.²³ All of the issued and outstanding stock of Winn Comm

¹⁶ April Supplement at 2-3, 5 (noting that Baraga participates in the Lifeline program and receives USDA Reconnect Loan Program Support); May Supplement at 2 (stating that Baraga receives approximately \$219,502 of ACAM II support per month); *Rural Digital Opportunity Fund Support Authorized for 1,345 Winning Bids*, AU Docket No. 20-34 et al., Public Notice, DA 22-402, Attach. A (Authorized Long-Form Applicants and Winning Bids) (WCB/OEA/RBATF rel. 2022); *see id.* at 8-9 (stating that ETCs seeking to transfer control of their domestic authorizations to operate pursuant to section 214 of the Act, or to engage in the sale of assets under section 214 “must first receive approval from the Commission in accordance with sections 63.03 and 63.04 of the Commission’s rules governing the procedures for domestic transfer of control/asset applications. Transfers of control and assignments of international section 214 authorizations are separately subject to section 63.24 of the Commission’s rules. Except where the Commission has forborne from the application of section 214, this requirement applies to all transfers of control or asset acquisitions involving ETCs.”). Baraga also participates in the Lifeline Program. April Supplement at 3.

¹⁷ HCI receives ACAM funding at the holding company level, not at the individual subsidiary telephone company level. May Supplement at 1-2 (explaining that “[a]lthough USAC data indicates that it is Hiawatha Telephone Company (subsidiary of HCI) that receives ACAM funding, it is actually HCI that receives such funding”).

¹⁸ Application at 3. HTC, Midway, and Ontonagon, Rate-of-Return Cost Companies, are all ETCs participating in the Lifeline program and receive model-based universal service support. April Supplement at 2-3; May Supplement at 2. HCI’s two other subsidiaries, Great Lakes Interlink, Inc.(which owns some fiber assets, but does not provide telecommunications services) and Jamadots, Inc. (a broadband provider), are not ETCs and do not receive any high-cost universal service support. April Supplement at 3, 6.

¹⁹ *Id.* at 5.

²⁰ *Id.*

²¹ *Id.* at 5-6.

²² Application at 7.

²³ *Id.*

would be cancelled, and all of the membership interest of PFN Sub would be converted to common stock of Winn Comm²⁴ The Applicants assert post-consummation of the proposed transaction, PFN, Winn Comm, and Winn Telecom will continue to exist and operate as separate entities from PFN and from PFN's affiliates—that is from Baraga and from HCI and its subsidiaries—in their respective service territories, under the same names, and provide service pursuant to then-existing rates, terms and conditions.²⁵

Applicants request streamlined treatment of the proposed transaction under the Commission's rules and assert that a grant of the application would serve the public interest, convenience, and necessity, will be transparent to customers, and not negatively impact competition.²⁶ Because the proposed transaction is more complex than those accepted for streamlined treatment, and in order to sufficiently analyze whether the proposed transaction would serve the public interest, we accept the Application for non-streamlined processing.²⁷

Domestic Section 214 Application Filed for the Transfer of Control of
Winn Telephone Company d/b/a Winn Telecom to Peninsula Fiber Network, LLC,
WC Docket No. 23-84 (filed Feb. 6, 2023).

GENERAL INFORMATION

The transfer of control identified herein has been found, upon initial review, to be acceptable for filing. 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.

Interested parties may file comments **on or before June 28, 2023**, and reply comments **on or before July 5, 2023**. 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.²⁸ All filings must be addressed to the Commission's

²⁴ *Id.*

²⁵ *Id.*; April Supplement at 7; May Supplement at 2. Winn will continue its participation in the Lifeline Program, Emergency Broadband Benefit Program, and Affordable Connectivity Program if the transaction is completed. April Supplement at 4.

²⁶ Application at 11-12; May Supplement at 4-5.

²⁷ 47 CFR § 63.03(c)(1)(v).

²⁸ 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*

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) Tracey Wilson, Competition Policy Division, Wireline Competition Bureau, tracey.wilson@fcc.gov;
- 2) Megan Danner, Competition Policy Division, Wireline Competition Bureau, megan.danner@fcc.gov; and
- 3) 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.²⁹ 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 Megan Danner at (202) 418-1151.

Headquarters Open Window and Change in Hand-Delivery Policy, Public Notice, 35 FCC Rcd 2788 (OS 2020).

²⁹ See 47 CFR § 1.45(c).

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