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DA 24-401

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DOMESTIC SECTION 214 APPLICATION FILED FOR THE TRANSFER CONTROL OF COMMUNICATIONS 1 NETWORK, INC. TO WEBSTER-CALHOUN COOPERATIVE TELEPHONE ASSOCIATION AND WINNEBAGO COOPERATIVE TELECOM ASSOCIATION.

NON-STREAMLINED PLEADING CYCLE ESTABLISHED

WC Docket No. 24-48

Comments Due: May 10, 2024 Reply Comment Due: May 17, 2024

By this Public Notice, the Wireline Competition Bureau seeks comment from interested parties on an application filed by Communications 1 Network, Inc. (Comm 1 or Transferor), Webster-Calhoun Cooperative Telephone Association (WebCal), and Winnebago Cooperative Telecom Association (WCTA) (WebCal, together with WCTA, Transferees) (Transferor and Transferees collectively, Applicants), pursuant to section 214(a) of the Communications Act of 1934, as amended, and sections 63.03-04 of the Commission's rules, requesting consent for the transfer of control of Comm 1 to Transferees.

Comm 1, an Iowa corporation and rural incumbent local exchange carrier (LEC), provides fiber Internet, phone, and digital cable TV services as well as streaming support to the Iowa communities of Belmond, Britt, Clarion, Corwith, Dakota City, Eagle Grove, Garner, Goldfield, Humboldt, Kanawha, Klemme, and Renwick.³ Comm 1 wholly owns Comm 1 Connects, Inc., a competitive LEC and provider of broadband, video, and voice services.⁴ Comm 1 also wholly owns Goldfield Holdings,

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

² Application for the Transfer of Control of Communications 1 Network, Inc. to Webster-Calhoun Cooperative Telephone Association and Winnebago Cooperative Telecom Association, Pursuant to Section 214 of the Communications Act of 1934, as Amended, WC Docket No. 24-48 (filed Mar. 8, 2024) (Application). Applicants filed a supplements to the Application on April 2, 2024 and April 17, 2024. Supplement to Application for the Transfer of Control of Communications 1 Network, Inc. to Webster-Calhoun Cooperative Telephone Association and Winnebago Cooperative Telecom Association, Pursuant to Section 214 of the Communications Act of 1934, as Amended, WC Docket No. 24-48 (filed Apr. 2, 2024) (Apr. 2 Supplement); Supplement to Application for the Transfer of Control of Communications 1 Network, Inc. to Webster-Calhoun Cooperative Telephone Association and Winnebago Cooperative Telecom Association, Pursuant to Section 214 of the Communications Act of 1934, as Amended, WC Docket No. 24-48 (filed Apr. 17, 2024) (Apr. 17 Supplement). Applicants also filed an application for the transfer of authorizations associated with international services. Any action on this domestic section 214 application is without prejudice to Commission action on other related, pending applications.

³ Application at 3, 11.

LLC (Goldfield Holdings), a holding company that wholly owns, and in turn, that Comm 1 indirectly wholly owns: Goldfield Telephone Co Inc. (Goldfield Telco), an incumbent LEC providing broadband, video, and voice services in Iowa; Goldfield Access Network, L.C., a competitive LEC associated with Goldfield Telco providing broadband, video, and voice services; and Goldfield Communications Services, LLC, a seller and installer of PBX phone systems.⁵ Comm 1 and Goldfield Telco are eligible telecommunications carriers (ETCs) and receive model-based high-cost universal service support from the Enhanced Alternative Connect America Cost Model (A-CAM) support mechanism.⁶ The 10% or greater owners of Comm 1 are three investment trusts whose beneficiaries are U.S. citizens: the William R. Johnson 2012 Exempt Trust (34.34%); the Mary L. Johnson 2009 Marital Trust (26.10%); and the Mary L. Johnson 2013 Exempt Trust (13.32%).⁷

WebCal is an incumbent LEC member-supported telephone cooperative in north central Iowa. WebCal services twenty communities with a fiber-driven network just outside the Fort Dodge, Iowa area. WebCal wholly owns Webster-Calhoun Communications L.C. (WebCal Comm), a holding company for WebCal's investments, and Webster-Calhoun Long Distance, that currently has no operations and offers no services. WebCal also has a 12.33% ownership interest in Alpine Communications, L.C. (Alpine) and its subsidiaries. Alpine, an incumbent LEC providing local exchange service and exchange access service, wireless telecommunications, Internet access, video, and monitored security services in the Clayton and Fayette counties in Iowa. Alpine's wholly-owned subsidiary, Alpine Acquisition Group (AAG), is an Iowa limited liability company that does not offer domestic telecommunications services. AAG is a holding company for and owns all outstanding shares of stock in La Porte City Telephone Company (LPC Telco) and its subsidiaries. LPC Telco is an incumbent LEC that provides local exchange service and exchange access service, as well as Internet access and digital TV services in the Benton, Black Hawk, Buchanan, and Tama counties of Iowa. LPC Telco has two subsidiaries, LPC Long Distance, Inc., which holds an international 214 authorization and operates CATV/multichannel video systems, and LPC Communications, Inc., which

⁴ *Id*. at 7.

⁵ *Id.*; Apr. 2 Supplement at 5; Apr. 17 Supplement at 7.

⁶ Application at 13; Apr. 2 Supplement at 5-7; see also Wireline Competition Bureau Authorizes 368 Companies in 44 States to Receive Enhanced Alternative Connect America Cost Model Support to Expand Rural Broadband, WC Docket No. 10-90, Public Notice, DA 23-1025 (WCB rel. Oct. 30, 2023). Comm 1, Goldfield Telco, and Goldfield Access Network, L.C. also participate in the Lifeline program. *Id.* at 15; Apr. 17 Supplement at 7-8.

⁷ Application at 6. The beneficiaries of these trusts are William R. Johnson and Mary L. Johnson's three children: Susan Weigenant; Melanie Steinkamp; and Sally Manzano. *Id*.

⁸ *Id.* at 10. The cooperative has approximately 3,300 members from sixteen communities in rural north-central Iowa. *Id.*

⁹ *Id*.

¹⁰ *Id.* at 5; Apr. 17 Supplement at 1-2.

¹¹ Application at 5; Apr. 17 Supplement at 2-3 (noting WebCal's interest in Alpine will shift to 12.72% upon the closing of a transaction between Alpine and La Porte City Telephone Company on April 20, 2024).

¹² Application at 5; Apr. 17 Supplement at 2-3.

¹³ Apr. 17 Supplement at 4.

¹⁴ *Id*.

¹⁵ *Id*.

offers no services. ¹⁶ Alpine's other wholly-owned subsidiary, Alpine Long Distance, LC, provides long distance and broadband services. ¹⁷

WebCal also has a 10% or greater direct or indirect ownership interest in the following companies: Platinum Connect L.L.C., a competitive LEC that provides voice, Internet, and television in Hamilton County, Iowa (50%);¹⁸ and Iowa RSA 9 Limited Partnership, an Iowa limited partnership that provides mobile wireless voice and data services in portions of Calhoun, Carroll, Greene, Ida, and Sac counties in west-central Iowa (24.99%).¹⁹ WebCal, an ETC, receives model-based high-cost universal service support from the A-CAM II support mechanism.²⁰ Alpine and LPC Telco, both ETCs, receive cost-based high-cost universal service support through the Connect America Fund (CAF) Broadband Loop Support and High-Cost Loop Support mechanisms.²¹ There are no individuals or entities that have a 10% or greater interest in WebCal,²² and all of WebCal's affiliates are owned by U.S. citizens.²³

WCTA is an incumbent LEC and competitive LEC, depending on the study area code (SAC),²⁴ member-supported telephone cooperative in north central Iowa and southern Minnesota.²⁵ WCTA is a broadband Internet and communications provider with buried fiber optic service lines to 100% of its subscribers.²⁶ WCTA's wholly-owned subsidiary, WCTA Wireless, Inc. (WCTA Wireless), is a holding company for WCTA's investments.²⁷ WCTA also has a 33% ownership interest in Tri- Central Transport, LLC, a small fiber transport company in north-central Iowa and south-central Minnesota.²⁸ WCTA, an ETC, receives model-based high-cost universal service support from the A-CAM II and Rural Digital Opportunity Fund support mechanisms and cost-based support from the CAF Phase II Auction support mechanism.²⁹ There are no individuals or entities that have a 10% or greater interest in

¹⁶ *Id*.

¹⁷ *Id*.

¹⁸ Application at 5; Apr. 17 Supplement at 5.

¹⁹ Application at 5; Apr. 17 Supplement at 5.

²⁰ Application at 13; Apr. 17 Supplement at 8. WebCal also participates in the Lifeline program. Application at 15; Apr. 17 Supplement at 8.

²¹ Apr. 17 Supplement at 8.

²² Application at 5.

²³ Apr. 17 Supplement at 3-5.

²⁴ Applicants detail the SACs that are incumbent LECs and competitive LECs. *Id.* at 6.

²⁵ Application at 10; Apr. 17 Supplement at 6. WCTA services the following exchanges: Albert, Lea, Alden, Bancroft, Britt, Buffalo Center 561, Buffalo Center 562, Conger, Crystal Lake, Emmons (IA), Emmons (MN), Fertile, Forest City, Garner, Glenville, Grafton, Hanlontown, Joice, Kensett, Kiester, Lake Mills, Lakota, Ledyard, Lyle, Manly, Mason City, Miller, Mona, Northwood, Rake (IA), Rake (MN), Scarville, Thompson, Twin Lakes, and Woden. Application at 10.

²⁶ *Id.* The cooperative provides fiber internet connection to an estimated 13,066 homes. *Id.*

²⁷ *Id.* at 5; Apr. 17 Supplement at 6-7.

²⁸ Application at 5.

²⁹ April. 17 Supplement at 6, 8 (identifying the SACs and divisions of the company that receive each type of high-cost support). WCTA also participates in the Lifeline program. *Id*.

WCTA.³⁰ Neither Transferees nor any of its affiliates or subsidiaries owns or controls 10% or greater direct or indirect interest in any other domestic telecommunications provider.³¹

Pursuant to the terms of the purchase agreement, Transferees will acquire control of Comm 1 through a stock transaction.³² Applicants state that following the proposed transaction, WebCal Comm and WCTA Wireless will each have a 50% ownership interest in Comm 1.³³ Applicants also state that through this proposed transaction, Transferees will acquire fiber-based broadband and telecommunications retail assets, property, rights, and interest (including all customer contracts and customer relationships) used to provide Internet, telephone, video, and other communications services in north-central Iowa.³⁴ Applicants assert that the ultimate result of the proposed transaction will be that Transferees will broaden its customer base so that it may provide Comm 1 subscribers with innovative telecommunications services and high-speed Internet access similarly offered to Transferees members.³⁵ Moreover, Applicants assert that Transferees and Comm 1 will continue to hold domestic section 214 authority in their respective service areas.³⁶ Applicants explain that Transferees will continue to exist and operate under their existing corporate structure and continue to provide services to their members without interruption or change to any existing services.³⁷ Finally, Applicants state there is no overlap in the service or fiber territories of any of the Applicants.³⁸

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.³⁹ Because the proposed transaction would involve the exchange and assumption of Universal Service Fund high-cost mechanism obligations, in order to sufficiently analyze whether the proposed transaction would serve the public interest, we accept the Application for non-streamlined processing.⁴⁰

Domestic Section 214 Application Filed for the Transfer of Ownership of Communications 1 Network, Inc. to Webster-Calhoun Cooperative Telephone Association and Winnebago Cooperative Telecom Association WC Docket No. 24-48 (filed Mar. 8, 2024).

³⁰ Application at 5.

³¹ *Id.* at 5-6.

³² *Id*. at 9.

³³ *Id.* at 2, 9.

³⁴ *Id*.

³⁵ *Id*. at 10.

³⁶ *Id*.

³⁷ *Id*.

³⁸ *Id.* at 2, 12, 16.

³⁹ *Id.* at 11.

⁴⁰ See 47 CFR § 63.03(c)(1)(v).

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 May 10, 2024**, and reply comments **on or before May 17, 2024**. 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.⁴¹ 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) Tracey Wilson, Competition Policy Division, Wireline Competition Bureau, tracey.wilson@fcc.gov;
- 2) Megan (Capasso) Danner, Competition Policy Division, Wireline Competition Bureau, megan.danner@fcc.gov;
- 3) David Krech, Office of Internal Affairs, 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

⁴¹ 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).

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.⁴² 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.

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⁴² See 47 CFR § 1.45(c).