



# PUBLIC NOTICE

**Federal Communications Commission**  
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**DA 25-1074**

**Released: December 17, 2025**

**DOMESTIC SECTION 214 APPLICATION GRANTED FOR THE TRANSFER OF CONTROL  
OF OKLAHOMA COMMUNICATION SYSTEMS, LLC AND MID-AMERICA TELEPHONE,  
LLC FROM TDS TELECOMMUNICATIONS, LLC TO  
HILLIARY ACQUISITION OKLAHOMA II, LLC**

**WC Docket No. 25-232**

By this Public Notice, the Wireline Competition Bureau (Bureau) grants an application filed by TDS Telecommunications, LLC (TDS Telecom) and Hilliary Acquisition Oklahoma II, LLC (Hilliary) (collectively, Applicants), pursuant to section 214(a) of the Communications Act of 1934, as amended, and section 63.04 of the Commission's rules,<sup>1</sup> requesting Commission consent to transfer control of Oklahoma Communication Systems, LLC (Oklahoma Communications) and Mid-America Telephone, LLC (Mid-America Telephone) (together, Licensees) from TDS Telecom to Hilliary.<sup>2</sup>

On August 22, 2025, the Bureau released a public notice seeking comment on the Application.<sup>3</sup> The Bureau did not receive any comments or petitions in opposition to the Application.

**Applicants and Description of Transaction**

TDS Telecom, a Delaware limited liability company, delivers, through its wholly-owned subsidiaries, telecommunications services and other services to customers throughout the United States.<sup>4</sup> TDS Telecom directly owns Oklahoma Communications and its subsidiary, Mid-America Telephone,

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<sup>1</sup> See 47 U.S.C. § 214(a); 47 CFR § 63.04.

<sup>2</sup> Domestic Section 214 Application filed for the Transfer of Control of Oklahoma Communication Systems, LLC and Mid-America Telephone, from TDS Telecommunications, LLC to Hilliary Acquisition Oklahoma II, LLC, WC Docket No. 25-232 (filed July 15, 2025) (Application). Applicants filed supplements to their Application on November 25, 2025, and December 5, 2025. Letter from Matthew S. DelNero et al., Counsel for TDS Telecommunications, LLC, and Robert A. Silverman et al., Counsel for Hilliary Communications LLC, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 25-232 (filed on Dec. 3, 2025) (Dec. 3 Supplement); Letter from Matthew S. DelNero et al., Counsel for TDS Telecommunications, LLC, and Robert A. Silverman et al., Counsel for Hilliary Communications LLC, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 25-232 (filed on Dec. 5, 2025) (Dec. 5 Supplement). Hilliary's sister corporation, Hilliary Communications, LLC (Hilliary Communications), an Oklahoma limited liability company, filed an *ex parte* letter with an attached declaration on November 25, 2025. Letter from Richard R. Cameron et al., Counsel for Hilliary Communications LLC, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 25-232 (filed on Nov. 25, 2025) (Hilliary Nov. 25 *Ex Parte* Letter); Declaration of Jamie Pennello, Attach. to Hilliary Nov. 25 *Ex Parte* Letter (Pennello Declaration). Any action on the Application is without prejudice to Commission action on other related, pending applications.

<sup>3</sup> See *Domestic Section 214 Application Filed for the Transfer of Control of Oklahoma Communications Systems, LLC and Mid-America Telephone, LLC From TDS Telecommunications, LLC to Hilliary Acquisition Oklahoma II, LLC*, WC Docket No. 25-232, Public Notice, DA 25-74 (WCB 2025).

<sup>4</sup> Application at 2.

both Oklahoma limited liability companies.<sup>5</sup> The Licensees are incumbent local exchange carriers (LECs) in Oklahoma<sup>6</sup> and are designated as Eligible Telecommunications Carriers (ETCs) that receive Universal Service Fund (USF) high-cost support in the form of Enhanced Alternative Connect America Cost Model (Enhanced A-CAM) and Connect America Fund Inter-carrier Compensation (CAF ICC).<sup>7</sup> TDS Telecom is a wholly-owned subsidiary of Telephone and Data Systems, Inc. (TDS), a publicly traded Delaware corporation, which provides wireline and wireless services.<sup>8</sup> TDS is controlled by a Voting Trust (56.8% voting interest) whose trustees are all U.S. citizens.<sup>9</sup>

Hilliary, an Oklahoma holding company, was formed to acquire a controlling interest in Licensees.<sup>10</sup> Hilliary and its owners directly and indirectly hold ownership interests in multiple entities that provide local exchange and domestic interexchange services in Oklahoma, Texas, and Iowa.<sup>11</sup> In Oklahoma, the following affiliated entities are ETCs eligible to receive Enhanced A-CAM support and CAF ICC support: Medicine Park Telephone Company, Inc. (Medicine Park), Oklahoma Western Telephone Company, Inc. (Oklahoma Western), and Southwest Oklahoma Telephone, Inc. (Southwest Oklahoma).<sup>12</sup> One other affiliate in Oklahoma, Southern Plains Cable, L.L.C. (Southern Plains), a competitive LEC, is an ETC eligible to receive Auction 903 Connect America Fund Phase II (CAF Phase II) support.<sup>13</sup> Hilliary and its owners also hold ownership interests in the following four incumbent LECs in Texas: Tatum Telephone Company, Inc. (Tatum), Electra Telephone Company, Inc. (Electra), Lipan Telephone Company, Inc. (Lipan), and Border to Border Communications, Inc. (Border to Border),<sup>14</sup> which are designated as ETCs and receive support in the forms of High Cost Loop support (HCLS) and CAF Broadband Loop support (CAF-BLS) (together, legacy support) based on embedded costs, as well as CAF ICC support.<sup>15</sup> Hilliary and its owners also hold ownership interests in Prairieburg Telephone

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<sup>5</sup> *Id.*

<sup>6</sup> Applicants state the following: Oklahoma Communications provides service in the Adai, Choctaw, Cyril, Elgin, Fletcher, Gracemont, Inola, Jones, Kellyville, Mounds, Union City, and Verden Exchanges in Oklahoma; and Mid-America Telephone provides service in the Bromide, Fittstown, Hennepin, and Stonewall Exchanges in Oklahoma. Dec. 3 Supplement at 1.

<sup>7</sup> Application at 2. *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, 39 FCC Rcd 11737 (WCB 2023) (*Authorization Public Notice*); Enhanced A-CAM Authorization Report 1.2, <https://docs.fcc.gov/public/attachments/DOC-412953A1.xlsx> (Authorization Report). Applicants state that both Licensees participate in the Lifeline program and will continue to do so post-transaction. Application at 2.

<sup>8</sup> Application at 2.

<sup>9</sup> *Id.* at 13. Applicants state that the Voting Trust also holds 95.6% of the Series A Common Shares, which elect eight of TDS's twelve directors. *Id.*

<sup>10</sup> *Id.* at 2.

<sup>11</sup> *Id.* at 2-3, 13-17. Applicants identified additional affiliates of Hilliary that provide interexchange services, local exchange services, and/or other services. *Id.* at 13-17.

<sup>12</sup> *Id.* at 6, 13-15. Applicants state the following: Medicine Park serves the Medicine Park Exchange in Oklahoma; Oklahoma Western serves the Albion, Buffalo Valley, Clayton, Fanshaw, LeFlore, Muse, Nashoba, Red Oak, and Summerfield Exchanges in Oklahoma; and Southwest Oklahoma serves the Duke, Martha, Reed, Vinson, and Willow Exchanges in Oklahoma. Dec. 3 Supplement at 1. *See Authorization Public Notice*; Authorization Report.

<sup>13</sup> Application at 3. *See Connect America Fund Phase II Auction Support Authorized for 2,413 Winning Bids*, AU Docket No. 17-182, WC Docket No. 10-90, Public Notice, 34 FCC Rcd 5966, Attach. A, Connect America Fund Phase II Auction ID: 903, Authorized Long-Form Applicants and Winning Bids, at 118-19 (WCB/RBATF 2019).

<sup>14</sup> Application at 3.

<sup>15</sup> *See id.* *See* HC01- High Cost Support Projected by State by Study Area - 4Q2025, <https://www.usac.org/about/reports-orders/fcc-filings/#results>. A cost company is a rate-of-return carrier that determines its rates based on its own costs through company-specific cost studies. *See Windstream Petition for Conversion to Price Cap*

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Company, Inc. (Prairieburg), an ETC that provides local exchange and domestic interexchange services in Iowa and receives legacy support through an average schedule as well as CAF ICC support,<sup>16</sup> and in Texhoma, a designated ETC that provides interexchange and broadband services in Texas, and for which service it receives CAF Phase II Auction support.<sup>17</sup> Hilliary is ultimately held by the following United States citizens: Edward E. Hilliary, Jr., Dustin J. Hilliary, Michael J. Hilliary, and Douglas J. Hilliary (each holding a 25% interest).<sup>18</sup>

Pursuant to the terms of the proposed transaction, Hilliary would purchase from TDS Telecom all of the equity securities of Oklahoma Communications, including its wholly-owned subsidiary, Mid-America Telephone.<sup>19</sup> As a result of the proposed transaction, the Licensees would continue to exist as wholly owned subsidiaries of Hilliary.<sup>20</sup> Post-consummation, the Licensees would continue to operate pursuant to their respective domestic section 214 authorizations.<sup>21</sup>

## **Discussion**

Applicants contend that the proposed transaction will serve the public interest, convenience, and necessity.<sup>22</sup> Applicants state that post-transaction, Licensees would continue to provide service with “the same or better rates, terms and conditions as they currently provide” and that the transfer would be “seamless and in no event will the transaction result in the discontinuation, reduction, loss or impairment of service to existing TDS customers.”<sup>23</sup> Applicants aver that Hilliary “plans to invest in the territories served by the Licensees and expand the services currently being offered” and will “benefit the residents of Oklahoma who will have access to expanded high quality communications offerings that are provided by a company controlled and managed by individuals with extensive knowledge of local telephone operations and the communications needs of the communities served.”<sup>24</sup>

Applicants also assert that the proposed transaction will “not result in any changes to management, technology, or debt of the Licensees or Applicants, nor will it result in any changes that would compromise their ability to meet their USF high-cost service obligations.”<sup>25</sup> Applicants state that,

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*Regulation and for Limited Waiver Relief*, WC Docket No. 07-171, Order, 23 FCC Rcd 5294, 5298, para. 5 n.16 (2008) (*Windstream Order*).

<sup>16</sup> Application at 3. See HC01-High Cost Support Projected by State by Study Area - 4Q2025 at <https://www.usac.org/about/reports-orders/fcc-filings/#results>. Average schedule companies rely on statistical studies of the costs and demand of comparable cost companies based upon which formulas estimate access settlements and universal service support. See, e.g., *Windstream Order*, 23 FCC Rcd at 5298, para. 5 n.16.

<sup>17</sup> Application at 6, 15.

<sup>18</sup> *Id.*; Hilliary Nov. 25 *Ex Parte* Letter at 1.

<sup>19</sup> Application at 8.

<sup>20</sup> *Id.*

<sup>21</sup> *Id.*

<sup>22</sup> *Id.* at 1, 8-10.

<sup>23</sup> December 3 Supplement at 2.

<sup>24</sup> Application at 9.

<sup>25</sup> *Id.* at 7. The Bureau has conditioned its approval of prior transactions creating affiliations between Hilliary affiliates eligible to receive support through fixed mechanisms and affiliates eligible to receive support through cost-based mechanisms on a support cap designed to mitigate potential cost-shifting concerns. See, e.g., *Domestic Section 214 Application Granted for the Transfer of Control of Lipan Telephone Co., Inc. to Hilliary Acquisition Texas II, LLC*, WC Docket No. 24-178, Public Notice, DA 24-840 at n.19 (WCB 2024) (conditioning grant of the application subject to the continued application of the condition described in the *Hargray/CommSouth Order*,

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post-consummation, “Applicants will continue to be obligated to meet all FCC, ETC, and state requirements as well as federal obligations (including but not limited to those associated with [Enhanced A-CAM]).”<sup>26</sup> Applicants further state that “TDS will continue to be obligated to meet such requirements in the transferring study areas until Hilliary is reauthorized to receive the modified [Enhanced A-CAM] support amount.”<sup>27</sup> In addition, Hilliary “acknowledges that, for the purposes of determining support and obligations under [Enhanced A-CAM], Hilliary’s deployment and enforceable commitments to deploy broadband made prior to the closing of its acquisition of the Licensees will be treated as if made by a competitor.”<sup>28</sup> After notice of consummation of the transaction is received, the Bureau will issue a Public Notice reauthorizing the Enhanced A-CAM support (and assigning all related obligations) associated with this transaction from TDS to Hilliary. When reauthorizing Enhanced A-CAM support, the Bureau will treat all locations that were served by Hilliary or for which Hilliary held a Broadband Funding Map enforceable commitment, as of August 2023, as served only by a competitor.<sup>29</sup> Further, applicants maintain that “Licensees will continue to meet their USF obligations, and Hilliary affirms that it will assume responsibility for these obligations post-Transaction and after it receives the modified [Enhanced A-CAM] support amount.”<sup>30</sup> The record indicates that Hilliary has the technical, financial, and managerial expertise to do so.<sup>31</sup>

Hilliary further addresses potential concerns by committing to not improperly shift business data services (BDS) costs between its study areas post-transaction.<sup>32</sup> Section 61.50 of the Commission’s rules allows rate-of-return incumbent LECs (or carriers) receiving A-CAM or fixed high-cost universal service support to elect to offer BDS (i.e., special access) subject to incentive rather than rate-of-return rate

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capping the combined operating expenses of the post-consummation company’s rate of return affiliates); *Domestic Section 214 Application Granted for the Transfer of Control of Prairieburg Telephone Company, Incorporated*, WC Docket No. 21-30, Public Notice, 36 FCC Rcd 5672, 5673-74 & n.7 (WCB 2021); see *Joint Application of W. Mansfield Jennings Limited Partnership and Hargray Communications Group, Inc. for Consent the Transfer of Control of ComSouth Corporation Pursuant to Section 214 of the Communications Act of 1934*, WC Docket No. 18-52, Memorandum Opinion and Order, 33 FCC Rcd 4780, 4789, paras. 19, 27 and n.72 (2018) (*Hargray/ComSouth Order*) (directing the Bureau to condition, in most instances, the approval of a mixed support transaction on the imposition of a cap on cost affiliates’ recoverable operating costs to prevent the combined entity from receiving “additional or inflated universal service support merely because of cost accounting that shifts costs.”). Grant of this transaction is subject to the application the condition.

<sup>26</sup> Application at 7-8.

<sup>27</sup> *Id.*

<sup>28</sup> *Id.* at 7-8. See *Wireline Competition Bureau Announces Guidance Regarding Locations and Broadband Coverage for Enhanced Alternative Connect America Model Mechanism*, WC Docket No. 10-90, Public Notice, DA 24-78 (WCB Jan. 25, 2024) (setting forth guidance regarding which Fabric location and Broadband Data Collection (BDC) availability data will be used to determine final deployment obligations and support amounts for Enhanced ACAM recipients) (*Enhanced ACAM Updated Locations Public Notice*); *Wireline Competition Bureau Updates Guidance Regarding Locations and Broadband Coverage for Enhanced Alternative Connect America Model Mechanism*, WC Docket No. 10-90, Public Notice, DA 24-423 (WCB May 3, 2024) (updating guidance provided in *Enhanced ACAM Updated Locations Public Notice*); *The Wireline Competition Bureau resolves several outstanding issues relating to the Enhanced Alternative Connect America Cost Model (E-ACAM or Enhanced A-CAM) program*, WC Docket No. 10-90, et al., Public Notice, DA 25-1025 (WCB Dec. 8, 2025).

<sup>29</sup> See Dec. 5 Supplement at 1. Southern Plains reports in the Broadband Data Collection under Hilliary Communications, LLC. See also *Wireline Competition Bureau Re-Authorizes Enhanced Alternative Connect America Model Support for DMEA Utilities Services, LLC and for Eastern Slope Rural Telephone Association, Inc.*, WC Docket No. 10-90, Public Notice, DA 25-620, 1-2 & n.4 (WCB July 14, 2025).

<sup>30</sup> Application at 8.

<sup>31</sup> *Id.* at 7-9.

<sup>32</sup> Hilliary Nov. 25 *Ex Parte* Letter at 1.

regulation.<sup>33</sup> To prevent internal cost-shifting among study areas, the Commission required “electing carriers to elect incentive regulation at the holding company-level for study areas in all states where that carrier receives fixed support.”<sup>34</sup> Carriers electing BDS incentive rate regulation are also required to remove their BDS offerings from the National Exchange Carrier Association, Inc. (NECA) traffic-sensitive tariff pool.<sup>35</sup> Hilliary states that Southwest Oklahoma elected BDS incentive rate regulation in 2020, prior to its acquisition by Hilliary in 2021.<sup>36</sup> Hilliary states that Medicine Park and Oklahoma Western are subject to rate-of-return regulation for their BDS offerings.<sup>37</sup> We note that Oklahoma Western and Medicine Park were eligible to elect BDS incentive regulation in 2023.<sup>38</sup> We also note that Medicine Park and Oklahoma Western participate in the NECA traffic sensitive tariff pool for their BDS offerings.<sup>39</sup> There could be a potential for Hilliary to improperly shift BDS costs between affiliated study areas subject to rate-of-return and incentive regulation, which affects tariffed BDS rates. However, Hilliary has stated on the record that its 2020-23 accounting data demonstrates that Oklahoma Western, Medicine Park, and Southwest Oklahoma have not improperly shifted BDS costs between study areas.<sup>40</sup> Moreover, Hilliary provided a signed declaration attesting that “Hilliary will continue not to engage in improper shifting of BDS costs from [Southwest Oklahoma] to any of its other Oklahoma ILEC affiliates that offer BDS under rate-of-return regulation.”<sup>41</sup> Based on the evidence presented demonstrating that Hilliary has not engaged in improper BDS cost-shifting, and its commitment to not do so among both its current subsidiaries and those which it is acquiring, we are persuaded that the proposed transaction is not likely to result in a potential harm that would negatively impact the public interest.

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<sup>33</sup> 47 CFR § 61.50(a); *see* 47 CFR § 69.801(a) (defining business data services).

<sup>34</sup> *See Regulation of Business Data Services for Rate-of-Return Local Exchange Carriers et al.*, WC Docket No. 17-144 et al., Report and Order, Further Notice of Proposed Rulemaking, and Second Further Notice of Proposed Rulemaking, 33 FCC Rcd 10403, 10404, 10413, para. 22 (2018) (*Rate-of-Return BDS Order*); 47 CFR § 61.50(a) (“A rate-of-return carrier may elect to offer business data services subject to incentive regulation pursuant to this section [section 61.50] only if all affiliated rate-of-return carriers meeting the requirements of...[section 61.50(b)]...make the election.”).

<sup>35</sup> 47 CFR § 61.50(d); *Rate-of-Return BDS Order*, 33 FCC Rcd 10414-15, para. 29.

<sup>36</sup> Hilliary Nov. 25 *Ex Parte* Letter at 1; *see Notice of Domestic Section 214 Authorization Granted*, WC Docket No. 21-378, Public Notice, 36 FCC Rcd 16139 (WCB 2021); *Wireline Competition Bureau Announces Rate-of-Return Carriers Electing Incentive Regulation for Their Business Data Services*, WC Docket No. 17-144, Public Notice, 35 FCC Rcd 7037, 7042 (2020).

<sup>37</sup> Hilliary Nov. 25 *Ex Parte* Letter at 1.

<sup>38</sup> Hilliary Nov. 25 *Ex Parte* Letter at 1 (stating that Oklahoma Western, Medicine Park, and Southwest Oklahoma accepted Enhanced A-CAM support in 2023); *Connect America Fund et al.*, WC Docket Nos. 10-90, et al., Report and Order, Notice of Proposed Rulemaking, and Notice of Inquiry, 38 FCC Rcd 7040, 7078, para. 91 (2023); 47 CFR § 61.51(a)-(b).

<sup>39</sup> *See* National Exchange Carrier Association, Inc. F.C.C. Tariff No. 5, § 17.5.1, pp. 17-62 & 17-66 (issued Jun 16, 2025).

<sup>40</sup> Hilliary Nov. 25 *Ex Parte* Letter at 1.

<sup>41</sup> *Id.*

**Grant of Application**

We find that grant of the Application will serve the public interest, convenience, and necessity.<sup>42</sup> Therefore, pursuant to section 214 of the Act, 47 U.S.C. § 214, and sections 0.91, 0.291, and 63.04 of the Commission's rules, 47 CFR §§ 0.91, 0.291, and 63.04, the Bureau hereby grants the Application discussed in this Public Notice.<sup>43</sup>

Pursuant to section 1.103 of the Commission's rules, 47 CFR § 1.103, the grant is effective upon release of this Public Notice. Petitions for reconsideration under section 1.106 or application 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, Competition Policy Division, Wireline Competition Bureau, at [Dennis.Johnson@fcc.gov](mailto:Dennis.Johnson@fcc.gov).

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<sup>42</sup> See 47 U.S.C. § 214(a). Applicants state that there is an adjacency of services areas between Hilliary's affiliate Medicine Park and the transferring licensee, Oklahoma Communications, and the Applicants acknowledge "a geographic overlap of 97 Enhanced A-CAM locations within the study area of Oklahoma Communications." Dec. 5 Supplement at 1. Hilliary has acknowledged that locations within Oklahoma Communications's Enhanced A-CAM authorized area are competitively served for purposes of the Enhanced A-CAM program, which means Hilliary is ineligible to receive any Enhanced A-CAM support for those locations. See Dec. 5 Supplement at 1, Application at 7-8. Accordingly, the transaction does not implicate inefficiencies associated with authorizing USF support to acquiring parties to serve locations that they already competitively serve. We also conclude that there will likely be efficiencies and increased investment that result from the proposed transaction and find that a grant is in the public interest. The Commission has not found significant competitive harm in certain transactions involving the combination of providers where the transaction did not reduce competition and resulted in a stronger competitor. See, e.g., *CenturyLink/Level 3 Order*, 32 FCC Rcd at 9594, 9605, paras. 26, 52, and 54 (finding no harm to competition in CenturyLink's incumbent LEC territory, nor outside of CenturyLink's incumbent LEC territory, where applicants operate as competitive LECs, and further finding that the transaction "will expand the on-net reach of the newly combined firm resulting in a more effective and stronger competitor" and by expanding the reach and service capacity of the combined entity); *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) (granting a transfer of control involving an incumbent LEC and an affiliate of an in-region provider of wireless services where the overlap was limited in size and the transaction overall resulted in stronger competitor).

<sup>43</sup> We further direct Applicants to submit in the domestic section 214 docket a notice that the proposed transaction has closed with the consummation date and also provide a courtesy copy of the notice to [hcinfo@usac.org](mailto:hcinfo@usac.org). Applicants must submit a copy of the consummation notice via email to [Dennis.Johnson@fcc.gov](mailto:Dennis.Johnson@fcc.gov) and [Nissa.Laughner@fcc.gov](mailto:Nissa.Laughner@fcc.gov).