



# PUBLIC NOTICE

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DA 26-531

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## DOMESTIC SECTION 214 APPLICATION GRANTED FOR THE TRANSFER OF CONTROL OF GUNNISON TELEPHONE COMPANY TO LYNCH TELEPHONE CORPORATION X

### WC Docket No. 25-348

By this Public Notice, the Wireline Competition Bureau (Bureau) grants an application filed by Gunnison Telephone Company (Gunnison) and Lynch Telephone Corporation X (Lynch X) (together, 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 for the transfer of control of Gunnison to Lynch X.<sup>2</sup> On March 16, 2026, the Bureau released a Public Notice seeking comment on the Application.<sup>3</sup> No comments were filed in opposition to a grant of the Application.

### Description of Applicants and Transaction

Gunnison, a Utah corporation, provides service as an incumbent local exchange carrier (LEC) to approximately 530 access lines in its Utah study areas, which consist of the communities of Gunnison, Centerfield, Mayfield, Fayette, and Axtell.<sup>4</sup> Gunnison has one affiliate, Gunnison Long Distance, Inc. (GLD), a Utah corporation, which provides long-distance service to customers in Gunnison's service area.<sup>5</sup> The following U.S. citizens hold a ten percent or greater interest in Gunnison: Kirsten S. Candland (26.12% equity and voting interest); and Howard J. Sanders (27.23% equity and voting interest).<sup>6</sup>

Lynch X, a Delaware corporation, is indirectly held by LICT Corporation (LICT), a Delaware corporation.<sup>7</sup> LICT owns multiple rural incumbent LECs, which provide telecommunications services or

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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 for the Transfer of Control of Gunnison Telephone Company to Lynch Telephone Corporation X, WC Docket No. 25-348 (filed Dec. 17, 2025) (Application). Applicants filed supplements to the Application on March 2, 2026, and May 22, 2026. Letter from Elizabeth R. Park et al., Counsel for Lynch Telephone Corporation X, and Paul W. Jones, Counsel for Gunnison Telephone Company, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 25-348 (filed Mar. 2, 2026) (Mar. 2 Supplement); Letter from Elizabeth R. Park et al., Counsel for Lynch Telephone Corporation X, and Paul W. Jones, Counsel for Gunnison Telephone Company, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 25-348 (filed May 22, 2026) (May 22 Supplement). Applicants also filed applications for the transfer of wireless authorizations. Any action on the domestic section 214 application is without prejudice to Commission action on other related applications.

<sup>3</sup> *Domestic Section 214 Application Filed for the Transfer of Control of Gunnison Telephone Company to Lynch Telephone Corporation X*, WC Docket No. 25-348, Public Notice, DA 26-248 (WCB 2026).

<sup>4</sup> Application at 3. Applicants state that Gunnison receives high-cost Universal Service Fund (USF) support through the Enhanced Alternative Connect America Cost Model (Enhanced A-CAM) program. Mar. 2 Supplement at 1.

<sup>5</sup> Applicants state that, prior to the closing of the proposed transaction, GLD will consummate a *pro forma* transfer of its long-distance operations to Gunnison and be dissolved. Application at 10, n.7.

<sup>6</sup> *Id.* at 8. Applicants state that no other individuals or entities hold a ten percent or greater interest in Gunnison. *Id.*

<sup>7</sup> *Id.* at 1-2.

other services in California, Iowa, Kansas, Michigan, New Mexico, Utah, and Wisconsin.<sup>8</sup> LICT also indirectly owns Central Telcom Services, LLC, a Utah limited liability company, which operates as a competitive LEC in Utah and Nevada.<sup>9</sup> Applicants state that the only entity or individual holding a ten percent or greater interest in LICT is Mario J. Gabelli (38.42% equity and voting interest), a U.S. citizen.<sup>10</sup>

Pursuant to the terms of the proposed transaction, Lynch X will acquire all of the stock of Gunnison.<sup>11</sup> Accordingly, after consummation of the proposed transaction, Gunnison would be a direct, wholly-owned subsidiary of Lynch X.<sup>12</sup>

### **Discussion**

Applicants assert that a grant of the Application would serve the public interest, convenience, and necessity.<sup>13</sup> Applicants contend that the proposed transaction would “(i) facilitate efficiencies in Gunnison’s operations and grant Gunnison access to the financial resources of Lynch X and its parent companies; (ii) provide Gunnison’s customers access to the in-house expertise of Lynch X and its parent companies; (iii) preserve Gunnison’s identity as a local company operated by many of the company’s existing employees; and (iv) promote high-quality service for Gunnison’s customers.”<sup>14</sup>

Applicants state that “Applicants understand that one or more affiliates of Lynch X are identified in the Commission’s broadband data collection data as already providing fixed broadband service with speeds that meet or exceed the 100/20 Mbps service standard at certain locations in Utah (Study Area Code 502279) for which Gunnison receives Enhanced Alternative Connect America Cost Model (“Enhanced A-CAM”) high-cost support identified by Commission staff as of April 22, 2026 (“Overlapping Locations”).”<sup>15</sup> Applicants attest that Lynch X acknowledges that following the consummation of the Proposed Transaction (as defined in the Application), Gunnison will no longer be eligible to receive Enhanced A-CAM support for the Overlapping Locations.<sup>16</sup> Lynch X and Gunnison voluntarily commit to accept a reduction in Gunnison’s total Enhanced A-CAM support to reflect the

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<sup>8</sup> *Id.* at 2. *See id.* at 11-12 and for a list of providers affiliated with Lynch X, and a description of the services each provides and the states in which the services are provided. *Id.*

<sup>9</sup> *Id.* at 3; Mar. 2 Supplement at 1-2. Applicants assert that most of the incumbent LEC affiliates of Lynch X received A-CAM and A-CAM II high-cost support and currently receive Enhanced A-CAM high-cost support and Intercarrier Compensation Recovery (ICC support). Application at 14-15. Lynch X’s subsidiary, The Manti Telephone Company (Manti), receives Connect America Fund Broadband Loop Support (CAF-BLS), High-Cost Loop (HCL) support, and Intercarrier Compensation (ICC) support. Applicants state that Manti “participates in the NECA pool as an average schedule rate-of-return carrier.” Mar. 2 Supplement at 1-2. Applicants further explain that in 2024, Lynch X’s parent company, LICT, sold its indirect interests in the two following affiliates receiving HCLS: 1) Dunkirk & Fredonia (a cost company) and 2) Cassadaga (an average schedule company) to CIBL, Inc., resulting in LICT no longer holding any interest in either company, and CIBL holding an indirect 20% interest in each of these companies. *See* Mar. 2 Supplement at 2. Mario Gabelli, who owns 38.24% equity in Gunnison through LICT, is also one of four directors on CIBL’s board and holds approximately 1.2% pecuniary interest in CIBL, Inc. Application at 11-12.

<sup>10</sup> Application at 9.

<sup>11</sup> *Id.* at 4.

<sup>12</sup> *Id.*

<sup>13</sup> *Id.* at 4-6.

<sup>14</sup> *Id.* at 5.

<sup>15</sup> May 22 Supplement at 1.

<sup>16</sup> *Id.*

removal of the Overlapping Locations from Gunnison’s Enhanced A-CAM program participation.<sup>17</sup> Lynch X also commits—on a pro rata basis—to return any such support that Gunnison has received for those Overlapping Locations, through a downward adjustment of support over the remainder of the Enhanced A-CAM program.<sup>18</sup> As part of these voluntary commitments, the Overlapping Locations will be removed from Gunnison’s list of obligated locations, which means Gunnison no longer will be subject to Enhanced A-CAM program service obligations for those Overlapping Locations, will not receive E-ACAM support for those Overlapping Locations, and will return any Enhanced A-CAM support already received for those Overlapping Locations.<sup>19</sup> As part of its voluntary commitment, “Gunnison, under the control of Lynch X, will be obligated to serve all remaining Enhanced A-CAM locations consistent with the program requirements.”<sup>20</sup> We accept these commitments as firm and definite and expect that they will help ensure that the post-transaction company and affiliates will continue to deliver high-quality broadband service to rural Americans while avoiding potentially inefficient use of universal service support.<sup>21</sup>

The Bureau finds, upon consideration of the record, that grant of the Application will serve the public interest, convenience, and necessity and therefore grants the requested authorizations.<sup>22</sup> Pursuant

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<sup>17</sup> *Id.*

<sup>18</sup> *Id.*

<sup>19</sup> This will ensure that that “the transaction does not implicate inefficiencies associated with authorizing USF support to acquiring parties to serve locations that they already competitively serve.” See *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, Public Notice, DA 25-1074 at 6 & n.42 (WCB 2025).

<sup>20</sup> May 22 Supplement at 1-2. After notice of consummation of the transaction has been received, the Bureau will issue an Order reauthorizing the Enhanced A-CAM support (and assigning all related obligations) associated with this transaction, from Gunnison to Lynch.

<sup>21</sup> We note that the Bureau applied the Hargray/ComSouth condition to a prior 214 transaction, which would be triggered if and when Manti converts from an average schedule company to a cost company, a condition that will continue to apply following the consummation of the proposed transaction. See *Domestic 214 Application Granted for the Transfer of Control of the Manti Tel. Co. to Lynch Tel. Corp. X*, WC Docket No. 24-93, Public Notice, 39 FCC Rcd 12500, 12501 (WCB 2024) (*Lynch/Manti Public Notice*) (to mitigate the potential for cost shifting, if Manti converts to a non-average schedule cost company the newly converted cost company’s operating expense would be capped at the average of the three previous years’ operating expense and combined with the inflation-adjusted operating expense data of any other affiliated cost companies); see also *Domestic Section 214 Application Granted for the Acquisition of Certain Assets of Michigan Bell Telephone Company, LLC by UP Fiber, Inc.*, WC Docket No. 25-181, CC Docket No. 96-45, Public Notice, DA 26-181 at n.11 (WCB 2026) (continuing to apply the condition adopted in the *Lynch/Manti Public Notice*); *Joint Application of W. Mansfield Jennings Limited Partnership and Hargray Communications Group, Inc., for Consent to the Transfer of Control of ComSouth Corporation Pursuant to Section 214 of the Communications Act of 1934*, WC Docket No. 18-52, Order, 33 FCC Rcd 4780, 4788-91, paras. 26-31 (2018) (establishing Hargray/ComSouth condition). Neither the reported 1.2% indirect ownership interest of Mario Gabelli in CIBL nor Mr. Gabelli’s position on the board of CIBL poses a meaningful risk of cost shifting warranting application of the Hargray/ComSouth condition to CIBL affiliates receiving legacy support. See Mar. 2 Supplement at 2 (explaining that companies owned by CIBL, including two subsidiaries receiving legacy support, do not share any common costs or common books with any of the LICIT companies); *Domestic Section 214 Application for the Transfer of Control of Lavaca Telephone Company, Inc. to Dobson Technologies Inc.*, WC Docket No. 20-389, Order on Reconsideration, 36 FCC Rcd 8859, 8864 (2021) (creating an exception to the applicability of the Hargray/ComSouth condition to specific mixed support relationships when the risk of cost shifting is generally nullified by a lack of common costs, cost sharing, or consolidation of corporate books).

<sup>22</sup> See 47 U.S.C. § 214(a). Applicants note that the service areas of Gunnison and Lynch X’s incumbent LEC affiliate, Manti, are adjacent to one another. Application at 10. We conclude that there will likely be efficiencies

(continued....)

to section 1.103 of the Commission's rules, 47 CFR § 1.103, the consent granted herein is effective upon the release of the Public Notice. 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 Myrva Charles at 202-418-1506 or Dennis Johnson at 202-418-0809, Competition Policy Division, Wireline Competition Bureau.

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that result from these adjacent exchanges and find the proposed transaction in the public interest. *See Joint Applications of Global Crossing Ltd. and Citizens Communications Company for Authority to Transfer Control of Corporations Holding Commission Licenses and Authorizations Pursuant to Sections 214 and 310(d) of the Communications Act and Parts 20, 22, 63, 78, 90, and 101 of the Commission's Rules*, File Nos. ITC-T/C-20000828-00530, CCBPol No. 00-1 20001005AD-09 0000209675 et al., Memorandum Opinion and Order, 16 FCC Rcd 8507, 8510-11, paras. 7-9 (CCB, IB, CSB, WTB 2001) (granting transfer of control involving incumbent LECs with adjacent exchanges where merger would provide service efficiencies); *Applications of Level 3 Communications, Inc. and CenturyLink for Consent to Transfer Control of Licenses and Authorizations*, Memorandum Opinion and Order, 32 FCC Rcd 9581, 9606, para. 54 (2017) (finding that the transaction would advance the public interest by expanding the reach and service capacity of the combined entity).