PUBLIC NOTICE

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DOMESTIC SECTION 214 APPLICATION GRANTED FOR THE TRANSFER OF CONTROL OF YANKEE TELECOM, INC. AND ITS SUBSIDIARIES TO TDS TELECOMMUNICATIONS LLC

WC Docket No. 26-100

By this Public Notice, the Wireline Competition Bureau grants an application filed by Yankee Telecom, Inc. (Yankee Telecom) and TDS Telecommunications LLC (TDS Telecom) (together, Applicants), pursuant to section 214(a) of the Communications Act of 1934, as amended, and section 63.04 of the Federal Communications Commission's (Commission) rules,[1] requesting consent to transfer control of Yankee Telecom and its subsidiaries, Granite State Telephone, Inc. (GST) and Granite State Long Distance, Inc. (GSLD) (together, Licensees), to TDS Telecom.[2]

On May 15, 2026, the Bureau released a Public Notice seeking comment on the Application.[3] The Bureau did not receive any comments or petitions in opposition to the Application.

Applicants and Description of Transaction

Yankee Telecom, a holding company that does not provide telecommunications services, wholly owns GST and GSLD.[4] GST provides service as a rural incumbent local exchange carrier (LEC) in certain rural areas of New Hampshire.[5] GSLD provides long-distance telephone services in the State of

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[1] *See* 47 U.S.C. § 214(a); 47 CFR § 63.04.

[2] Domestic Section 214 Application for the Transfer of Control of Yankee Telecom, Inc. and its Subsidiaries, to TDS Telecommunications LLC, WC Docket No. 26-100 (filed Apr. 29, 2026) (Application). On May 4, 2026, May 6, 2026, July 10, 2026, and July 15, 2026, Applicants filed supplements to their domestic section 214 application. Letter from Paul Phillips, Counsel for TDS Telecommunications LLC, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 26-100 (filed May 4, 2026) (First Supplement); Letter from Paul Phillips, Counsel for TDS Telecommunications LLC, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 26-100 (filed May 6, 2026) (Second Supplement); Letter from Paul Phillips, Counsel for TDS Telecommunications LLC, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 26-100 (filed July 10, 2026) (Ex Parte Letter and Attestation); and Letter from Paul Phillips, Counsel for TDS Telecommunications LLC, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 26-100 (filed July 15, 2026) (Third Supplement). Applicants also filed applications for the transfer of authorizations associated with international and wireless services. Any action on the Application is without prejudice to Commission action on other related, pending applications.

[3] *See Domestic Section 214 Application Filed for the Transfer of Control of Yankee Telecom, Inc., and its Subsidiaries, to TDS Telecommunications LLC*, Public Notice, WC Docket No. 26-100, DA 26-493 (WCB 2026).

[4] Application at 2-3. Yankee Telecom, GST, and GSLD are all New Hampshire corporations. *Id.* at *2.*

[5] *Id.* at 3. Applicants state that GST provides voice and broadband services to residential and business customers using fiber-to-the-home technologies. *Id.* GST is designated as an Eligible Telecommunications Carrier (ETC) and currently receives federal Universal Service Fund (USF) support in the form of Enhanced Alternative Connect America Fund Cost Model (E-ACAM) and Connect America Fund Intercarrier Compensation (CAF-ICC). *Id.* GST also participates in the Commission's Lifeline program. *Id.*

New Hampshire.[6]

TDS Telecom, a Delaware limited liability company, through its wholly owned subsidiaries, provides telecommunications and communications services to small- to mid-sized urban, suburban, and rural communities throughout the United States.[7] In New Hampshire, TDS Telecom directly owns the following operating subsidiaries, each of which is a New Hampshire corporation: Hollis Telephone Company, Inc.; Kearsarge Telephone Company; Merrimack County Telephone Company; Union Telephone Company; and Wilton Telephone Company, Inc. (collectively, the TDS New Hampshire Companies).[8] Each of the TDS New Hampshire Companies provides service as an incumbent LEC and is designated as an ETC in its respective rural study area.[9]

Pursuant to the terms of the proposed transaction, TDS Telecom will acquire all of the outstanding equity interests in Yankee Telecom and, therefore, indirect ownership and control of its subsidiaries, GST and GSLD.[10] As a result of the proposed transaction, TDS Telecom will assume control of Yankee Telecom and the Licensees, including all licenses, physical plant, and operations in New Hampshire.[11]

Discussion

Applicants contend that the proposed transaction will serve the public interest, convenience, and necessity.[12] Applicants state that TDS Telecom has a proven track record of investing in rural networks and communities and of providing high quality telecommunications and related services to residential and business customers in rural areas.[13] Applicants further state that TDS Telecom plans to invest in the territories served by the Licensees and to enhance and expand the services currently being offered, and thus, the proposed transaction will benefit the residents of New Hampshire with expanded high-quality communications offerings provided by a company with extensive knowledge of local telephone operations and the communications needs of the communities served.[14] Applicants also state that the proposed transaction will not reduce competition in the relevant markets, as it will result only in a change in control of GST and GSLD.[15] Applicants note that the proposed transaction will not remove any actual or potential competitors from the market, nor will it have an adverse effect on the ability of other providers to enter and/or to compete in the market.[16] Applicants also assert that the proposed transaction

[6] *Id.* at 2.

[7] *Id.* at 4.

[8] *Id.* at 13. Applicants provide further information about TDS Telecom's affiliates, including, for each affiliate: (1) services provided, (2) SAC code for the area served; (3) state in which service is provided, and (3) type of USF-support received. First Supplement, Attach. 1 (Affiliates of TDS Telecommunications LLC Currently Receiving Federal High Cost Support) at 1-3. Applicants state that TDS Telecom's affiliates receive Alternative Connect America Cost Model (ACAM), Enhanced ACAM, and/or CAF-ICC support. First Supplement at 1; *id.*, Attach 1 at 1-3.

[9] Application at 13. Applicants state that there are adjacencies between the GST exchanges and exchanges served by Merrimack County Telephone Company. *Id*. at 4-5.

[10] *Id.* at 8.

[11] *Id.*

[12] *Id.* at 9-10.

[13] *Id.* at 9.

[14] *Id.*

[15] *Id.* Applicants note that the operations and networks of the Licensees and TDS Telecom are complementary and adjacent and do not overlap. *Id.*

[16] *Id.* at 9-10.

will not have an adverse effect on the Universal Service Fund and its various funding mechanisms.[17]

Upon closer review after the Application was submitted, Applicants, in conjunction with Bureau staff, determined there are Broadband Serviceable Locations where one party to the transaction receives support and the other party to the transaction makes fixed broadband service available at 100/20 Mbps or greater.[18] For these locations, TDS Telecom has committed, as part of its commitment to good stewardship of high-cost program funds, to return previously paid funding and to relinquish any additional funding payments for these locations.[19] We accept this commitment as firm and definite. Accordingly, we find that the transaction does not implicate the harms and inefficiencies associated with paying USF support for locations the counterparty or its affiliates already competitively serve.

TDS Telecom further addresses potential concerns raised by Commission staff by committing to not improperly shift business data services (BDS) costs between its study areas post-transaction.[20] Section 61.50 of the Commission's rules permits rate-of-return incumbent LECs (or carriers) receiving ACAM 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 regulation.[21] 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."[22] 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.[23]

TDS Telecom owns and operates five study areas in New Hampshire subject to cost-based rate-of-return regulation for their BDS.[24] These five study areas all receive Enhanced ACAM and CAF-ICC support.[25] Post-transaction, these five rate-of-return study areas will be affiliated with GST, a carrier operating in New Hampshire subject to BDS incentive rate regulation.[26] As TDS explains, some of the

[17] *See* Application at 7 (stating that the transaction will not result in "changes that would compromise their ability to meet their USF high-cost service obligations"). Applicants note that GST is an Enhanced ACAM carrier and also receives CAF-ICC support. TDS Telecom, for its part, already owns and controls other carriers that receive Enhanced ACAM, ACAM and/or CAF-ICC support, including the five TDS Telecom New Hampshire Companies that operate either adjacent to or in relatively close proximity to GST and GSLD. *Id*. at 10.

[18] *See* Third Supplement at 1.

[19] *See id*. These locations will be removed from the list of obligated locations, which means TDS Telecom no longer will be subject to Enhanced ACAM program service obligations for these locations. After consummation, the Bureau will release a Public Notice reauthorizing Enhanced ACAM support that reflects the commitment.

[20] *See* Ex Parte Letter and Attestation at 1-3.

[21] 47 CFR § 61.50(a); *see* 47 CFR § 69.801(a) (defining business data services).

[22] *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, 10412, 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.").

[23] 47 CFR § 61.50(d); *Rate-of-Return BDS Order*, 33 FCC Rcd at 10414-15, para. 29.

[24] These five rate-of-return study areas are: Hollis Telephone Company (SAC 123321), Kearsarge Telephone Company (SAC 120045), Merrimack County Telephone Company (SAC 120047), Union Telephone Company (SAC 120049), Wilton Telephone Company (SAC 120050). Application at 6.

[25] *Id*.

[26] Ex Parte Letter and Attestation at 1. GST elected BDS incentive regulation in 2024. *Wireline Competition Bureau Announces Additional 120 Rate-of-Return Carrier Study Areas Electing Incentive Regulation for Their Business Data Services*, WC Docket No. 17-144, Public Notice, 39 FCC Rcd 7098 (WCB 2024).

five rate-of-return study areas and GST study areas are "adjacent but separate."[27] TDS Telecom explains that none of its rate-of-return affiliates participate in the NECA traffic sensitive tariff pool for their BDS offerings.[28] Because these five rate-of-return study areas elected to receive Enhanced ACAM support in 2024, they were eligible to elect BDS incentive regulation in 2024.[29]

Commission staff met with TDS Telecom on July 9, 2026 concerning the possibility that post-transaction, TDS Telecom could inflate BDS rates by improperly shifting BDS costs from its incentive-regulation affiliate GST to its rate-of-return affiliates.[30] In response to staff's concerns, TDS explained that its "operating affiliates are separate entities with separate books of account, and that [GST] will operate in the same manner as all other TDS affiliates."[31] TDS Telecom acknowledged that there are "parent company costs that will be allocated to [GST]" but commits that "there will be no improper cost-shifting involved in those cost allocations."[32] Moreover, as support for this commitment to not cost-shift, TDS Telecom submitted a signed declaration attesting that upon closing "TDS Telecom will not engage in improper shifting of BDS costs from [GST] to its current operating affiliates that are rate-of-return regulated."[33] Based on TDS Telecom's assurance that it will maintain separate books of account for GST, and its commitment to not engage in improper BDS cost-shifting between its rate-of-return affiliates and GST, we are persuaded that the proposed transaction is unlikely to result in inflated cost-based tariffed BDS rates, and thus, any potential harm to the public interest is negligible.

Grant of Application

We find that grant of the Application will serve the public interest, convenience, and necessity. 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.[34]

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 Gregory Kwan, Competition Policy Division, Wireline Competition Bureau, at gregory.kwan@fcc.gov; Audra Hale-Maddox, Telecommunications Access Policy Division, Wireline Competition Bureau, at audra.hale-maddox@fcc.gov; Christopher Koves, Pricing and Policy Division, Wireline Competition Bureau, at christopher.koves@fcc.gov.

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[27] Ex Parte Letter and Attestation at 2.

[28] *Id.* at 2-3.

[29] *See 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).

[30] *See* Ex Parte Letter and Attestation at 1.

[31] *Id*. at 2.

[32] *Id*.

[33] *Id.*, Attach., Decl. of Andrew S. Petersen, Senior Vice President–Corporate Affairs, TDS Telecommunications.

[34] 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. Applicants must submit a copy of the consummation notice via email to gregory.kwan@fcc.gov and audra.hale-maddox@fcc.gov.