

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

Application of

James A. Smith and Timothy J. Smith

Transferors,

and

Oregon Telephone Corporation,

Transferee,

For Consent for Transfer of Control

WC Docket No. _____

To: Wireline Competition Bureau

APPLICATION FOR CONSENT FOR TRANSFER OF CONTROL

Pursuant to Section 214 of the Communications Act of 1934, as amended (the “Act”), 47 U.S.C. § 214, and Section 63.04 of the Commission’s rules, 47 C.F.R. § 63.04, James A. Smith and Timothy J. Smith (“Transferors”) and Oregon Telephone Corporation (“OTC” or “Transferee”) (together “Applicants” filing the “Application”) hereby respectfully request for the reasons detailed below the authority necessary to consummate a transaction (the “Transaction”) whereby OTC will acquire direct control of Helix Telephone Company (“Helix”) which holds domestic Section 214 authorization.

The proposed transaction contemplates acquisition of all of the stock of Helix Telephone Company by OTC. This will place OTC in control of Helix. Helix Telephone Company currently serves fewer than two percent (2%) of the nation's access lines. With the acquisition, OTC will also serve fewer than two percent (2%) of the nation's access lines.

OTC is in the telecommunications business in the State of Oregon.

Since this acquisition is a stock acquisition, service to customers will be provided at substantially the same rates, terms and conditions as are in effect today. Therefore, the proposed transaction will be largely transparent to existing customers. For these reasons, and for the reason detailed below, the transaction will serve the public interest and the Commission should grant this Application on a streamlined basis.

Applicants respectfully request that the Commission grant this Application on a streamlined basis. This Application is eligible for streamlined treatment pursuant to Section 63.03(b)(2) of the Commission's rules because the transaction will result in Transferee having a market share in the interstate, interexchange market of less than 10 percent; the Transferee does not and will not provide competitive telephone exchange services or competitive exchange access services; and Applicants are owners of or are incumbent independent local exchange carriers that have, in combination, fewer than two percent of the nation's subscriber lines installed in the aggregate nationwide, and no overlapping or adjacent service areas. In the alternative, streamlined treatment is justified on a case-by-case basis.

In accordance with the requirements of Section 63.04 of the Commission's rules, the Applicants provide the following information:

(1) Name, address, and telephone number of each applicant.

Transferors:

James A. Smith
PO Box 326
Helix, Oregon, 97835
(541) 457-2385

Timothy J. Smith
PO Box 326
Helix, Oregon, 97835
(541) 457-2385

Transferee:

OTC Telephone Company
PO Box 609
Mt. Vernon, OR 97865
(541) 932-4411

(2) State under the laws of which each applicant is organized.

Helix Telephone Company is a corporation organized under the laws of the State of Oregon. Each Transferor is a resident of the State of Oregon. OTC is a corporation organized under the laws of the State of Oregon.

(3) Legal counsel to whom correspondence concerning the application is to be addressed.

For Transferors:

Richard A. Finnigan
Law Office of Richard A. Finnigan
2112 Black Lake Blvd SW
Olympia, WA 98512
(360) 956-7001
rickfinn@localaccess.com

For Transferee:

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(4) Name, address, citizenship, and principal business of entities that own at least ten percent (10%) of the equity of the applicants (to the nearest one percent (1%)).

For Transferors:

James A. Smith owns 50% of the stock of Helix. Timothy J. Smith owns 50% of the stock of Helix. No other person or entity owns a ten percent (10%) or more direct or indirect interest in Helix. James A. Smith and Timothy J. Smith are citizens of the

United States. Their contact address is set out above. The principal business of James A. Smith and Timothy J. Smith is telecommunications.

For Transferee:

Mr. Garrin Bott owns, directly and indirectly, one hundred percent (100%) of the equity of OTC, which is incorporated under the laws of the State of Oregon. Mr. Bott's address is 3055 Grandview Drive, Baker City, Oregon 97814. North-State Telephone Co., an Oregon corporation, owns fourteen (14%) of the stock of OTC, which leads to amounts held indirectly by Mr. Bott which are included in the figures set out for Mr. Bott. Mr. Bott is the primary shareholder in North-State Telephone Co. Mr. Bott is a citizen of the United States. No other person or entity owns a ten percent (10%) or more direct or indirect interest in OTC. The address of OTC is One Telephone Drive, Mount Vernon, Oregon, 97865. The address of North-State Telephone Co. is PO Box 609, Mt. Vernon, Oregon 97865. The principal business of both OTC (Transferee) and North-State Telephone Co. is telecommunications. The principal business of Mr. Bott is telecommunications.

No other person or entity owns a ten percent (10%) or more direct or indirect interest in OTC.

(5) Certification pursuant to Sections 1.2001 through 1.2003 that no party to the application is subject to a denial of Federal benefits.

By their signatures below, the Applicants certify that no party to the application is subject to a denial of Federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988.

(6) Description of the transaction.

Applicants have entered into an agreement dated as of October 22, 2019, pursuant to which OTC will acquire one hundred percent (100%) of the capital stock from Transferors, which currently hold one hundred percent (100%) of capital the stock of Helix. Helix Telephone Company serves USAC Study Area 532376. There are 187 working loops in the Helix Telephone Company study area.

(7) Description of the geographic areas in which the Transferor and Transferee (and their affiliates) offer domestic telecommunications services, and what services are provided in each area.

Helix Telephone Company provides local exchange and exchange access services in the Helix Telephone Company wire center located in the State of Oregon as a rural incumbent local exchange carrier. Helix Telephone Company serves 187 working loops as of the date of this Application.

OTC provides local exchange and exchange access services in the OTC wire center located in the State of Oregon as a rural incumbent local exchange carrier. OTC serves 1358 working loops as of the date of this Application.

Mr. Bott holds ownership interests in one other domestic telecommunications carrier. Specifically, Mr. Bott indirectly owns seven and one-half percent (7.5%) of Direct Communications Long Distance, Inc. Direct Communications Long Distance, Inc. is an interexchange carrier. The corporation is organized under the laws of the State of Idaho.

(8) Statement on how the application fits into one or more of the presumptive streamlined categories or why it is otherwise appropriate for streamlined treatment.

This Application is eligible for presumptive streamlined treatment under Section 63.03(b)(2)(iii) of the Commission's rules, or in the alternative, is otherwise appropriate for streamlined treatment.

Under Section 63.03(b)(2)(iii), the Commission’s streamlined procedures are presumed to apply where “a proposed transaction would result in a transferee having a market share in the interstate, interexchange market of less than 10 percent, and the transferee would provide competitive telephone exchange services or exchange access services (if at all) exclusively in geographic areas served by a dominant local exchange carrier that is not a party to the transaction” and “[t]he applicants are incumbent independent local exchange carriers . . . that have, in combination, fewer than two (2) percent of the nation’s subscriber lines installed in the aggregate nationwide, and no overlapping or adjacent service areas.”¹ Helix Telephone Company is an incumbent local exchange carrier which serves fewer than two percent (2%) of the nation’s subscriber lines. Upon completion of this transaction, OTC is and will continue to be an incumbent local exchange carrier serving fewer than two percent (2%) of the nation’s subscriber lines. Further, in combination, Helix Telephone Company and OTC, both before and after completion of this transaction, have fewer than two percent (2%) of the nation’s subscriber lines installed in the aggregate nationwide. In addition, since there are no overlapping service areas and no adjacent service territories, the proposed transaction accordingly falls within the presumptively streamlined category. Finally, OTC, as the Transferee, will, after the completion of the transaction, have a market share in the interstate, interexchange market of less than ten percent (10%). OTC does not provide competitive telephone exchange service or competitive exchange access service.

Alternatively, streamlined treatment is appropriate under the Commission’s “case-by-case approach.”² Indeed, the Commission has adopted a “general rule in which all applications are eligible for streamlined processing,” finding that such general eligibility

¹ 47 C.F.R. § 63.03(b)(2)(iii).

² *Implementation of Further Streamlining Measures for Domestic Section 214 Authorizations*, Report and Order, 17 FCC Red 5517 ¶34 (2002) (“*Streamlining Order*”); *see also* 47 C.F.R. § 63.03(a) (permitting streamlining “[u]pon determination . . . that the application is appropriate for streamlined treatment”).

for streamlined processing “best reduces regulatory burdens on domestic telecommunications carriers, while at the same time ensuring that [the Commission] continue[s] to serve the public interest under section 214 of the Communications Act.”³ This Application should be subject to streamlined processing because it involves only a transfer of equity interests, and presents no “novel questions of fact, law, or policy which cannot be resolved under outstanding precedents and guidelines.”⁴ As noted above (and discussed more fully below), this Application presents no competitive or public interest concerns. Upon completion of the proposed transaction, Helix Telephone Company will continue to provide service at the same rates, terms and conditions as are in effect today. No customer will lose service or be adversely affected as a result of the proposed transaction. Because this transaction poses no competitive concerns and raises no novel issues, this Application is appropriate for streamlined treatment.

(9) Identification of all other Commission applications related to the same transaction.

None.

(10) Statement whether the applicants are requesting special consideration because either party to the transaction is facing imminent business failure.

The Applicants are not requesting special consideration of the Application.

(11) Identification of any separately filed waiver requests being sought in conjunction with the transaction.

None. In addition, please note that there is no international 214 application required for this Transaction.

³ *Streamlining Order* ¶34.

⁴ *Id.* ¶28.

(12) A statement showing how grant of the application will serve the public interest, convenience, and necessity, including any additional information that may be necessary to show the effect of the proposed transaction on competition in domestic markets.

This proposed transaction will serve the public interest because it will provide benefits to customers without any countervailing harms. The owners of Helix Telephone Company are seeking to retire from the telecommunications business in the State of Oregon. OTC will bring vigorous ownership with sufficient financial resources to meet the needs of Helix's customers.

In contrast to the substantial potential benefits, the proposed transaction poses no countervailing harms. The proposed transaction contemplates only a change of equity ownership. Upon consummation of the proposed transaction, Helix Telephone Company will continue to provide service at substantially the same rates, terms and conditions as are in effect today. There will be no reduction, impairment, or discontinuance of service to any customer as a result of the proposed transaction. Because of this, the proposed transaction will be largely transparent to Helix's current customers.

* * *

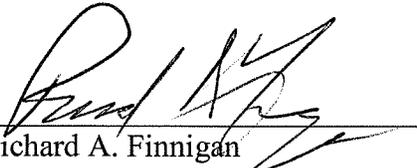
For all of the foregoing reasons, Applicants respectfully request that the Commission grant all authority necessary for consummation of the Transaction described herein. Please contact the undersigned with any inquiries concerning this Application. Payment in the amount of \$1,195.00 was paid electronically via the Commission's website.

Respectfully submitted,

James A. Smith and Timothy J. Smith

OTC Telephone Company

By:



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Their attorney

Its attorney

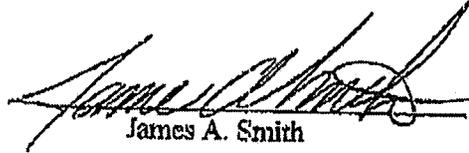
Dated: October 23, 2019

DECLARATION OF James A. Smith

I, James A. Smith, President of Helix, do hereby declare under penalty of perjury that I have read the foregoing "APPLICATION FOR CONSENT FOR TRANSFER OF CONTROL," and the information contained therein is true and correct to the best of my knowledge, information, and belief.

10-22-2019

Date


James A. Smith

DECLARATION OF GARRIN BOTT

I, Garrin Bott, President for OTC Telephone Company, do hereby declare under penalty of perjury that I have read the foregoing "APPLICATION FOR CONSENT FOR TRANSFER OF CONTROL," and the information contained therein is true and correct to the best of my knowledge, information, and belief.

10-22-2019
Date


Garrin Bott