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VIA ECFS - NON-DOCKETED FILING

April 30, 2018

Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Attention: Wireline Competition Bureau

Re: In the Matter of Joint Application of Hospers Telephone Exchange, Inc. d/b/a HTC Communications and Mutual Telephone Company of Sioux Center, Iowa d/b/a Premier Communications For Authority Pursuant to Section 214 of the Communications Act of 1934, as Amended, For Consent to the Transfer Control of Hospers Telephone Exchange, Inc. to Mutual Telephone Company of Sioux Center, Iowa

Dear Ms. Dortch:

Please find enclosed the above-referenced Joint Application for approval to transfer control of an authorized domestic Section 214 carrier filed pursuant to Section 63.04 of the Commission's rules. The FCC Form 159 and requisite filing fee are being submitted this date via the Commission's Fee Filer system.

Inquiries may be directed to the undersigned.

Sincerely,

John Kuykendall
Vice President
jkuykendall@jsitel.com

Enclosures

Echelon Building II, Suite 200
9430 Research Blvd., Austin, TX 78759
phone: 512-338-0473, fax: 512-346-0822

Eagandale Corporate Center, Suite 310
1380 Corporate Center Curve, Eagan, MN 55121
phone: 651-452-2660, fax: 651-452-1909

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547 South Oakview Lane
Bountiful, UT 84010
phone: 801-294-4576, fax: 801-294-5124

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

In the Matter of Joint Application)
)
Hospers Telephone Exchange, Inc.)
d/b/a HTC Communications)
Transferor)
)
and)
)
Mutual Telephone Company)
of Sioux Center, Iowa d/b/a Premier)
Communications)
Transferee)
)
For Authority Pursuant to Section 214 of the)
Communications Act of 1934, as Amended,)
For Consent to the Transfer Control of)
Hospers Telephone Exchange, Inc., an)
Authorized Domestic Section 214 Carrier,)
to Mutual Telephone Company of Sioux)
Center, Iowa)

WC Docket No. 18-_____

DOMESTIC SECTION 214 JOINT APPLICATION

Hospers Telephone Exchange, Inc. d/b/a HTC Communications (“Hospers” or “Transferor”) and Mutual Telephone Company of Sioux Center, Iowa d/b/a Premier Communications (“Mutual” or “Transferee”) (collectively, the “Applicants”), pursuant to Section 214 of the Communications Act of 1934, as amended, 47 U.S.C. § 214, and Section 63.04 of the rules and regulations of the Federal Communications Commission (“Commission” or “FCC”) request approval to transfer control of Hospers to Mutual. Hospers and Mutual hold blanket domestic Section 214 authorizations pursuant to 47 C.F.R. § 63.01.

Hospers holds international Section 214 authorization ITC-214-20080618-00274 for the provision of interstate and international long distance services to Hospers local exchange

customers. Upon completion of the transaction, such services will be provided by Mutual's wholly-owned subsidiary, Premier Communications, Inc. ("Premier"). Premier is authorized to provide international global switched resale services pursuant to File No. ITC-214-19970905-00537. Pursuant to 47 C.F.R. § 63.24(b), an international Section 214 application is being separately filed with the International Bureau for assignment of control for the Hospers long distance customer base acquired by Premier.

Pursuant to a Stock Purchase Agreement, Mutual proposes to acquire all operations and assets of Hospers, which includes incumbent local exchange carrier ("ILEC") study area 351202 comprised of one (1) Iowa exchange, and the competitive local exchange carrier ("CLEC") area comprised of four (4) Iowa exchanges of which two (2) exchanges, Sibley and Sheldon, have Lifeline-only ETC status under study area code 359134.

The Hospers ILEC exchange is partially adjacent to portions of Mutual's affiliated incumbent local exchange carriers ("ILECs"), Northern Iowa Telephone Company and Heartland Telecommunications Company of Iowa. Similarly, the four (4) CLEC exchanges are contiguous to portions of the same two Mutual affiliated ILECs, with minimal overlap.

Mutual (directly or through its wholly-owned subsidiaries) provides voice telecommunications, Internet and cable television service. Mutual is a video operator and Mutual's subsidiary, Heartland Telecommunications Company of Iowa is the ILEC in the town of Sibley, where Hospers operates as a CLEC and a cable operator. To the extent the proposed transaction involves the geographic overlap of certain local franchise areas and telephone exchange service areas, the transaction is covered by a statutory exemption to the cable-telecom

buy out prohibition contained in Sections 652(a) and (b) of the Communications Act of 1934, as amended.¹

Section 652(a) generally prohibits a local exchange carrier from acquiring (directly or through an affiliate) any cable operator providing cable service within the local exchange carrier's telephone service area. Likewise, Section 652(b) generally prohibits a cable operator from acquiring (directly or through an affiliate) any ILEC providing telephone exchange service within the cable operator's local franchise area.² Section 652(d)(1) provides a statutory exception to these restrictions, permitting mergers of LECs and cable operators within overlapping rural service areas. Specifically, the statutory exemption applies where the ILEC facilities or the cable system to be acquired serve only incorporated or unincorporated (a) places or territories that have fewer than 35,000 inhabitants and (b) are outside any urbanized area, as defined by the Bureau of the Census.

With the convergence of voice and video services on both carriers' networks, the immediate transaction involves both elements of LEC/cable mergers, with each being covered by the available statutory exemptions. The only area where LEC/cable operator overlap exists is the small rural community of Sibley, Iowa, which is located within the ILEC service area of Mutual's affiliate, Heartland Telecommunications Company of Iowa. The total population of this community in the aggregate is approximately 2,798,³ falling well below the statutory threshold of 35,000. In addition, this community is entirely outside of any urbanized area. Hospers provides cable service to approximately 483 households in the town of Sibley, which is

¹ 47 U.S.C. § 572; *see also* 47 C.F.R. § 76.505.

² The Commission currently forbears from applying Section 652(b) in the context of cable operator acquisitions of competitive LECs. *See In The Matter of Petition for Declaratory Ruling to Clarify 47 U.S.C. § 572 in the Context of Transactions Between Competitive Local Exchange Carriers and Cable Operators, Conditional Petition for Forbearance from Section 652 of the Communications Act for Transactions Between Competitive Local Exchange Carriers and Cable Operators*, WC Docket No. 11-118, Order, 27 FCC Rcd 11532 (Rel. Sept. 17, 2012).

³ See U.S. Census Bureau Population Estimate for 2014 (as of 2010 Census), available at http://factfinder.census.gov/faces/nav/jsf/pages/community_facts.xhtml.

less than ten percent of the 8,917 aggregate households covered by Heartland Telecommunications in its ILEC service area. Accordingly, the elements of the transaction involving LEC/cable mergers are covered by the exemptions set forth in Section 652(d)(1)(A) and (B).⁴

I. Information Required by Section 63.04

Pursuant to Section 63.04(a) of the Commission's Rules, the Applicants submit the following information:

1. Name, address and telephone number of each Applicant and Licensee:

Transferor:

Hospers Telephone Exchange, Inc.
d/b/a HTC Communications
107 2nd Avenue South
Hospers, Iowa 51238
712-752-8100
FRN 0002587707

Transferee:

Mutual Telephone Company of Sioux Center, Iowa
d/b/a Premier Communications
339 First Avenue NE, PO Box 200
Sioux Center, IA 51250
(712) 722-3451
FRN 0002594190

⁴ Mutual and its LEC affiliates have less than \$100,000,000 in annual operating revenues. As such, Mutual LEC's acquisition of HTC's cable operations also qualifies under the exemption for LEC acquisitions of small cable systems under Section 652(d)(5).

2. Jurisdiction of Organizations:

Hospers is a corporation organized under the laws of the state of Iowa.

Mutual is a corporation organized under the laws of the state of Iowa.

3. Contact Information:

Correspondence concerning this Application should be sent to:

Consultant for Transferee

John Kuykendall
Vice President
John Staurulakis, Inc.
7852 Walker Drive
Suite 200
Greenbelt, Maryland 20770
301-459-7590
jkuykendall@jsitel.com

With copies for Hospers to:

David L. Raak
President
Hospers Telephone Exchange, Inc.
d/b/a HTC Communications
107 2nd Avenue South
Hospers, Iowa 51238
712-752-8100
Email: dave@hosperstel.com

With copies for Mutual to:

Doug Boone, CEO
Ryan Boone, COO
Premier Communications
339 First Avenue NE, PO Box 200
Sioux Center, IA 51250
712-722-3451
dboone@mypremieronline.com
rboone@mypremieronline.com

4. Ownership Information:

Current Ownership of Hospers

The following entities currently own or control a ten percent (10%) or greater, direct or indirect interest in Hospers:

Name and Address	Percent Equity	Citizenship	Principal Business
David L. Raak Hospers Telephone Exchange, Inc. d/b/a HTC Communications 107 2nd Avenue South Hospers, Iowa 51238	94% Direct Ownership	U.S.	Telecommunications

The remaining six percent (6%) of the ownership and voting interests of Hospers is divided separately among the three children of David L. Raak. None of Mr. Raak's children holds an ownership or voting interest of ten percent (10%) or more in Hospers. Each of Mr. Raak's children is a United States citizen.

Post-Transaction Ownership of Hospers

Upon completion of the transaction, the following entities will hold a ten percent (10%) or greater interest in Hospers.

Name and Address	Percent Equity	Citizenship	Principal Business
Mutual Telephone Company of Sioux Center, Iowa d/b/a Premier Communications 339 First Avenue NE, PO Box 200 Sioux Center, IA 51250	100% Direct Ownership	U.S.	Telecommunications

No single individual or entity owns ten percent (10%) or more of Mutual.

Officers and Directors and Key Management Personnel

The following officers and directors and key management of Mutual are each U.S. citizens:

David Krahling, Board President
Chad Feenstra, Board Vice President
Glen Vermeer, Board Secretary
James Mouw, Board Treasurer
Douglas Boone, CEO
Howard Beernink, Director
Owen Dykshorn, Director
Mike McAlpine, Director
John Koerselman, Director
Ted Hengeveld, Director

5. Certification Pursuant to Rule Sections 1.2001-1.2003

Applicants hereby certify pursuant to 47 C.F.R. §§ 1.2001-1.2003, that to the best of their knowledge, information, and belief, no party to this application is subject to denial of federal benefits pursuant to section 5301 of the Anti-Drug Abuse Act of) 1988, 21 U.S.C. § 853.

6. Description of the Transaction

Pursuant to a Stock Purchase Agreement between Hospers and Mutual, Mutual will acquire the stock of Hospers and thus all of the operations and assets of Hospers in the ILEC local exchange area of Hospers and in the CLEC local exchange areas of Sheldon, Sibley, Ocheyedan and Ashton in the State of Iowa.

Charts depicting the pre- and post-transaction ownership of Hospers are provided at Exhibit A.

Following the foregoing transactions, Mutual and Hospers will continue to hold domestic Section 214 authority in their respective serving areas. Hospers will continue to exist and operate under its existing corporate structure. The “doing business as” name will change from Hospers Telephone Exchange, Inc. d/b/a HTC Communications to Hospers Telephone

Exchange, Inc. d/b/a Premier Communications. Mutual does not seek any modification in the regulatory status of Hospers as an average schedule carrier.

7. Description of Geographic Service Area and Services in Each Area

Hospers is a rural ILEC that provides local and long distance telecommunications services, high speed Internet access services, video services and access services to residential and business customers in the Hospers local exchange in the state of Iowa. The Hospers CLEC division provides the foregoing services in the entirety of the Sheldon local exchange area, and in the towns of Sibley, Ocheyedon and Ashton, Iowa.⁵

Mutual is a rural ILEC that currently provides local exchange telecommunications service, access service, Internet and advanced communications services to approximately 3,600 access lines in the Sioux Center, Iowa exchange.

Mutual wholly owns the following ILEC and CLEC affiliate providers of local exchange service in the state of Iowa:

Northern Iowa Telephone Company, ILEC, serves the Iowa exchanges of Hinton, Matlock, Maurice, Sanborn, Little Rock and Granville.

Premier Communications, Inc., CLEC, serves the Iowa exchanges of Akron, Boyden, Doon, Hull, Ireton, Rock Valley, Rock Rapids, LeMars, Orange City, George, Merrill, Arnolds Park, Lake Park, Milford and Spirit Lake.

Webb-Dickens Telephone Corporation, ILEC, serves the Iowa exchanges of Dickens and Webb.

Heartland Telecommunications Company of Iowa, ILEC, serves the Iowa exchanges of Akron, Boyden, Doon, Hawarden, Hull, Ireton, Rock Rapids, Rock Valley and Sibley local exchange areas in the State of Iowa, the North Rock Rapids exchange area in the State of Minnesota and the West Akron and West Hawarden local exchange areas in the State of South Dakota.

⁵ As noted above, Hospers provides interstate and international long distance services for Hospers' customers through its long distance division. Upon completion of the transaction, those services will be provided by Mutual's wholly-owned subsidiary, Premier.

As stated above, the service territories of Hospers and those of Mutual are neither adjacent, nor do they overlap; however, certain Hospers exchanges are contiguous to Mutual's affiliated ILECs, Heartland Telecommunications Company of Iowa and Northern Iowa Telephone Company, with minimal overlap in the Sibley exchange. A map of the existing ILEC exchanges for Hospers, Mutual, and Mutual ILEC affiliates is provided at Exhibit B.

8. Qualification for Streamlining

This Joint Application does not qualify for streamlined processing as the proposed transaction involves ILECs affiliated with the parties and with adjacent service areas, as demonstrated at Exhibit B. Applicants respectfully request that the Commission act on this Application as close to the 31 day streamlined period as possible.

9. Related Commission Applications

An International Section 214 application related to this proposed transaction is being separately filed with the International Bureau. Any necessary filings related to the assignment of the long distance services provided by Hospers to the Mutual long distance affiliate, Premier Communications, will be submitted before the assignment is completed, as well as FCC and customer notifications pursuant to 47 C.F.R. § 64.1120(e) slamming rules.

10. Special Consideration

None.

11. Waiver Requests:

None.

12. Public Interest Statement

Approval of the transactions will serve the public interest, convenience and necessity. Transferee submits that competition will not be substantially harmed by the proposed transactions in that competitors have a strong presence in the subject service areas through

nationwide carriers, mobile wireless, satellite TV, over-the-top video or IP voice providers utilizing the broadband network. Further, Mutual is in a geographically strategic location by virtue of its proximity to the acquired Hospers exchanges which facilitates operational efficiencies, allowing Mutual to efficiently and effectively serve customers in these locations. The efficiencies of scope and scale generated by the transaction will create public interest benefits in line with those emphasized by the Commission in the *USF/ICC Transformation Order*,⁶ allowing for more efficient and productive operation of the rate-of-return ILEC service areas included in the acquisition.

Mutual has a history of investing heavily in their existing service areas and strong traditions of local community involvement, all of which will benefit Hospers customers. Hospers customers will not experience any immediate change to rates, terms or conditions of service, and in no event will the transaction result in the interruption, reduction, loss or impairment of service to customers. Any future name change or service changes will be preceded by appropriate notices to customers and required regulatory filings.

⁶ See, e.g., *Connect America Fund et al.*, WC Docket No. 10-90 et al., Report and Order and Further Notice of Proposed Rulemaking, 26 FCC Rcd 17984-85, para. 902 (2011). *aff'd In re FCC 11-161*, 753 F. 3d 1015 (10th Cir. 2014).

II. Conclusion

The Applicants respectfully submit that the transfer of control of Hospers to Mutual will not harm competition in the Iowa telecommunications market and that the public interest, convenience and necessity would be furthered through telecommunications services which will be continued without interruption to Hospers customers.

Respectfully Submitted,



By: Doug Boone, CEO
MUTUAL TELEPHONE COMPANY OF SIOUX CENTER, IOWA
D/B/A PREMIER COMMUNICATIONS
339 First Avenue NE, PO Box 200
Sioux Center, IA 51250
Email: dboone@mypremieronline.com



By: David L. Raak, President
HOSPERS TELEPHONE EXCHANGE, INC.
D/B/A HTC COMMUNICATIONS
107 2nd Avenue South
Hospers, Iowa 51238
Email: dave@hosperstel.com

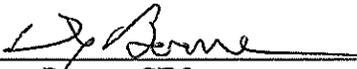
April 24, 2018

DECLARATION OF DOUG BOONE
PREMIER COMMUNICATIONS

I, Doug Boone, CEO of Mutual Telephone Company of Sioux Center, Iowa d/b/a Premier Communications, do hereby declare under penalty of perjury that the statements made in this Joint Application for Domestic Section 214 Transfer of Control are true and accurate to the best of my knowledge, information and belief.

Dated this 24 day of April, 2018.

Mutual Telephone Company of Sioux Center, Iowa d/b/a Premier
Communications



By: Doug Boone, CEO

DECLARATION OF DAVID L. RAAK
HOSPERS TELEPHONE EXCHANGE, INC. D/B/A HTC COMMUNICATIONS

I, David L. Raak, President of Hopers Telephone Exchange, Inc. d/b/a HTC Communications, do hereby declare under penalty of perjury that the statements made in this Joint Application for Domestic Section 214 Transfer of Control are true and accurate to the best of my knowledge, information and belief.

Dated this 23 day of APRIL, 2018.

Hopers Telephone Exchange, Inc. d/b/a HTC Communications

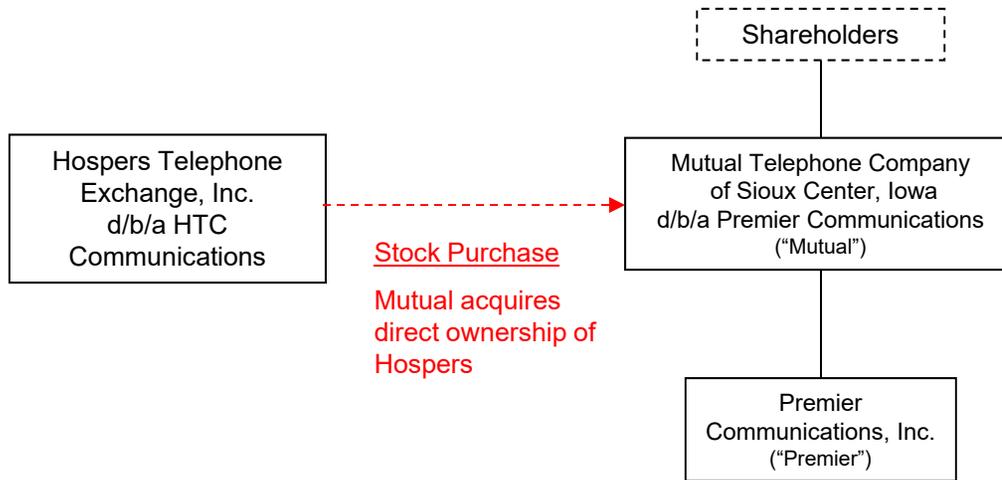
David L. Raak, Pres.
By: David L. Raak, President

EXHIBIT A

PRE AND POST-TRANSACTION

OWNERSHIP OF HOSPERS

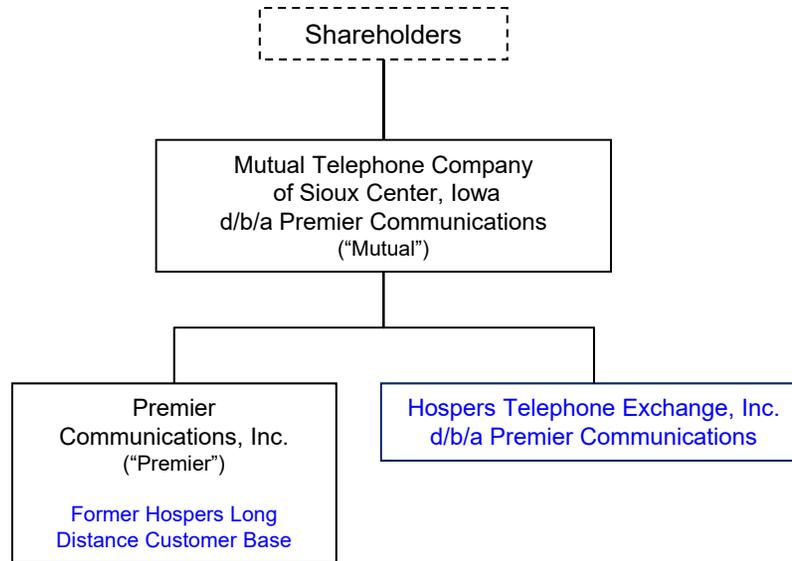
Pre-Transactions & Assignments Corporate Ownership of the Applicants*



All ownership percentages are 100%.

* The entities listed herein only include the Applicants and those entities in the chain of ownership of the Applicants. The chart excludes all other subsidiaries of Applicants including those that hold authorizations or licenses from the FCC or state regulators.

Post-Transactions Corporate Ownership of the Applicants*



All ownership percentages are 100%.

* The entities listed herein only include the Applicants and those entities in the chain of ownership of the Applicants. The chart excludes all other subsidiaries of Applicants including those that hold authorizations or licenses from the FCC or state regulators.

EXHIBIT B

SERVICE AREA MAP

COMPANY NAME	STUDY AREA CODE	MAP COLOR
Mutual Telephone Co.	351252	Solid Green
Northern Iowa Telephone Co.	351259	Crossed Green
Webb-Dickens Telephone	351327	Dotted Green
Heartland Telecomm of Iowa	351096	Blue
Hospers Telephone Exchange, Inc.	351202	Red

