



**I. The Applicants and Related Section 214 Authorization Holders**

Transferor Chesnee Telephone (FRN 0001887728) is a small, independent incumbent local exchange carrier (“ILEC”) in South Carolina with approximately 2,750 access lines. Chesnee Telephone was formed on January 2, 1948, and has been providing local exchange telephone and exchange access services to customers in Spartanburg and Cherokee counties in northwestern South Carolina since that time. The ownership of Chesnee Telephone’s stock is shared by twenty-two stockholders – the three stockholders holding a ten percent (10%) or greater share of the company’s voting interests are Curt and Hannah Lancaster (14.37%), Hannah Lancaster (31.04%), and Harold W. Askins, Jr. (45.41%).

Chesnee LD (FRN 0003765435) is a South Carolina corporation formed on July 1, 1999, providing interexchange services to Chesnee Telephone customers. Chesnee LD received its authority from the South Carolina Public Service Commission (“SCPSC”) on September 1, 1999, in Docket No. 1999-307-C, to provide resold interexchange telecommunications services in South Carolina, and received authority from this Commission on October 13, 1999, to provide global or limited global resale service (ITC-214-19990903-00581). Chesnee LD is a wholly-owned subsidiary of Chesnee Telephone. Chesnee Telephone has been, since 1999, and remains, to date, the sole shareholder of Chesnee LD.

Chesnee Cable, Inc. (“Chesnee Cable”), formerly known as Chesnee Communications, Inc., is a wholly-owned subsidiary of Chesnee Telephone that provides digital cable television services in Cherokee and Spartanburg counties in South Carolina. Chesnee Digital, Inc. (“Chesnee Digital”) is a wholly-owned subsidiary of Chesnee Telephone providing Internet service in Cherokee and Spartanburg counties to Chesnee Telephone’s customers.

Transferee SkyLine (FRN 0001952555) is a local, member-owned telephone cooperative formed on January 4, 1951, providing incumbent local exchange and exchange access services to approximately 27,343 access lines in the following counties and exchanges in North Carolina: Alleghany County (Scottville, Glade Creek, and Sparta exchanges), Ashe County (Baldwin, Creston, Nathans Creek, and Lansing exchanges), Avery County (Banner Elk and Beech Mountain exchanges), and Watauga County (Sugar Grove and Watauga exchanges); and Johnson County, Tennessee (Shady Valley exchange). A wholly-owned subsidiary of SkyLine, SkyBest Communications, Inc. ("SkyBest") (FRN 0004274890), a North Carolina corporation, provides competitive local exchange ("CLEC") and exchange access services to approximately 2,921 access lines, predominately in areas bordering SkyLine's ILEC operations. Within the ILEC and CLEC footprint, SkyBest also offers Internet, video, long distance and home security services. SkyBest offers international toll telecommunications services pursuant to ITC-214-20000328-00157.

SkyLine also holds minority interests in two wireless companies which hold licenses in western North Carolina (39.6% of Carolina West Wireless, Inc. and 39.6% of WSS, L.L.C.). SkyLine also owns 18.99% of Access/On Multimedia Inc. L.L.C., a regional fiber transport network, which serves north-central and northwestern North Carolina.

The proposed transaction involves the purchase by SkyLine of one hundred percent (100%) of the issued and outstanding shares of Chesnee Telephone's stock. As a result of the transaction, SkyLine will acquire complete control of Chesnee Telephone, including its wholly-owned subsidiaries, Chesnee LD, Chesnee Digital and Chesnee Cable.

**II.** Under 47 C.F.R. § 63.04(b), applicants wishing to file a joint international and domestic Section 214 transfer of control application must submit information that satisfies the

requirements of 47 C.F.R. § 63.18, and, in an attachment, provide additional information satisfying the requirements of 47 C.F.R. §§ 63.04(a)(6) – (12). In accordance therewith, Transferor and Transferee provide the following information to this Commission relative to the requirements of 47 C.F.R. § 63.18, and have included in Attachment “A” the additional information required under 47 C.F.R. §§ 63.04(a)(6) – (12).

**(a) 47 C.F.R. § 63.18(a)**

**The name, address and telephone number of each applicant is as follows:**

**Transferor:**

Chesnee Telephone Company, Incorporated  
208 South Alabama Avenue  
Post Office Box 430  
Chesnee, South Carolina 29323-0430  
Telephone: (864) 461-2211

**Transferee:**

Skyline Telephone Membership Corporation  
1200 NC Highway 194 N  
Post Office Box 759  
West Jefferson, North Carolina 28694  
Telephone: (336) 877-1350

**(b) 47 C.F.R. § 63.18(b)**

**The state under the laws of which each corporate applicant is organized:**

Chesnee Telephone and its subsidiary, Chesnee LD, are corporations organized and existing under the laws of the State of South Carolina. SkyLine and its subsidiary, SkyBest, are corporations organized and existing under the laws of the State of North Carolina.

**(c) 47 C.F.R. § 63.18(c) - Answer to Question 10.**

**The name, title, post office address and telephone number of the officer or contact person to whom correspondence concerning the application is to be addressed:**

**For Transferor:**

Hannah A. Lancaster, President and General Manager  
Chesnee Telephone Company, Incorporated  
208 South Alabama Avenue  
Chesnee, South Carolina 29323  
Telephone: (864) 461-2211  
Email: hannahl@chesnet.net

With a copy to:

Tamber Ray, Esq.  
Communications & Internet Law Practice, PLLC  
11654 Plaza America Drive #122  
Reston, Virginia 20190  
Telephone: (703) 738-4812  
Email: [tamberray@cilplaw.com](mailto:tamberray@cilplaw.com)

**For Transferee:**

Jimmy C. Blevins, Chief Executive Officer  
SkyLine Telephone Membership Corporation  
1200 NC Highway 194 N  
Post Office Box 759  
West Jefferson, North Carolina 28694  
Telephone: (336) 877-1350  
Email: [jimmy.blevins@skyline.org](mailto:jimmy.blevins@skyline.org)

With a copy to:

Mark D. Wilkerson, Esq.  
Wilkerson & Bryan, P.C.  
405 South Hull Street  
Montgomery, Alabama 36104  
Telephone: (334) 265-1500  
E-mail: [mark@wilkersonbryan.com](mailto:mark@wilkersonbryan.com)

**(d) 47 C.F.R. § 63.18(d) – Answer to Question 10.**

**A statement as to whether the applicant has previously received authority under Section 214 of the Act and if so, a general description of the categories of facilities and services authorized:**

Transferor Chesnee Telephone holds blanket domestic Section 214 authority to provide domestic telecommunications services. Chesnee LD has existing Section 214

authority under File No. ITC-214-19990903-00581 to provide resold global or limited global telecommunications services. Chesnee LD also has implicit Section 214 authority to provide domestic resold toll telecommunications services.

Transferee SkyLine and SkyBest hold blanket domestic Section 214 authority to provide domestic telecommunications services. SkyBest also has existing Section 214 authority under File No. ITC-214-20000328-00157 to provide resold global or limited global telecommunications services and implicit Section 214 authority to provide domestic resold toll telecommunications services.

(e) **47 C.F.R. § 63.18(h) – Answer to Question 11.**

**The name, address, citizenship and principal business of any person or entity that directly or indirectly owns at least ten percent (10%) of the equity of the applicant (to the nearest one percent (1%)):**

**Transferor:**

<u>Name</u>	<u>Economic Ownership</u>	<u>Voting Ownership</u>	<u>Citizenship</u>	<u>Principal Business</u>
Curt and Hannah Lancaster P.O. Box 301 Chesnee, SC 29323	1.00%	14.00%	U.S.	Stockholder
Hannah Lancaster 1150 Ezell Road P.O. Box 301 Chesnee, SC 29323	3.00%	31.00%	U.S.	President, Chesnee Telephone
Harold W. Askins, Jr. 469 Wimbledon Court Charleston, SC 29412	5.00%	45.00%	U.S.	Vice President, Chesnee Telephone
Harold W. Askins, III 14 Prescient Street Mount Pleasant, SC 29464	9.00%	2.00%	U.S.	Attorney, Federal Government
Mary A. Schweers 931 Shellmore Lane McClellanville, SC 29458	9.00%	2.00%	U.S.	School Administrator

**Transferee:**

SkyLine is owned by its members/subscribers; no single member/subscriber owns or controls more than five percent (5%) of SkyLine's equity. The address of SkyLine is 1200 NC Highway 194 N, West Jefferson, North Carolina 28694. The principal business of SkyLine is telecommunications.

Transferor and Transferee have no ownership or control over any provider of domestic or international telecommunications services other than the entities identified in this application.

**(f) 47 C.F.R. § 63.18(h) – Answer to Question 12.**

Neither Transferor or Transferee nor any of their subsidiaries has interlocking directorates with a foreign carrier.

**(g) Answer to Question 13.**

**Provide a narrative of the means by which the proposed transfer of control will take place.**

On May 11, 2017, Transferor and Transferee entered into a Stock Purchase Agreement whereby SkyLine will purchase, and Chesnee Telephone will sell, one hundred percent (100%) of Chesnee Telephone's outstanding Class A and Class B shares (totaling 100% of the corporation's economic ownership). As a result of the transaction, Chesnee Telephone and Chesnee LD will become wholly-owned subsidiaries of SkyLine.

**(h) 47 C.F.R. § 63.18(i) – Answer to Question 14.**

**A certification as to whether or not the applicant is, or is affiliated with, a foreign carrier.**

Neither Transferor or Transferee nor any of their subsidiaries is a foreign carrier or affiliated with a foreign carrier, nor will they become affiliated with a foreign carrier as a result of the proposed transaction.

(i) **47 C.F.R. §§ 63.18(j) – (m) – Answer to Question 15.**

**A certification as to whether or not the applicant seeks to provide international telecommunications services to any destination country for which any of the following is true. (1) The applicant is a foreign carrier in that country; or (2) The applicant controls a foreign carrier in that country; or (3) Any entity that owns more than 25 percent of the applicant, or that controls the applicant, controls a foreign carrier in that country. (4) Two or more foreign carriers (or parties that control foreign carriers) own, in the aggregate, more than 25 percent of the applicant and are parties to, or the beneficiaries of, a contractual relation (e.g., a joint venture or market alliance) affecting the provision or marketing of international basic telecommunications services in the United States.**

Transferor and Transferee hereby certify that neither of them, nor any of their subsidiaries, is a foreign carrier in any destination country or controls a foreign carrier in any destination country, and none is affiliated with a foreign carrier or is owned, in whole or in part, by a foreign carrier. Transferor and Transferee further certify that neither of them, nor any of their subsidiaries, is in a contractual relationship with any foreign carrier affecting the provision or marketing of international basic telecommunications services in the United States. Chesnee LD satisfies the requirements of 47 C.F.R. § 63.10(a)(1) to be presumptively classified as “non-dominant” for the provision of international telecommunications services.

(j) **47 C.F.R. § 63.18(n)**

**A certification that the applicant has not agreed to accept special concessions directly or indirectly from any foreign carrier with respect to any U.S. international route where the foreign carrier possesses market power on the foreign end of the route and will not enter into such agreements in the future.**

Transferor and Transferee hereby certify that neither of them, nor any of their subsidiaries, has agreed to accept special concessions directly or indirectly from any foreign carrier with respect to any U.S. international route where the foreign carrier possesses market power on the foreign end of the route and will not enter into such agreements in the future.

**(k) 47 C.F.R. § 63.18(o)**

**Certification pursuant to 47 C.F.R. §§ 1.2001 through 1.2003 that no party to the application is subject to denial of Federal benefits pursuant to section 5301 of the Anti-Drug Abuse Act of 1988.**

Transferor and Transferee hereby 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, 21 U.S.C. § 853a.

**(l) 47 C.F.R. § 63.18(p) – Answer to Question 20.**

**If the applicant desires streamlined processing pursuant to 47 C.F.R. § 63.12, a statement of how the application qualifies for streamlined processing.**

Transferor and Transferee request streamlined treatment of the application pursuant to 47 C.F.R. § 63.12 in that neither of them, nor any of their subsidiaries, is affiliated with a foreign carrier in a destination market and none has an affiliation with a dominant U.S. carrier whose international switched or private line services it seeks authority to resell (either directly or indirectly through the resale of another reseller's services).

**(m) Transferor and Transferee understand that, pursuant to the streamlined processing provisions of 47 C.F.R. § 63.12, the application for transfer of control of Chesnee LD's international Section 214 authority under 47 C.F.R. § 63.18 shall be granted by the Commission fourteen (14) days after the date of public notice listing the application as**

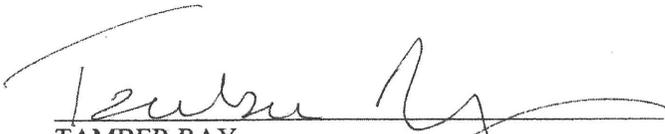
accepted for filing. Transferor and Transferee further understand that they have a duty to notify the Commission of consummation of the transfer or decision not to proceed within thirty (30) days thereof.

**III. Conclusion**

For the reasons stated above, Transferor and Transferee respectfully submit that the public interest, convenience and necessity would be furthered by approving this application for the acquisition by SkyLine Telephone Membership Corporation of all of the stock of Chesnee Telephone Company, Incorporated, resulting in SkyLine's clear and complete control of Chesnee Telephone and its wholly-owned subsidiaries, which will permit a continuation of the telecommunications services being provided by Chesnee Telephone and Chesnee Long Distance, Inc.

Additional questions regarding this application may be addressed to the undersigned.

Respectfully submitted on this 28th day of June, 2017.



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Incorporated

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### Attachment A

In accordance with 47 C.F.R. § 63.04(b), Transferor and Transferee provide the following information required under 47 C.F.R. §§ 63.04(a)(6) – (12):

**(a) 47 C.F.R. § 63.04(a)(6)**

**A description of the transaction:**

On May 11, 2017, Transferor and Transferee entered into a Stock Purchase Agreement whereby SkyLine will purchase, and Chesnee Telephone will sell, one hundred percent (100%) of the outstanding Class A and Class B shares in Chesnee Telephone (totaling 100% of the corporation's economic ownership). As a result of the transaction, Chesnee Telephone and Chesnee LD will become wholly-owned subsidiaries of SkyLine. South Carolina does not require prior state authorization to consummate the proposed transaction.

Chesnee Telephone and Chesnee LD, as well as subsidiaries Chesnee Digital and Chesnee Cable, will continue to exist and will provide service to their customers at the same rates, terms and conditions as immediately prior to the transaction. Customers will experience no disruption of service or apparent change in service as a result of the transaction.

Chesnee LD provides resold domestic and international toll service to certain Chesnee Telephone customers. An application has also been filed with the FCC's International Bureau seeking approval of this change of control.

**(b) 47 C.F.R. § 63.04(a)(7)**

**A 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:**

**Transferor:**

Chesnee Telephone is an ILEC providing local exchange telephone service to residential and business customers in Spartanburg and Cherokee counties in northwestern South Carolina, with approximately 2,750 access lines, and provides exchange access services to other telecommunications carriers. Chesnee LD is a wholly-owned subsidiary of Chesnee Telephone that provides interexchange services to Chesnee Telephone customers in Spartanburg and Cherokee counties in northwestern South Carolina. As an interexchange carrier, Chesnee LD currently serves approximately 2,300 customers. Chesnee Telephone's other wholly-owned subsidiaries, Chesnee Digital and Chesnee Cable, provide Internet and digital cable television services, respectively, to Chesnee Telephone's customers in Spartanburg and Cherokee counties.

**Transferee:**

SkyLine provides local exchange telephone and exchange access services to approximately 27,343 access lines in Johnson County, Tennessee (Shady Valley exchange), and to the following counties and exchanges in North Carolina: Alleghany County (Scottville, Glade Creek, and Sparta exchanges), Ashe County (Baldwin, Creston, Nathans Creek, and Lansing exchanges), Avery County (Banner Elk and Beech Mountain exchanges), and Watauga County (Sugar Grove and Watauga exchanges). SkyBest Communications, Inc., a wholly-owned subsidiary of SkyLine, is a CLEC also offering local exchange telephone service and exchange access services to approximately 2,921 access lines, predominately in areas bordering SkyLine's ILEC operations. Within the ILEC and CLEC footprint, SkyBest also offers Internet, video, long distance and home security services.

SkyLine also holds minority interests in two wireless companies which hold licenses in western North Carolina (39.6% of Carolina West Wireless, Inc. and 39.6% of WSS, L.L.C.). SkyLine also owns 18.99% of Access/On Multimedia Inc. L.L.C., a regional fiber transport network, which serves north-central and northwestern North Carolina.

(c) **47 C.F.R. § 63.04(a)(8)**

**A statement as to how the application fits into one or more of the presumptive streamlined categories under 47 C.F.R. § 63.03 or why it is otherwise appropriate for streamlined treatment:**

As demonstrated below, this application is presumptively entitled to streamlined procedures pursuant to Section 63.03(b)(2)(iii) of the Commission's Rules. In addition, streamlined treatment is appropriate generally<sup>1</sup> in this situation because the proposed transaction will have no adverse effect on local competition, and the proposed transaction will not negatively affect the national competitive marketplace. The transaction involves only a sale of equity interests to a qualified operator, and customers will continue to receive service at the same rates, and under the same terms and conditions, as are currently in effect. These factors, together with the absence of any novel questions of law, fact or policy, render this application suitable for streamlined treatment.

47 C.F.R. § 63.03(b)(2)(iii) affords streamlined procedures 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

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<sup>1</sup> In addition to the categories of transactions entitled presumptively to streamlined processing, applications may be deemed appropriate for streamlined treatment on a case-by-case basis. *See, generally, Implementation of Further Streamlining Measures for Domestic Section 214 Authorizations*, Report and Order, 17 FCC Rcd 5517, 5535.

party to the transaction” and “[t]he applicants are incumbent 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.”

Both Chesnee Telephone and Transferee SkyLine, together with its affiliates, currently serve fewer than two percent (2%) of the nation’s aggregate subscriber lines, with no overlapping or adjacent service areas. Furthermore, upon consummation of the proposed transaction, Transferee and its affiliates will continue to have a market share in the interstate, interexchange market well less than ten percent (10%). Finally, to the extent Transferee and its affiliates provide competitive telephone exchange services or competitive exchange access services, upon consummation of the transaction, they will do so exclusively in geographic areas served by a dominant local exchange carrier that is not a party to the transaction. Accordingly, streamlined treatment is warranted.

(d) **47 C.F.R. § 63.04(a)(9)**

**Identification of all other Commission applications related to the same transaction:**

Chesnee LD provides resold domestic and international toll service to certain Chesnee Telephone customers. An application has also been filed with the FCC’s International Bureau seeking approval of this change of control.

No approval is required from the FCC for the transfer of control of Chesnee Cable’s license (SES-REG-20090601-00672; call sign E090094) as a C-band receive-only earth station to provide video programming services in conjunction with cable television operations, pursuant to 47 C.F.R. § 25.119(j). Neither is FCC approval required for the transfer of control of the cable franchise granted to Chesnee Cable by the State of South Carolina.

(e) 47 C.F.R. § 63.04(a)(10)

**A statement of whether the applicants are requesting special consideration because either party to the transaction is facing imminent business failure:**

Neither Transferee or Transferor nor any of their subsidiaries is facing imminent business failure, and none of the companies is requesting special consideration as a result thereof.

(f) 47 C.F.R. § 63.04(a)(11)

**Identification of any separately filed waiver requests being sought in conjunction with the transaction:**

There are no separately filed waiver requests being sought in conjunction with the transaction.

(g) 47 C.F.R. § 63.04(a)(12)

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

The proposed transaction will serve the public interest by ensuring the continued provision of high quality telecommunications services to Chesnee Telephone's customers. The transaction will be transparent to Chesnee Telephone and Chesnee LD customers, who will experience no disruption in service as a result thereof. Transferee SkyLine and its affiliates are experienced in the provision of rural telecommunications services and, to date, have had an excellent record of serving their North Carolina customers. The transaction will not adversely affect subscribers, competitors or the market for the provision of telecommunications services.

(h) Transferor and Transferee understand that, pursuant to the streamlined processing provisions of 47 C.F.R. § 63.03, unless otherwise notified by the Commission, Chesnee

Telephone is permitted to transfer control of the authorization to operate on the 31<sup>st</sup> day after the date of public notice listing the domestic section 214 transfer of control application as accepted for filing as a streamlined application, but only in accordance with the operations proposed in the application. Transferor and Transferee further understand that they have a duty to notify the Commission of consummation of the transfer or decision not to proceed within thirty (30) days thereof.

**Attachment B**

In accordance with 47 C.F.R. §§ 63.04, 63.18 and 63.24, I, Hannah Lancaster, as President and General Manager of Chesnee Telephone Company, Incorporated, hereby certify that I have read the foregoing application, and the statements herein are true, complete and correct to the best of my knowledge. I further certify compliance with all other statutory and FCC requirements that apply to the FCC's streamlining process, as described in 47 C.F.R. §§ 63.03 and 63.12.

CHESNEE TELEPHONE COMPANY,  
INCORPORATED

  
Hannah Lancaster

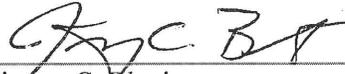
As Its: President and General Manager

Date: 

Attachment C

In accordance with 47 C.F.R. §§ 63.04, 63.18 and 63.24, I, Jimmy C. Blevins, as Chief Executive Officer of Skyline Telephone Membership Corporation, hereby certify that I have read the foregoing application, and the statements herein are true, complete and correct to the best of my knowledge. I further certify compliance with all other statutory and FCC requirements that apply to the FCC's streamlining process, as described in 47 C.F.R. § 63.03.

SKYLINE TELEPHONE MEMBERSHIP  
CORPORATION



Jimmy C. Blevins

As Its: Chief Executive Officer

Date: 6/12/2017