

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

In the Matter of )  
)  
**VAL-ED JOINT VENTURE LLP** )  
**dba 702 COMMUNICATIONS** ) WC Docket No. \_\_\_\_\_  
Assignor )  
)  
**RED RIVER RURAL TELEPHONE ASSOCIATION** )  
**dba RED RIVER COMMUNICATIONS** )  
Assignee )  
)  
For Assignment of Assets used to provide interstate )  
Interexchange and exchange access services in conjunction )  
with competitive local exchange carrier operations in and )  
around Wahpeton, North Dakota and Breckenridge, Minnesota )  
pursuant to domestic Section 214 authorizations )

TO: Wireline Competition Bureau

**APPLICATION FOR STREAMLINED ASSIGNMENT  
OF DOMESTIC SECTION 214 AUTHORIZATION**

Val-Ed Joint Venture, LLP, dba 702 Communications (“702 Communications”; FRN: 0005-0723-43) and Red River Rural Telephone Association dba Red River Communications (“Red River”; FRN: 0003-7423-84) hereby request Commission consent of the assignment of the assets used to provide competitive local exchange carrier (“CLEC”) services in the Wahpeton, North Dakota and Breckenridge, Minnesota exchanges from 702 Communications to Red River.

702 Communications, a Minnesota limited liability partnership, is owned by six rural incumbent local exchange carriers (“Rural LECs”) or their affiliates including Red River Technologies, Inc (a wholly owned subsidiary of Red River) which owns an 18.0948 percent member interest. 702 Communications provides CLEC services in Fargo, West Fargo and Wahpeton, North Dakota, and in Moorhead, Dilworth and Breckenridge, Minnesota. It also

provides a variety of wholesale bandwidth, long distance and fiber transport services, plus network engineering, management and monitoring for regional transport and data networking.

Red River, a Minnesota cooperative, is a rural incumbent local exchange carrier that provides voice, broadband and digital television services in thirteen local exchanges in North Dakota, Minnesota and South Dakota. These include the Abercrombie, Colfax, Fairmount, Great Bend, Hankinson, Lidgerwood, Mooreton and Wyndmere exchanges in Richland County, North Dakota; the Rural Barnesville, Fairmount, Kent and Rollag exchanges in Clay and Wilkin Counties, Minnesota; and the South Lidgerwood exchange in Roberts County, South Dakota.

702 Communications is selling only its Wahpeton, North Dakota and Breckenridge, Minnesota CLEC exchange assets to Red River. Both the Wahpeton and Breckenridge CLEC operations (less than 1,000 access lines) compete with CenturyLink, which is the incumbent local exchange carrier in both communities. Wahpeton (2010 population: 7,766) in Richland County, North Dakota, and Breckenridge (2010 population: 3,386) in Wilkin County, Minnesota are sister cities located on opposite banks of the Red River that serves as part of the boundary between Minnesota and North Dakota. The assets comprising the transaction include the fiber optic and copper cabling and other equipment used to provide CLEC services within the exchanges, plus other tangible and intangible assets (including customer accounts and relevant Domestic Section 214 authority) related to the CLEC business.

The applicants believe that streamlined processing is appropriate here pursuant to Sections 63.03((b)(1)(iii) and 63.03(b)(2)(ii) of the Commission's Rules. First, the proposed transaction involves only the transfer of some of the competitive local exchange assets of 702 Communications by means other than an acquisition of corporate control. More important, the proposed transaction would result in the transferee Red River having a market share in the

interstate, interexchange market of well less than 10 percent, and the transferee Red River would as a result of the transaction provide competitive telephone exchange services and exchange access services in the Wahpeton and Breckenridge geographic areas that are served by CenturyLink, a dominant local exchange carrier that is not a party to the transaction. Finally, the applicants are a dominant carrier (Red River) and a non-dominant carrier (702 Communications) that provides services exclusively outside the geographic area where the dominant carrier (Red River) is dominant. Specifically, even though some of Red River's North Dakota and Minnesota exchanges are adjacent, respectively, to the Wahpeton and Breckenridge CLEC exchanges being sold by 702 Communications to Red River, the Red River and 702 Communications services areas do not overlap and the two applicants do not compete with each other.

In accordance with the requirements of Section 63.04(a) of the Commission's Rules, the applicants submit the following information:

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

**Assignor:**

Val-Ed Joint Venture LLP dba 702 Communications  
702 Main Avenue  
Moorhead, Minnesota 56560  
Telephone: (218) 284-5714  
Facsimile: (218) 284-3297

**Assignee:**

Red River Rural Telephone Association dba Red River Communications.  
510 Broadway (P.O. Box 136)  
Abercrombie, North Dakota 58001-0136  
Telephone: (701) 553-8309  
Facsimile: (701)-553-8396

**(2) Government, state or territory under the laws of which each corporate or partnership applicant is organized:**

Val-Ed Joint Venture LLP dba 702 Communications is a Minnesota limited liability partnership.

Red River Rural Telephone Association dba Red River Communications is a Minnesota cooperative.

**(3) 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 Assignor:**

Brian Crommett, Chief Executive Officer  
Val-Ed Joint Venture LLP dba 702 Communications  
702 Main Avenue  
Moorhead, Minnesota 56560  
Telephone: (218) 284-5714  
Facsimile: (218) 284-3297

**For Assignee:**

Tom Steinolfson, Chief Executive Officer  
Red River Rural Telephone Association dba Red River Communications.  
510 Broadway (P.O. Box 136)  
Abercrombie, North Dakota 58001-0136  
Telephone: (701) 553-8309  
Facsimile: (701)-553-8396

With a copy to Counsel:

Gerard J. Duffy  
Blooston, Mordkofsky, Dickens, Duffy & Prendergast, LLP  
2120 L Street, N.W. (Suite 300)  
Washington, D.C. 20037  
Telephone: (202) 659-0830  
Facsimile: (202) 828-5568

- (4) **Name, address, citizenship and principal business of any person or entity that directly owns at least ten (10) percent of the equity of the applicant, and the percentage of equity owned by each of those entities:**

**Val-Ed Joint Venture LLP dba 702 Communications (Before and After Transaction)**

The name, address, citizenship and principal business of the entities that will own at least ten (10) percent of the equity and voting power of Val-Ed Joint Venture LLP dba 702 Communications before and after the proposed transaction are:

<u>Name &amp; Address</u>	<u>% Voting/Equity</u>	<u>Citizenship</u>	<u>Principal Business</u>
Red River Technologies, Inc. 510 Broadway Abercrombie, ND 58001	18.0948%	ND Corporation	Telecommunications
Rothsay Telephone Company, Inc. 137 First Street NW Rothsay, MN 56579	18.0948%	MN Corporation	Telecommunications
Otter Com, Inc. 137 First Street NW Rothsay, MN 56579	18.0948%	MN Corporation	Telecommunications
Barnesville Telephone Company. 102 Front Street North Barnesville, MN 56514	18.0948%	MN Municipal Utility	Telecommunications
Loretel Systems, Inc. 13 East Fourth Avenue Ada, MN 56510	18.0948%	MN Corporation	Telecommunications
East Otter Tail Telephone Company, Inc. 160 Second Avenue SW Perham, MN 56573	9.5262%	MN Corporation	Telecommunications

Rothsay Telephone Company, Inc. is a wholly-owned subsidiary of Otter Com, Inc. In turn, Otter Com, Inc. is a wholly-owned subsidiary of Park Region Mutual Telephone Company (“Park Region”), a Minnesota cooperative corporation located at 100 Main Street in Underwood, Minnesota 56585. None of Park Region’s approximate 5,000 member-customers owns or controls a one percent (1.0%) or greater interest in the cooperative.

**Val-Ed Joint Venture LLP dba 702 Communications (continued)**

Loretel Systems, Inc. and East Otter Tail Telephone Company, Inc. are both wholly-owned subsidiaries of Arvig Enterprises, Inc., a Minnesota corporation located at 160 Second Avenue SW in Perham, Minnesota 56573. The only entities that own at least ten (10) percent of the equity and voting power of Arvig Enterprises, Inc. are Allen Arvig, a United States citizen (31.1 percent); Donna Ward, a United States citizen (18.6 percent), and the Arvig Employee Stock Ownership Plan (20.2 percent).

No other individual or entity will directly or indirectly own or control at least ten (10) percent of the equity or voting power of Val-Ed Joint Venture LLP dba 702 Communications before or after the proposed transaction.

**Red River Rural Telephone Association dba Red River Communications (Before and After Transaction)**

Red River Rural Telephone Association dba Red River Communications is a telephone cooperative which has approximately 3,500 members, none of whom directly or indirectly owns or controls ten (10) percent or more of its equity or voting power.

No other individual or entity will directly or indirectly own or control at least ten (10) percent of the equity or voting power of Red River Rural Telephone Association dba Red River Communications before or after the proposed transaction.

- (5) 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.**

Val-Ed Joint Venture LLP dba 702 Communications and Red River Rural Telephone Association dba Red River Communications hereby certify, pursuant to 47 C.F.R. §§1.2001 through 1.2003, that no party to the present application is subject to denial of Federal benefits pursuant to section 5301 of the Anti-Drug Abuse Act of 1988.

**(6) Description of the transaction:**

Red River is purchasing from 702 Communications the assets used by 702 Communications to provide CLEC services within the Wahpeton, North Dakota and Breckenridge, Minnesota exchanges. These assets include fiber optic and copper cabling within the exchanges used to deliver telephone and data connectivity services to customers within the exchanges; equipment and related enclosures associated with the cabling, outside plant access electronics, customer premises equipment and other related personal property used to provide service to customers within the exchanges; and certain contracts, permits, warranty and indemnity rights, books, maps, plant records, customer files and goodwill associated with service to customers within the exchanges. These CLEC assets include the portion of the authority under the domestic Section 214 authorization of 702 Communications that pertains to the provision of interstate interexchange and exchange access services to customers within the Wahpeton and Breckenridge exchanges in competition with CenturyLink. However, 702 Communications is not selling, and will retain, the assets including domestic Section 214 authorizations used to provide its CLEC services in Fargo and West Fargo, North Dakota, and in Moorhead and Dilworth, Minnesota, and to provide other domestic telecommunications services including wholesale bandwidth, long distance and fiber transport services.

**(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:**

**Areas and Services of Val-Ed Joint Venture LLP dba 702 Communications and affiliates**

In addition to the subject CLEC services in Wahpeton and Breckenridge (less than 1,000 access lines), 702 Communications provides CLEC services in Fargo and West Fargo, North Dakota, and in Moorhead and Dilworth, Minnesota. It also provides a variety of wholesale bandwidth, long distance and fiber transport services, plus network engineering, management and monitoring for regional transport and data networking in the states of Minnesota and North Dakota.

The members of 702 Communications hold an aggregate interest of greater than ten percent (10.0%) in West Central Transport Group, a Minnesota limited liability company that provides high-capacity special access circuits in Minnesota, North Dakota and South Dakota.

The members of 702 Communications hold an aggregate interest of greater than ten percent (10.0%) in Northwest Minnesota Special Access, LLC, a Minnesota limited liability company that provides data and video services to schools and libraries in Minnesota.

702 Communications and its affiliates have no ownership interests in any other entity that offers domestic telecommunications services.

**Areas and Services of Red River Rural Telephone Association dba Red River Communications and Affiliates.**

Red River provides voice, broadband and digital television services as an ILEC in the following thirteen local exchanges in North Dakota, Minnesota and South Dakota (approximately 3,500 access lines): the Abercrombie, Colfax, Fairmount, Great Bend, Hankinson, Lidgerwood, Mooreton and Wyndmere exchanges in Richland County, North Dakota; the Rural Barnesville, Fairmount, Kent and Rollag exchanges in Clay and Wilkin Counties, Minnesota; and the South Lidgerwood exchange in Roberts County, South Dakota. In addition to local telephone service and custom calling features, Red River offers high-speed broadband Internet access, wireless Internet access, digital television and cellular services in its North Dakota, Minnesota and South Dakota ILEC service areas.

Red River Technologies, Inc., a North Dakota corporation and wholly-owned subsidiary of Red River, provides voice and data circuits and associated communications services in and around Red River's existing North Dakota, Minnesota and South Dakota ILEC service areas.

Red River has no ownership interests in any other entity that offers domestic telecommunications services.

**(8) Statement as to how the application fits into one or more of the presumptive streamlined categories in section 63.03 or why it is otherwise appropriate for streamlined treatment:**

The applicants believe that streamlined processing is appropriate here pursuant to Sections 63.03((b)(1)(iii) and 63.03(b)(2)(ii) of the Commission's Rules. First, the proposed transaction involves only the transfer of some of the competitive local exchange assets of 702 Communications by means other than an acquisition of corporate control. More important, the proposed transaction would result in the transferee Red River (3,500 access lines prior to the transaction; less than 4,500 access lines thereafter) having a market share in the interstate, interexchange market of well less than 10 percent, and the transferee Red River would as a result of the transaction provide competitive telephone exchange services and exchange access services in the Wahpeton and Breckenridge geographic areas that are served by CenturyLink, a dominant local exchange carrier that is not a party to the transaction. Finally, the applicants are a dominant carrier (Red River) and a non-dominant carrier (702 Communications) that provides services exclusively outside the geographic area where the dominant carrier (Red River) is dominant. Specifically, even though some of Red River's North Dakota and Minnesota exchanges are adjacent, respectively, to the Wahpeton and Breckenridge exchanges being sold by 702 Communications to Red River, the Red River and 702 Communications service areas do not overlap and the two applicants do not compete with each other.

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

There are no other Commission applications related to this transaction.

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

No party to the transaction is facing imminent business failure at this time. Therefore, the applicants are not requesting special consideration because a party to the transaction is facing imminent business failure.

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

No separately filed waivers or waiver requests are being sought in conjunction with the proposed transaction.

**(12) 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:**

The proposed transaction entails the acquisition of the CLEC assets of 702 Communications in the Wahpeton, North Dakota and Breckenridge, Minnesota, exchanges by Red River. Red River has a long and proven record of investing in its rural networks and communities, and of providing high-quality, state-of-the-art voice, data and video services at affordable rates to its rural service areas. The proposed transaction will ensure that Wahpeton and Breckenridge residents and businesses will continue to have access to high-quality, state-of-the-art competitive voice, data and video services at affordable rates during the foreseeable future.

**Conclusion**

In light of the foregoing facts and public interest considerations, the Commission is respectfully requested to authorize the sale of the assets (including the relevant Domestic Section 214 authority) used to provide competitive local exchange carrier services in the Wahpeton, North Dakota and Breckenridge, Minnesota exchanges by Val-Ed Joint Venture LLP dba 702 Communications to Red River Rural Telephone Association dba Red River Communications.

Val-Ed Joint Venture LLP dba 702 Communications and Red River Rural Telephone Association dba Red River Communications reiterate that they certify, pursuant to 47 C.F.R. §§1.2001 through 1.2003, that no party to the present application is subject to denial of Federal benefits pursuant to section 5301 of the Anti-Drug Abuse Act of 1988.

Respectfully submitted,

**VAL-ED JOINT VENTURE LLP  
DBA 702 COMMUNICATIONS**

**RED RIVER RURAL TELEPHONE  
ASSOCIATION DBA RED RIVER  
COMMUNICATIONS**

Signature:  \_\_\_\_\_

Signature: \_\_\_\_\_

Printed Name: Brian Crommett

Printed Name: \_\_\_\_\_

Title: CEO

Title: \_\_\_\_\_

Date: 11.24.2020

Date: \_\_\_\_\_

**Conclusion**

In light of the foregoing facts and public interest considerations, the Commission is respectfully requested to authorize the sale of the assets (including the relevant Domestic Section 214 authority) used to provide competitive local exchange carrier services in the Wahpeton, North Dakota and Breckenridge, Minnesota exchanges by Val-Ed Joint Venture LLP dba 702 Communications to Red River Rural Telephone Association dba Red River Communications.

Val-Ed Joint Venture LLP dba 702 Communications and Red River Rural Telephone Association dba Red River Communications reiterate that they certify, pursuant to 47 C.F.R. §§1.2001 through 1.2003, that no party to the present application is subject to denial of Federal benefits pursuant to section 5301 of the Anti-Drug Abuse Act of 1988.

Respectfully submitted,

**VAL-ED JOINT VENTURE LLP  
DBA 702 COMMUNICATIONS**

**RED RIVER RURAL TELEPHONE  
ASSOCIATION DBA RED RIVER  
COMMUNICATIONS**

Signature: \_\_\_\_\_

Signature: Thomas Steinbohn

Printed Name: \_\_\_\_\_

Printed Name: Thomas Steinbohn

Title: \_\_\_\_\_

Title: CEO

Date: \_\_\_\_\_

Date: 11-24-2020