

Before the
Federal Communications Commission
Washington, DC 20554

_____)
In the Matter of)
)
Merrimac Communications, Ltd.)
)
For Grant of Authority Pursuant to)
Section 214 of the Communications Act)
as Amended, and Section 63.04 of)
the Commission's Rules to Assign the Domestic)
214 Authority of Merrimac Communications, Ltd.)
to TDS Metrocom, LLC)
_____)

APPLICATION

Merrimac Communications, Ltd., a Wisconsin limited liability company, ("Merrimac") and TDS Metrocom, LLC, a Delaware limited liability company ("TDS Metrocom") (collectively, "Applicants") hereby seek authorization to assign Merrimac's blanket domestic Section 214 authorization to TDS Metrocom.

Background

Merrimac is a cable television company, headquartered in Merrimac, Wisconsin. Merrimac provides video, high speed internet and broadband, and voice services to residential and commercial customers in South Central Wisconsin, primarily in the communities of Merrimac, Sauk City, Prairie du Sac and surrounding rural areas in portions of Sauk, Columbia and Dane Counties, Wisconsin. Merrimac holds domestic authority from the FCC to provide the telecommunications component of these services.

TDS Metrocom is a wholly owned subsidiary of TDS Telecom LLC ("TDS Telecom"), also a Delaware limited liability company. TDS Telecom is, in turn, a wholly owned subsidiary of Telephone and Data Systems, Inc. ("TDS"), a Delaware corporation.

It is proposed that TDS Metrocom will acquire substantially all of the assets of Merrimac, including its cable franchises, customers, and this domestic Section 214 authority.

TDS Metrocom provides local, long distance, and internet services in Wisconsin, Illinois, Michigan, Minnesota, and North Dakota. The company's residential and business services include Internet hardware, voice calling, voice mail, digital television, data/transport service, as well as conferencing services.

TDS is a diversified telecommunications service company. It provides wireless operations through its 83.4 percent owned subsidiary United States Cellular Corporation ("U.S. Cellular") and wireline operations through its wholly-owned subsidiary TDS Telecom. U.S. Cellular now serves approximately 5 million customers and TDS Telecom provides approximately 1.2 million customer connections. TDS Telecom also operates OneNeck IT Solutions LLC, which specializes in planning, engineering, procurement, installation, sales and management of information technology (IT) infrastructure and TDS Broadband Service LLC, which operates most of TDS's cable properties. TDS's business strategy is to expand its existing operations through internal growth and acquisitions and to acquire other related businesses, such as cable/broadband, in which TDS can utilize its expertise in customer-focused telecommunications services. TDS's cable operations now have more than 280,000 customer connections to television, broadband and telephone service. TDS's cable systems offer businesses Metro Ethernet, PON, hosted PBX and carrier backhaul and transportation solutions.

No TDS Telecom telephone company now provides service in any of Merrimac's franchise areas. U.S. Cellular does provide service in Merrimac's franchise areas. However, U.S. Cellular is operated separately from TDS Telecom, with no operational coordination between those entities.

TDS will bring its telephone and cable expertise to the operation of the Merrimac's facilities. TDS plans to offer its 'TDSTV' IPTV service and build out fiber connections to more of Merrimac's present customers after the transaction closes.

Pursuant to state law, following consummation of the transaction, TDS Metrocom will file a notice of transfer with the Wisconsin Department of Financial Institutions.

Information Required By Section 63.04 of the Rules.

1. Name, Address and Telephone Number of Each Applicant.

Assignor:

Assignor:
Merrimac Communications, Ltd.
327 Palisade Street
Merrimac, WI 53561
ATTN: Bartlett Olson, President
(608) 493-2561

Assignee:

TDS Metrocom LLC
525 Junction Road
Suite 6000
Madison, WI 53717-2153
ATTN: David Wittwer
(608) 664-4000

2. Section 63.04(a)(2) – Jurisdiction of Organization:

Assignor:

Merrimac is a Wisconsin limited liability company.

Assignee:

TDS Metrocom is a Delaware limited liability company.

3. Section 63.03(a)(3) – correspondence concerning this Application should be sent to:

Assignor:

Merrimac Communications, Ltd.
327 Palisade Street
Merrimac, WI 53561
ATTN: Bartlett Olson, President
(608) 493-2561

With a copy to:

Murphy Desmond S.C.
ATTN: Robert A. Pasch
33 East Main Street, Suite 500
P.O. Box 2038
Madison, WI 53701-2038
(608) 268-5615

Assignee:

TDS Metrocom LLC
525 Junction Road
Madison, WI 53717
ATTN: David Wittwer
Telephone: 608-664-4000

With a copy to:

Holland & Knight LLP
800 17th Street, NW, Suite 1100
Washington, DC 20006
ATTN: Peter M. Connolly
Telephone: 202-862-5989

4. Section 63.04: Name, Address, Citizenship, Principal Place of Business and Ownership Interest of Owners of Ten Percent or More of Each Applicant.

Assignor:

Bartlett Olson
327 Palisade Street
Merrimac, WI 53561
U.S. Citizen
Ownership of Merrimac: 50% (direct)
Involved in business

Charlotte Olson
327 Palisade Street
Merrimac, WI 53561
U.S. Citizen
Ownership of Merrimac: 50% (direct)
Involved in business

Assignee:

As previously noted, TDS Metrocom is a wholly owned/indirect subsidiary of TDS.

TDS is controlled by a Voting Trust whose trustees are LeRoy T. Carlson, Jr., Walter C.D. Carlson, Prudence E. Carlson, and Dr. Letitia G.C. Carlson. They are brothers and sisters and U.S. citizens. The address of the trust is TDS's business address: 30 North LaSalle Street, Chicago, IL 60602.

LeRoy T. Carlson, Jr. is the President of TDS and Walter C. D. Carlson is its non-executive Chairman.

The Voting Trust controls 56.3% of the voting power of TDS's total shares that vote in matters other than the election of directors and 94.7% of the Series A Common Shares which elect eight of TDS's 12 directors. Further information regarding TDS can be found in its Form 602, "FCC Ownership Disclosure Information for the Wireless Telecommunications Services" on file with the Commission.

As of the filing of TDS's most recent ownership report in April 2017, BlackRock, Inc. and its affiliates reported sole voting authority with respect to an aggregate of 15,083,558 TDS Common Shares and sole investment authority with respect to an aggregate of 16,073,333 TDS Common Shares, representing approximately 15.6% of the Outstanding TDS Common Shares.

To the knowledge of TDS, no other individual or entity holds an aggregate of 10% or greater equity or voting interest in TDS

There are no interlocking directorates with foreign carriers.

5. Section 63.04(a)(5) – Certification That No Party is Subject to Denial of Federal Benefits.

Applicants certify that they are not subject to denial of Federal Benefits pursuant to Section 5031 of the Drug Abuse Act of 1988, 21 U.S.C. § 854(a)

6. Section 63.04(a)(6) – Description of Transaction.

See "Background" discussion above.

7. Section 63.04(a)(7) Description of Geographic Areas in which Assignor and Assignee and Their Affiliates Offer Domestic Telecommunications Services.

Assignor:

Merrimac is a full service communications company, providing video, high speed internet and broadband, and voice services in its cable franchise areas in South Central Wisconsin.

Assignee:

TDS was founded in 1969 with the purchase of ten small telephone carriers in Wisconsin. Over the years, TDS has grown as a landline carrier in large part by acquiring many small ILECs and developing economies of scale in equipment procurement, operations, financing and other areas. TDS Telecom operates incumbent local exchange (ILEC) and competitive local exchange (CLEC) carriers in 27 states. TDS conducts cable operations in Colorado, New Mexico, Texas, Utah, Oregon. In September, 2017, TDS Telecom launched new fiber to the home service in Sun Prairie, Wisconsin. However, no TDS company provides telecommunications services in any of Merrimac's franchise areas.

TDS's subsidiary U.S. Cellular currently serves 5 million customers in 23 states. And U.S. Cellular does provide service in Merrimac's franchise areas.

TDS proposes to build on and improve Merrimac's existing excellent customer service, bringing to bear the resources of a publicly held company with deep telecommunications experience. Thus, TDS's acquisition of Merrimac's assets will enhance competition in the relevant markets.

8. Section 63.04(a)(8) – Statement as to How This Application Fits Into The Streamlined Category.

The application qualifies for streamlined treatment under Section 63.03(b) 2(iii) of the FCC's Rules because the applicants are a dominant carrier and a non-dominant carrier that provides services exclusively outside the geographic area where the dominant carrier is dominant. Merrimac is a non-dominant carrier. TDS Metrocom ILEC affiliates are "dominant" in their local exchange areas. However, none of those areas overlap with any of the areas in which Merrimac provides cable and associated telecommunications services. Accordingly, pursuant to Section 63.03(b)(2)(ii) of the FCC's Rules, this transaction should receive "streamlined" treatment.

9. Section 63.04(a)(9) – Identification of All Other Commission Applications Related to this Translation.

None

10. Section 63.04(a)(10) – Statement of Whether Applications are Requesting Special Consideration Because Either Party To This Transaction is Facing Imminent Business Failure.

Applicants seek no such special consideration.

11. Section 63.04(a)(11) – Identification of Any Separately Filed Waiver Requests Sought In Conjunction With This Transaction.

Applicants have filed no separate waiver requests in conjunction with this filing.

12. Section 63.04(a)(12) – Statement Showing How Grant of Application Will Serve The Public Convenience and Necessity.

Grant of the application will serve the public interest, convenience and necessity. TDS Metrocom will be able to offer Merrimac's customers access to the state of the art service which all TDS companies provide, supported by the economies of scale and scope which a holding company can offer its subsidiaries. Since its inception in 1969, TDS Telecom's successful business strategy has been to purchase well run companies and build on their existing strengths, while upgrading the facilities of those companies. A holding company such as TDS can offer management expertise and economies of scale and scope to local companies, which can be vital in the ever more competitive environment of the U.S. telecommunications industry.

TDS Metrocom will make the necessary investments to make Merrimac a stronger competitor, able to deal with the rigors of the 21st century marketplace.

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For the foregoing reasons, the Applicants respectfully request that the Commission grant the authority requested in this application.

Respectfully submitted,

Merrimac Communications, Ltd.

By: 

Name: Bartlett Olson

Title: President

Date: 12/2/17

TDS Metrocom, LLC

By: _____

Name: David Wittwer

Title: President

Date: _____

For the foregoing reasons, the Applicants respectfully request that the Commission grant the authority requested in this application.

Respectfully submitted,

Merrimac Communications, Ltd.

By: _____

Name: Bartlett Olson

Title: President

Date: _____

TDS Metrocom, LLC

By:  _____

Name: David Wittwer

Title: President

Date: 12/1/2017