PUBLIC NOTICE

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DOMESTIC SECTION 214 APPLICATION FILED FOR TRANSFER OF CONTROL OF SIOUX VALLEY TELEPHONE COMPANY TO HILLS TELEPHONE COMPANY, INC.

STREAMLINED PLEADING CYCLE ESTABLISHED

WC Docket No. 04-291

Comments Due: September 3, 2004
Reply Comments Due: September 10, 2004

On July 27, 2004, Sioux Valley Telephone Company ("Sioux Valley") and Hills Telephone Company, Inc. ("Hills") (together, Applicants) filed an application, pursuant to sections 63.03 and 63.04 of the Commission's rules,[1] requesting authority to transfer control of the domestic blanket Section 214 authorizations held by Sioux Valley with respect to its Valley Springs and North Larchwood, South Dakota exchanges, and its East Valley Springs, Minnesota exchange from Sioux Valley to Hills.[2]

Applicants assert that this transaction is entitled to presumptive streamlined treatment pursuant to section 63.03(b)(1)(iii) of the Commission's rules, because the proposed transaction involves only the transfer of the local exchange assets of an incumbent LEC by means other than an acquisition of corporate control.[3]

Hills is a rural local exchange carrier that provides local exchange and exchange access service to residential and business customers in three Minnesota telephone exchanges and seven

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1 47 C.F.R §§ 63.03, 63.04; *see also* 47 U.S.C. § 214.

2 On April 5, 2004, Sioux Valley and Hills also filed a related joint petition for waiver of the study area boundary freeze, as codified in the Appendix-Glossary of Part 36 of the Commission's rules. *See* 47 C.F.R. § 36, App. (defining "study area").

3 47 C.F.R. § 63.03(b)(1)(iii). *See* letter from Gerard J. Duffy, Counsel for Applicants, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 04-291 (filed Aug. 18, 2004).

Iowa telephone exchanges. Hills has an interest in Onvoy, Inc., a provider of centralized equal access service, as well as integrated voice, data, and network services, via its fiber optic communications network linking communities throughout Minnesota. Hills holds a 12.6 percent equity interest in FiberComm, LLC, a competitive local exchange carrier in the Sioux City, Iowa, metropolitan area. Hills also owns a 12.8 percent equity interest in Fibernet Communications, LC, which provides transport services in certain rural areas of Iowa and Minnesota. Hills also owns 100 percent of Hills Wireless Holdings, LLC, which has an interest in Midwest Wireless Holdings, LLC, a CMRS provider licensed to serve portions of Minnesota, Iowa, Wisconsin, North Dakota and South Dakota. Hills, in turn, is 100 percent owned by Alliance Communications Cooperative, Inc., a rural telephone company that provides local exchange and exchange access service to residential and business customers in six exchanges in South Dakota, one exchange in Minnesota, and one exchange in Iowa. Alliance holds a 66.66 percent interest in ABS LMDS Venture, which holds FCC licenses for LMDS facilities in Iowa, Wisconsin, South Dakota, and Minnesota. Alliance holds a 50.0 percent interest in H&B LMDS Venture, which holds an FCC license for an LMDS facility in Ottumwa, Iowa. Alliance also owns 100 percent of the stock of Splitrock Properties, Inc., which provides local exchange and exchange access service to residential and business customers in two South Dakota exchanges.

Sioux Valley is a rural telephone company that provides local exchange and exchange access service to residential and business customers in five South Dakota telephone exchanges in addition to the three exchanges that it is selling to Hills. Sioux Valley is affiliated with various wireless carriers, Onvoy, Inc., other rural local exchange carriers in the Upper Midwest, Internet Service Providers, and others.

The proposed transaction is a sale of the assets of three of Sioux Valley's local telephone exchanges to Hills: Valley Springs and North Larchwood in South Dakota, and East Valley Springs in Minnesota. Although the East Valley Springs exchange is located on the Minnesota border, it has been included in Sioux Valley's South Dakota study area for decades. Applicants note that Sioux Valley's Valley Springs, East Valley Springs and North Larchwood exchanges are adjacent to Alliance's Garretson and Brandon exchanges along a 13-to-14 mile border in South Dakota; and adjacent to Hills' Larchwood and Hills exchanges along a 9-to-10 mile border in Minnesota and Iowa. Applicants state that, after the proposed transaction, Sioux Valley will continue to own and operate the Dell Rapids, Humboldt-Montrose, Colton, Corsica and Plankinton, South Dakota exchanges. Hills will own the switches, lines, customer lists, blanket domestic Section 214 authorizations, state certificates, and other tangible and intangible assets of the three exchanges, and will provide local exchange and exchange access within the three exchanges.

Applicants assert that consummation of the proposed transaction will serve the public interest because it involves the sale of three small rural exchanges from one rural telephone company to an unrelated rural telephone company. According to the Applicants, the three exchanges share a closer community of interest with the existing Hills exchanges along the South Dakota-Minnesota-Iowa border to the east of Sioux Falls, South Dakota than they do with the remaining Sioux Valley exchanges located to the north and west of Sioux Falls (or with the Golden West exchanges in western South Dakota). As a result, Hills has a greater interest than

Sioux Valley in operating, maintaining, developing and upgrading the three exchanges. The Applicants state that the proposed transaction will also provide the rural customers of the Valley Springs, East Valley Springs and North Larchwood exchanges with a new owner that has a proven interest and record of operating, maintaining, developing and upgrading rural telephone exchanges. In addition, the Applicants state that the proposed transaction will have no adverse impact on competition in domestic telecommunications markets.

GENERAL INFORMATION

The transfer of control identified herein has been found, upon initial review, to be acceptable for filing as a streamlined application. The Commission reserves the right to return any transfer of control application if, upon further examination, it is determined to be defective and not in conformance with the Commission's rules and policies. Interested parties may file **comments on or before September 3, 2004** and **reply comments on or before September 10, 2004.**[4] Unless otherwise notified by the Commission, Applicants are permitted to transfer control on the 31st day after the date of this notice.[5] Comments may be filed using the Commission's Electronic Comment Filing System (ECFS) or by filing paper copies. *See Electronic Filing of Documents in Rulemaking Proceedings*, 63 Fed. Reg. 24121 (1998).

Comments filed through the ECFS can be sent as an electronic file via the Internet to <http://www.fcc.gov/e-file/ecfs.html>. Generally, only one copy of an electronic submission must be filed. If multiple docket or rulemaking numbers appear in the caption of this proceeding, however, commenters must transmit one electronic copy of the comments to each docket or rulemaking number referenced in the caption. In completing the transmittal screen, commenters should include their full name, U.S. Postal Service mailing address, and the applicable docket or rulemaking number. Parties may also submit an electronic comment by Internet e-mail. To get filing instructions for e-mail comments, commenters should send e-mail to ecfs@fcc.gov, and should include the following words in the subject line "get form <your e-mail address>." A sample form and directions will be sent in reply.

Parties who choose to file by paper must file an original and four copies of each filing. If more than one docket or rulemaking number appears in the caption of this proceeding, commenters must submit two additional copies for each additional docket or rulemaking number. Filings can be sent by hand or messenger delivery, by commercial overnight courier, or by first-class or overnight U.S. Postal Service mail (although we continue to experience delays in receiving U.S. Postal Service mail). The Commission's contractor, Natek, Inc., will receive hand-delivered or messenger-delivered paper filings for the Commission's Secretary at 236 Massachusetts Avenue, N.E., Suite 110, Washington, D.C. 20002. The filing hours at this location are 8:00 a.m. to 7:00 p.m. All hand deliveries must be held together with rubber bands

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4 *See* 47 C.F.R. § 63.03(a).

5 Such authorization is conditioned upon receipt of any other necessary approvals from the Commission in connection with the proposed transaction.

or fasteners. Any envelopes must be disposed of before entering the building. Commercial overnight mail (other than U.S. Postal Service Express Mail and Priority Mail) must be sent to 9300 East Hampton Drive, Capitol Heights, MD 20743. U.S. Postal Service first-class mail, Express Mail, and Priority Mail should be addressed to 445 12th Street, SW, Washington, D.C. 20554. All filings must be addressed to the Commission's Secretary, Office of the Secretary, Federal Communications Commission.

In addition, one copy of each pleading must be sent to each of the following:

(1) The Commission's duplicating contractor, Best Copy and Printing, Inc., 445 12th Street, S.W., Room CY-B402, Washington, D.C. 20554; e-mail: www.bcpiweb.com; phone: (202) 488-5300 fax: (202) 488-5563;

(2) Tracey Wilson, Competition Policy Division, Wireline Competition Bureau, 445 12th Street, S.W., Room 5-C212, Washington, D.C. 20554; e-mail: tracey.wilson-parker@fcc.gov;

(3) Kimberly Jackson, Competition Policy Division, Wireline Competition Bureau, 445 12th Street, S.W., Room 5-C142, Washington, D.C. 20554; e-mail: kimberly.jackson@fcc.gov;

(4) Julie Veach, Competition Policy Division, Wireline Competition Bureau, 445 12th Street, S.W., Room 5-C124, Washington, D.C. 20554; e-mail: julie.veach@fcc.gov;

(5) James Bird, Office of General Counsel, 445 12th Street, S.W., Room 8-C824, Washington, D.C. 20554; e-mail: james.bird@fcc.gov.

Filings and comments are also available for public inspection and copying during regular business hours at the FCC Reference Information Center, Portals II, 445 12th Street, SW, Room CY-A257, Washington, DC, 20554. They may also be purchased from the Commission's duplicating contractor, Best Copy and Printing, Inc., Portals II, 445 12th Street, SW, Room CY-B402, Washington, DC 20554, telephone: 202-488-5300, fax: 202-488-5563, or via e-mail www.bcpiweb.com.

For further information regarding the transfer of control application, please contact Tracey Wilson, at (202) 418-1394, or Kimberly Jackson at (202) 418-7393.

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