

DOCKET FILE COPY ORIGINAL

WC 0883

COPY

READ INSTRUCTIONS CAREFULLY
BEFORE PROCEEDING

Approved by OMB
3060-0589
Page 1 of 1

FEDERAL COMMUNICATIONS COMMISSION
~~RECEIVED~~
MAY 30 2008
Gov't. LBX Operations

SPECIAL USE ONLY
FCC USE ONLY

(1) LOCKBOX #
979091

(2) PAYER NAME (if paying by credit card enter name exactly as it appears on the card)
Blackduck Telephone Company

(3) TOTAL AMOUNT PAID (U.S. Dollars and cents)
\$965.00

(4) STREET ADDRESS LINE NO. 1
P.O. Box 325

(5) STREET ADDRESS LINE NO. 2
50 Margaret Avenue NE

(6) CITY
Blackduck

(7) STATE
MN

(8) ZIP CODE
56630-0325

(9) DAYTIME TELEPHONE NUMBER (include area code)
(218) 835-4941

(10) COUNTRY CODE (if not in U.S.A.)

FCC REGISTRATION NUMBER (FRN) REQUIRED

(11) PAYER (FRN)
0002642262

(12) FCC USE ONLY

IF MORE THAN ONE APPLICANT, USE CONTINUATION SHEETS (FORM 159-C)
COMPLETE SECTION BELOW FOR EACH SERVICE, IF MORE BOXES ARE NEEDED, USE CONTINUATION SHEET

(13) APPLICANT NAME
Paul Bunyan Rural Telephone Cooperative

(14) STREET ADDRESS LINE NO. 1
1831 Anne Street NW

(15) STREET ADDRESS LINE NO. 2

(16) CITY
Bemidji

(17) STATE
MN

(18) ZIP CODE
56601

(19) DAYTIME TELEPHONE NUMBER (include area code)
(218) 444-1234

(20) COUNTRY CODE (if not in U.S.A.)

FCC REGISTRATION NUMBER (FRN) REQUIRED

(21) APPLICANT (FRN)
0002644953

(22) FCC USE ONLY

COMPLETE SECTION C FOR EACH SERVICE, IF MORE BOXES ARE NEEDED, USE CONTINUATION SHEET

(23A) CALL SIGN/OTHER ID

(24A) PAYMENT TYPE CODE
CUT

(25A) QUANTITY
1

(26A) FEE DUE FOR (PTC)
965.00

(27A) TOTAL FEE
965.00

FCC USE ONLY

(28A) FCC CODE 1

(29A) FCC CODE 2

(23b) CALL SIGN/OTHER ID

(24B) PAYMENT TYPE CODE

(25B) QUANTITY

(26B) FEE DUE FOR (PTC)

(27B) TOTAL FEE

FCC USE ONLY

(28B) FCC CODE 1

(29B) FCC CODE 2

SECTION D - CERTIFICATION

CERTIFICATION STATEMENT

I, _____, certify under penalty of perjury that the foregoing and supporting information is true and correct to the best of my knowledge, information and belief.

SIGNATURE _____

DATE _____

SECTION E - CREDIT CARD PAYMENT INFORMATION

MASTERCARD _____ VISA _____ AMEX _____ DISCOVER _____

ACCOUNT NUMBER _____ EXPIRATION DATE _____

I hereby authorize the FCC to charge my credit card for the service(s) authorization herein described.

SIGNATURE _____

DATE _____

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

In the Matter of)
)
Shareholders of Blackduck Telephone Company)
Transferors)
)
Paul Bunyan Rural Telephone Cooperative)
Transferee)
)
For Transfer of Control of Blackduck Telephone Company)
Which Provides Interstate Exchange Access Services in)
Minnesota Pursuant to a Domestic Blanket Authorization)
Under Section 214 of the Communications Act)

TO: Chief, Wireline Competition Bureau

**APPLICATION FOR NON-STREAMLINED CONSENT
TO TRANSFER OF CONTROL OF
DOMESTIC BLANKET SECTION 214 AUTHORIZATION**

The Shareholders of Blackduck Telephone Company (“Transferors”) and Paul Bunyan Rural Telephone Cooperative (“Paul Bunyan” or “Transferee”; FRN: 0002644953) hereby request Commission authorization for the transfer of control of Blackduck Telephone Company (“Blackduck”; FRN: 0002642262) and its blanket domestic Section 214 authorization from the current shareholders of Blackduck to Paul Bunyan.

Blackduck, a Minnesota corporation, provides local exchange telephone services (including interstate exchange access) as an incumbent local exchange carrier (“ILEC”):

- (a) in the Blackduck exchange in Beltrami County in rural north central Minnesota; and
- (b) in the Ash River exchange in St. Louis County in rural northeastern Minnesota.

Paul Bunyan, a Minnesota corporation, provides local exchange telephone services (including interstate exchange access): (a) as an ILEC in the Deer River, Squaw Lake, Northome, Kelliher, Ponemah, Red Lake, Puposky, Solway, Turtle River, Becida and Laporte exchanges in Beltrami, Hubbard, Koochiching and Itasca Counties in rural north central Minnesota; and (b) as a competitive local exchange carrier ("CLEC") in the Bemidji, Cass Lake, Grand Rapids and Itasca State park exchanges in Beltrami, Cass, Hubbard and Itasca Counties in rural north central Minnesota. Paul Bunyan also resells interstate long distance toll services to customers located in its local exchange service areas.

Paul Bunyan's local exchange service area is adjacent to the Blackduck exchange to the north, east and west. Therefore, this application does not qualify for streamlined treatment under Section 63.03 of the Commission's Rules.

Blackduck is presently a closely-held corporation. All of its issued and outstanding stock is currently held by three members of the Lien family. The proposed transaction will be accomplished by the purchase by Paul Bunyan of all of the issued and outstanding stock of Blackduck from these three individuals. At the completion of the transaction, all of the issued and outstanding common stock of Blackduck will be owned by Paul Bunyan. Control of Blackduck will give Paul Bunyan control of the blanket domestic Section 214 authorization of Blackduck.

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:

Transferors:

Shareholders of Blackduck Telephone Company
50 Margaret Avenue NE (P.O. Box 325)
Blackduck, Minnesota 56630-0325
Telephone: (218) 835-4941
Facsimile: (218) 835-3299

Transferee:

Paul Bunyan Rural Telephone Cooperative
1831 Anne Street NW
Bemidji, Minnesota 56601
Telephone: (218) 444-1234
Facsimile: (218) 444-1121

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

Blackduck is a corporation organized under the laws of the State of Minnesota.

Paul Bunyan is a cooperative corporation organized under the laws of the State of Minnesota.

(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 Transferors:

Robert M. Gannon, General Manager
Blackduck Telephone Company
50 Margaret Avenue NE (P.O. Box 325)
Blackduck, Minnesota 56630-0325
Telephone: (218) 835-4941
Facsimile: (218) 835-3299

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

For Transferee:

Paul Freude, General Manager
Paul Bunyan Rural Telephone Cooperative
1831 Anne Street NW
Bemidji, Minnesota 56601
Telephone: (218) 444-1234
Facsimile: (218) 444-1121

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:**

Blackduck - Prior to Proposed Transaction:

The names, addresses, citizenship and principal businesses of the entities that own at least ten (10) percent of the voting and/or equity interests of Blackduck prior to the proposed transaction are:

<u>Name & Address</u>	<u>% Voting/Equity</u>	<u>Citizenship</u>	<u>Principal Business</u>
Herbert J. Lien 50 Margaret Ave. NE Blackduck, MN 56630-0325	38.14%	USA	Telecommunications
Richard B. Lien 50 Margaret Ave. NE Blackduck, MN 56630-0325	38.14%	USA	Telecommunications
Andrea Lien Southard 50 Margaret Ave. NE Blackduck, MN 56630-0325	23.72%	USA	Telecommunications

No other individual or entity directly or indirectly owns at least ten (10) percent of the voting and/or equity interests of Blackduck prior to the proposed transaction.

Blackduck - After Proposed Transaction:

The name, address, citizenship and principal business of the only entity that will own at least ten (10) percent of the voting and/or equity interests of Blackduck after the proposed transaction are:

<u>Name & Address</u>	<u>% Voting/Equity</u>	<u>Citizenship</u>	<u>Principal Business</u>
Paul Bunyan Rural Telephone Cooperative 1831 Anne Street NW Bemidji, MN 56601	100.00%	MN Corp.	Telecommunications

Paul Bunyan is a rural telephone cooperative that has approximately 18,000 member-owners. No member-owner directly or indirectly owns or controls ten (10) percent or more of the voting and/or equity interests of Paul Bunyan, either presently or after completion of 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.**

Blackduck and Paul Bunyan 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:**

The proposed transaction entails the transfer of control of Blackduck from its three (3) existing shareholders to Paul Bunyan. The transaction will be accomplished by sale of all of the issued and outstanding stock of Blackduck by the three existing shareholders to Paul Bunyan. When the proposed transaction is completed, all of the issued and outstanding common stock of Blackduck will be owned by Paul Bunyan. Control of Blackduck will give Paul Bunyan control of the blanket domestic Section 214 authorization held by Blackduck.

- (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:**

A map showing the Minnesota local exchange service areas of Blackduck and Paul Bunyan is attached. The local exchange service areas of Blackduck and Paul Bunyan do not overlap, but are adjacent. In fact, the Blackduck exchange is surrounded to the north, east and west by Paul Bunyan exchanges.

Areas and Services of Blackduck and affiliates

Blackduck provides local exchange telephone services (including interstate exchange access) as an ILEC in the following two exchanges: (1) the Blackduck exchange in Beltrami County in rural north central Minnesota; and (2) the Ash River exchange in St. Louis County in rural northeastern Minnesota. Blackduck serves approximately 1,875 access lines in these two exchanges. Its local exchange services include a variety of CLASS, custom calling and voice messaging services.

Blackduck also offers Digital Subscriber Line ("DSL") Internet Access and Dial-Up Internet Access services to customers in the two exchanges.

Blackduck operates Paging and Radiotelephone Service Station KUS222, and Rural Radiotelephone Service Stations WDZ394 and WSN61, in Ash River, Minnesota.

Blackduck Cablevision, Inc., a Minnesota corporation and wholly-owned subsidiary of Blackduck, provides cable television services to customers in the Blackduck exchange.

Blackduck holds a 5.26 percent ownership interest in Northwest Minnesota Special Access, LLC ("NMSA"), a Minnesota limited liability corporation which provides data and video services to schools and libraries in Minnesota.

Blackduck holds a 10.0 percent ownership interest in Northern Transport Group, LLC, a Minnesota limited liability corporation that provides high-capacity special access circuits in Minnesota.

Blackduck holds an 11.11 percent ownership interest in Central Transport Video Group, LLC ("CTVG"), a Minnesota limited liability company which provides video transport services in Minnesota.

Blackduck holds a 1.02 percent ownership interest in Pinnacle Publishing, LLC, a Minnesota limited liability corporation that provides directory publishing services in the United States.

Blackduck and its subsidiary have no ownership interests in any other entities that offer domestic telecommunications services.

Areas and Services of Paul Bunyan and Affiliates

Paul Bunyan provides local exchange telephone service (including interstate exchange access) as an ILEC in the Deer River, Squaw Lake, Northome, Kelliher, Ponemah, Red Lake, Puposky, Solway, Turtle River, Becida and Laporte exchanges in Beltrami, Hubbard, Koochiching and Itasca Counties in rural north central Minnesota.

Paul Bunyan also provides local exchange telephone service (including interstate exchange access) as a CLEC in the Bemidji, Cass Lake, Grand Rapids and Itasca State Park exchanges in Beltrami, Cass, Hubbard and Itasca Counties in rural north central Minnesota.

Paul Bunyan's ILEC and CLEC exchanges serve approximately 26,600 access lines. In addition to basic voice telephone service, they also offer a variety of CLASS, custom calling and voice mail services.

Paul Bunyan Long Distance, a division of Paul Bunyan, resells interstate long distance toll services to customers located in Paul Bunyan's ILEC and CLEC service areas.

Paul Bunyan Net, a division of Paul Bunyan, provides high-speed and dial-up Internet access services throughout most of Paul Bunyan's ILEC and CLEC service areas, plus some adjacent areas immediately to the south of Paul Bunyan's service area (but not within the Blackduck exchange area).

Paul Bunyan Television, a division of Paul Bunyan, provides cable television service (as a cable television system operator or an open video system operator) throughout most of Paul Bunyan's ILEC and CLEC service areas.

Paul Bunyan is the licensee of 700 MHz Lower Band Stations WPZA279 (CMA482 – Minnesota 1 – Kittson), WPZA280 (CMA484 – Minnesota 3 – Koochiching), WPZA281 (CMA485 – Minnesota 4 – Lake), WPZA282 (CMA487 – Minnesota 6 – Hubbard) [portion partitioned to Consolidated Telephone Company], WQHP239 (CMA141 – Duluth, MN-WI) [portion partitioned to Chequamegon Communications] and a station in CMA413 – Minnesota 2 – Lake of the Woods that has not yet been assigned call letters.

Paul Bunyan is the licensee of AWS 1710-1755/2110-2155 Bands Stations WQGA895 (CMA276 – Grand Forks, ND-MN), WQGA896 (CMA483 – Minnesota 2 – Lake of the Woods), and WQGA897 (CMA484 – Minnesota 3 – Koochiching).

Paul Bunyan is the licensee of Industrial/Business Pool Conventional Station KFS471 at Bemidji, Minnesota.

Paul Bunyan owns 100.00 percent of Northern Communications, Inc., a Minnesota corporation, that provides tower leasing services in Beltrami, Itasca and St. Louis Counties in Minnesota.

Northern holds a 51.0 percent ownership interest in Pinnacle Publishing, LLC, a Minnesota limited liability corporation that provides directory publishing services in the United States.

Northern holds a 12.50 percent ownership interest in Northern Safety and Security, LLC, a Minnesota limited liability corporation that provides security systems and services in northern Minnesota.

Northern is the Licensee of Local Multipoint Distribution Stations WPOH690 (BTA037 - Bemidji, MN; Channel Block A) and WPLM252 (BTA037 - Bemidji, MN; Channel Block B).

Paul Bunyan holds a 10.0 percent ownership interest in Northern Transport Group, LLC, a Minnesota limited liability corporation that provides high-capacity special access circuits in Minnesota.

Paul Bunyan holds a 5.26 percent ownership interest in Northwest Minnesota Special Access, LLC, a Minnesota limited liability company which provides high-capacity special access circuits in Minnesota.

Paul Bunyan holds an 8.19 percent ownership interest in Broadband Visions, LLC, a Minnesota limited liability company which provides broadband services in Minnesota.

Paul Bunyan and its subsidiaries have no ownership interests in any other entities that offer 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 Application does not fit within the presumptive streamlined categories in Section 63.03 of the Commission's Rules because the Blackduck exchange is adjacent to several of Paul Bunyan's exchanges.

However, even though they do not request streamlined treatment, Blackduck and Paul Bunyan note that: (1) both before and after completion of the proposed transaction, Paul Bunyan, Blackduck and their affiliates will have a market share of less than ten percent (10.0%) of the interstate, interexchange market; (2) Paul Bunyan will be taking control of the existing telephone exchange and exchange access services provided by Blackduck, and has no affiliated telecommunications carrier that provides competitive local exchange services or exchange access services within Blackduck's service area, while Blackduck does not provide competitive local exchange services or exchange access services within Paul Bunyan's service area; and (3) Paul Bunyan and Blackduck are incumbent independent local exchange carriers that have, in combination, far fewer than two percent (2.0%) of the subscriber lines installed in the aggregate nationwide and no overlapping service areas.

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

The Applicants will also file applications for FCC consent to the transfer of control of the following radio licenses held by Blackduck:

Industrial/Business Pool, Conventional Station KNGJ509

Paging and Radiotelephone Service Stations KUS222

Rural Radiotelephone Service Stations WDZ394 and WSN61

Antenna Structure Registration 1024350 in Ash River, Minnesota

(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 transfer of control of Blackduck to Paul Bunyan, an established rural telephone cooperative that has long served adjacent rural exchanges in north central Minnesota. Blackduck and Paul Bunyan both have proven records of investing in their rural networks and communities, and of providing high-quality, state-of-the-art voice, data and video services at affordable rates to their rural service areas. The proposed transaction will ensure that the rural Minnesota customers of Blackduck will continue to receive high-quality, state-of-the-art voice, data and video services at affordable rates for the foreseeable future.

Conclusion

In light of the foregoing facts and public interest considerations, the Commission is respectfully requested to authorize the transfer of control of the domestic blanket Section 214 authorization held by Blackduck to Paul Bunyan.

Blackduck and Paul Bunyan 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,

**BLACKDUCK TELEPHONE
COMPANY**

**PAUL BUNYAN RURAL TELEPHONE
COOPERATIVE**

By _____

By Paul Freude

Printed Name _____

Printed Name PAUL FREUDE

Title _____

Title CEO & General Manager

Date _____

Date 5/21/08

HERBERT J. LIEN

Signature _____

Date _____

RICHARD B. LIEN

Signature _____

Date _____

ANDREA LIEN SOUTHARD

Signature _____

Date _____

Conclusion

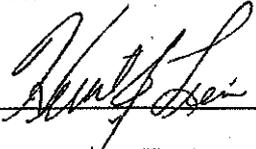
In light of the foregoing facts and public interest considerations, the Commission is respectfully requested to authorize the transfer of control of the domestic blanket Section 214 authorization held by Blackduck to Paul Bunyan.

Blackduck and Paul Bunyan 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,

**BLACKDUCK TELEPHONE
COMPANY**

**PAUL BUNYAN RURAL TELEPHONE
COOPERATIVE**

By 

By _____

Printed Name Herbert J. Lien

Printed Name _____

Title President

Title _____

Date 5-21-08

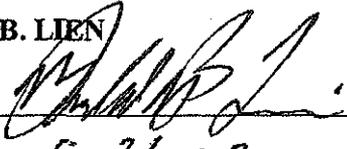
Date _____

HERBERT J. LIEN

Signature 

Date 5-21-08

RICHARD B. LIEN

Signature 

Date 5-21-08

ANDREA LIEN SOUTHARD

Signature _____

Date _____

Conclusion

In light of the foregoing facts and public interest considerations, the Commission is respectfully requested to authorize the transfer of control of the domestic blanket Section 214 authorization held by Blackduck to Paul Bunyan.

Blackduck and Paul Bunyan 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,

**BLACKDUCK TELEPHONE
COMPANY**

**PAUL BUNYAN RURAL TELEPHONE
COOPERATIVE**

By _____

By _____

Printed Name _____

Printed Name _____

Title _____

Title _____

Date _____

Date _____

HERBERT J. LIEN

Signature _____

Date _____

RICHARD B. LIEN

Signature _____

Date _____

ANDREA LIEN SOUTHARD

Signature *Andrea Lien Southard*

Date _____

Home | Contact & Offices | Support | Weather & News | My Account | Web Mail

 **BEMIDJI**
 SE 6 mph
 **GRAND RAPIDS**
 62°
 0 mph



Google Search MN Gold Directory Search

Web PBT

TELEPHONE

TELEVISION

INTERNET

BUSINESS

COOPERATIVE

PAUL BUNYAN TELEPHONE SERVICE TERRITORY

CO-OP MEMBER SERVICE AREA (COLORED AREAS ON MAP)

Telephone Service, Television Service (available in most areas), DSL High Speed Internet, Dial-Up Internet, Long Distance Service, Voice Mail, Extended Area Paging

NON CO-OP MEMBER SERVICE AREA (DARK GREY AREAS ON MAP)

Long Distance Service, Dial-Up Internet, Voice Mail

