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READ INSTRUCTIONS CAREFULLY BEFORE PROCEEDING

FEDERAL COMMUNICATIONS COMMISSION REMITTANCE ADVICE FORM 159

Approved by OMB 3060-0589 Page No. 1 of 2

(1) LOCKBOX # 979091	SUBC... F... F...
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SECTION A - PAYER INFORMATION

(2) PAYER NAME (if paying by credit card enter name exactly as it appears on the card) Beaver Creek Telephone Company d/b/a Timberline Telecom		(3) TOTAL AMOUNT PAID (U.S. Dollars and cents) \$1,015.00
(4) STREET ADDRESS LINE NO. 1 150 South Main		
(5) STREET ADDRESS LINE NO. 2 PO Box 270		
(6) CITY Rockland	(7) STATE ID	(8) ZIP CODE 83271
(9) DAYTIME TELEPHONE NUMBER (include area code) 208-548-2345	(10) COUNTRY CODE (if not in U.S.A.)	

FCC REGISTRATION NUMBER (FRN) REQUIRED

(11) PAYER (FRN) 0011396082	FCC USE ONLY
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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 Beaver Creek Telephone Company d/b/a Timberline Telecom		
(14) STREET ADDRESS LINE NO. 1 150 South Main		
(15) STREET ADDRESS LINE NO. 2 PO Box 270		
(16) CITY Rockland	(17) STATE ID	(18) ZIP CODE 83271
(19) DAYTIME TELEPHONE NUMBER (include area code) 208-548-2345	(20) COUNTRY CODE (if not in U.S.A.)	

FCC REGISTRATION NUMBER (FRN) REQUIRED

(21) APPLICANT (FRN) 0011396082	FCC USE ONLY
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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
(26A) FEE DUE FOR (PTC) \$1,015.00	(27A) TOTAL FEE \$1,015.00	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	

CERTIFIED BY THE BEST COPY AVAILABLE

SIGNATURE

ACCOUNT

I hereby certify that the above information is true and correct.

SIGNATURE

PAID BY CREDIT CARD

PAID BY CREDIT CARD

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

Application of

Beaver Creek Telephone Company, d/b/a
Timberline Telecom,

Transferor,

Skyline Telecom, Inc.,

Additional Transferor,

and

North-State Telephone Co.,

Transferee,

For Consent for Transfer of Control

WC Docket No. _____

APPLICATION FOR CONSENT FOR TRANSFER OF CONTROL

Pursuant to Section 214 of the Communications Act of 1934, as amended (the "Act"), 47 U.S.C. § 214, and Section 63.03 or 63.04 of the Commission's rules, 47 C.F.R. § 63.03 and § 63.04, Beaver Creek Telephone Company, d/b/a Timberline Telecom ("Timberline") (the "Transferor"), Skyline Telecom, Inc. ("Skyline") (the "Additional Transferor") and North-State Telephone Co. ("North-State") (the "Transferee"), with Timberline, Skyline and North-State together constituting the "Applicants," hereby file this Application. Timberline, Skyline and North-State hereby apply for Commission consent to transfer control of that certain service area known as

Silverton, which is USAC Study Area 520581 operated by Timberline and that certain service area known as Mt. Hull, which is USAC Study Area 521402. There are 28 working loops in the Silverton study area and 139 working loops in the Mt. Hull study area.

The proposed transaction contemplates acquisition of the stock of Timberline by North-State and, thus, the operations used to provide service in the Silverton exchange. Timberline holds one hundred percent (100%) of the stock of Skyline and, therefore, by operation of law, there is a transfer of control related to the Mt. Hull exchange.

Timberline currently serves fewer than two percent (2%) of the nation's access lines. Skyline currently serves fewer than two percent (2%) of the nation's access lines. Following the acquisition, North-State will still serve fewer than two percent (2%) of the nation's access lines, taking into account North-State's current access lines (486 working loops) and its control of Timberline's and Skyline's access lines. North-State provides local exchange, and exchange access within the Dufur service area located in Dufur, Oregon. Since this is a stock transaction, service to customers in the Silverton exchange and Mt. Hull exchange will be provided at the same rates, terms and conditions as are in effect today. Therefore, the proposed transaction will be largely transparent to existing customers. For these reasons, and for the reasons detailed below, the transaction will serve the public interest and the Commission should grant this Application on a streamlined basis.

In accordance with the requirements of Section 63.04 of the Commission's rules, the Applicants provide the following information:

- (1) Name, address, and telephone number of each applicant.

Transferor:

Beaver Creek Telephone Company, d/b/a Timberline Telecom
PO Box 270
150 South Main
Rockland, ID 83271
(208) 548-2345

Additional Transferor:

Skyline Telecom, Inc.
PO Box 297
Dufur, OR 97021
(541) 467-2211

Transferee:

North-State Telephone Co.
PO Box 297
Dufur, OR 97021
(541) 467-2211

- (2) State under the laws of which each applicant is organized.

Timberline is a corporation organized under the laws of the State of Washington. Skyline is a corporation organized under the laws of the State of Washington. North-State is a corporation organized under the laws of the State of Oregon.

- (3) Legal counsel to whom correspondence concerning the application is to be addressed.

For Transferor:

Richard A. Finnigan
2112 Black Lake Blvd SW
Olympia, WA 98512
(360) 956-7001

Additional Transferor:

Richard A. Finnigan
2112 Black Lake Blvd SW
Olympia, WA 98512
(360) 956-7001

For Transferee:

Richard A. Finnigan
2112 Black Lake Blvd SW
Olympia, WA 98512
(360) 956-7001

- (4) Name, address, citizenship, and principal business of entities that own at least ten percent (10%) of the equity of the applicants (to the nearest one percent (1%)).

For Transferor:

Mrs. Marilyn May, Mrs. Deborah Bott, Mrs. Suzanne Wilson, Mrs. Pamela Smith and Mrs. Catherine Hendrickson each own twenty percent (20%) of the equity of Timberline and are all citizens of the United States of America. No other person has a ten percent (10%) or more direct or indirect interest in Timberline. Mrs. May's address is 2780 E. Fork Road, Rockland, ID 83271. Mrs. Bott's address is 340 E. Center, Rockland, ID 83271. Mrs. Wilson's address is 315 W. Center Street, Rockland, ID 83271. Mrs. Smith's address is 333 S. Main, Rockland, ID 83271. Mrs. Hendrickson's address is PO box 269, Rockland, ID 83271.

For Additional Transferor:

One hundred percent (100%) of the stock of Skyline is held by Timberline. The ownership of Timberline is set out above.

For Transferee:

Over ninety-five percent (95%) of the stock of North-State is held by Oregon Telephone Corporation ("OTC"). Mr. Leonard May owns, directly and indirectly, fifty percent (50%) of the equity of OTC. Mr. May's address is 2780 E. Fork Road, Rockland, ID 83271. Mr. Garrin Bott owns, directly and indirectly, fifty percent (50%) of the equity of OTC. Mr. Bott's address is 340 E. Center, Rockland, ID 83271. North-State

owns fourteen percent (14%) of the stock of OTC, which leads to amounts held indirectly by Mr. May and Mr. Bott which are included in the figures set out for Mr. May and Mr. Bott. Mr. May and Mr. Bott are citizens of the United States. No other person or entity owns a ten percent (10%) or more direct or indirect interest in OTC.

No other person or entity owns a ten percent (10%) or more direct or indirect interest in North-State.

- (5) Certification pursuant to Sections 1.2001 through 1.2003 that no party to the application is subject to a denial of Federal benefits.

By their signatures below, the Applicants 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.

- (6) Description of the transaction.

On October 5, 2010, Timberline and North-State entered into a Stock Purchase Agreement under which North-State will acquire all of the stock of Timberline. There are currently 28 working loops in the Silverton exchange. All of these customers are in Washington. By operation of law, the acquisition of the stock of Timberline by North-State will mean that the subsidiary of Timberline, Skyline, will also be acquired by North-State. There are currently 139 working loops in the Mt. Hull exchange operated by Skyline.

- (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.

Timberline provides local exchange and exchange access services only in the Silverton wire center that is the subject of this Application. Timberline is a rural incumbent local exchange carrier. Timberline serves approximately 28 working loops as of the date of this Application.

Skyline provides local exchange and exchange access services only in the Mt. Hull wire center that is the subject of this Application. Skyline is a rural incumbent local exchange carrier. Skyline serves approximately 139 working loops as of the date of this Application.

North-State provides local exchange and exchange access services in the Dufur wire center located in the north central portion of the State of Oregon as a rural incumbent local exchange carrier. North-State serves 486 working loops as of the date of this Application.

None of the exchanges described above - Silverton, Mt. Hull and Dufur - are contiguous to one another.

- (8) Statement on how the application fits into one or more of the presumptive streamlined categories or why it is otherwise appropriate for streamlined treatment.

This Application is eligible for presumptive streamlined treatment under Section 63.03(b)(2)(iii) of the Commission's rules, or in the alternative, is otherwise appropriate for streamlined treatment.

Under Section 63.03(b)(2)(iii), the Commission's streamlined procedures are presumed to apply where "a proposed transaction would result in a transferee having a market share in the interstate, intraexchange 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 party to the transaction" and "the applicants are incumbent independent 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."¹ Timberline is an incumbent local exchange

¹ 47 C.F.R. § 63.03(b)(2)(iii).

carrier which serves fewer than two percent (2%) of the nation's subscriber lines. Skyline is an incumbent local exchange carrier which serves fewer than two percent (2%) of the nation's subscriber lines. Upon completion of this transaction, North-State is and will continue to be an incumbent local exchange carrier serving fewer than two percent (2%) of the nation's subscriber lines. Further, in combination, Timberline, Skyline and North-State, both before and after completion of this transaction, have fewer than two percent (2%) of the nation's subscriber lines installed in the aggregate nationwide. In addition, since there are no overlapping service areas and no adjacent service territories, the proposed transaction accordingly falls within the presumptively streamlined category. Finally, North-State, as the Transferee, will, after the completion of the transaction, have a market share in the interstate, interexchange market of less than ten percent (10%). North-State does not provide competitive telephone exchange service or exchange access service and thus, North-State, as Transferee, can state that it would provide competitive telephone exchange service or exchange access service (if at all) exclusively in the geographic areas served by a dominant local exchange carrier that is not a party to the transaction.

Alternatively, streamlined treatment is appropriate under the Commission's "case-by-case approach."² Indeed, the Commission has adopted a "general rule in which all applications are eligible for streamlined processing," finding that such general eligibility for streamlined processing "best reduces regulatory burdens on domestic telecommunications carriers, while at the same time ensuring that we continue to serve the public interest under section 214 of the Communications Act."³

² *Implementation of Further Streamlining Measures for Domestic Section 214 Authorizations*, Report and Order, 17 FCC Rcd 5517 ¶34 (2002) ("*Streamlining Order*"); see also 47 C.F.R. § 63.03(a) (permitting streamlining "[u]pon determination ... that the application is appropriate for streamlined treatment").

³ *Streamlining Order* ¶34.

This Application should be subject to streamlined processing because it involves only a transfer of equity interests, and presents no “novel questions of fact, law, or policy which cannot be resolved under outstanding precedents and guidelines.”⁴ As noted above (and discussed more fully below), this Application presents no competitive or public interest concerns. Upon completion of the proposed transactions, Timberline will continue to provide service at the same rates, terms and conditions as are in effect today. No customer will lose service or be adversely affected as a result of the proposed transaction. Because this transaction poses no competitive concerns and raises no novel issues, this Application is appropriate for streamlined treatment.

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

None.

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

The Applicants are not requesting special consideration of the application.

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

None at this time.

- (12) A 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.

North-State is an operating company with substantial experience in operating a rural telephone company and can efficiently operate Timberline and Skyline.

In contrast to the substantial potential benefits, the proposed transaction poses no countervailing harms. Upon consummation of the proposed transaction,

⁴ *Id.* ¶28.

Timberline will continue to provide service at substantially the same rates, terms and conditions as are in effect today. There will be no reduction, impairment, or discontinuance of service to any customer as a result of the proposed transaction. The cut-over of service will be seamless with no interruption or disruption of service. Upon consummation of the proposed transaction, Skyline will continue to provide service at substantially the same rates, terms and conditions as are in effect today. There will be no reduction, impairment, or discontinuance of service to any customer as a result of the proposed transaction. The cut-over of service will be seamless with no interruption or disruption of service.

For all of the foregoing reasons, the proposed transaction will serve the public interest and this Application should be granted on a streamlined basis.

Payment in the amount of \$1,015.00, along with FCC Form 159, was transmitted to the Federal Communications Commission, c/o U.S. Bank - Government Lockbox #979091, SL-MO-C2-GL, 1005 Convention Plaza, St. Louis, MO 63101 (Attn: FCC Government Lockbox) for delivery this date.

An original and six copies of this Application are enclosed for filing. To acknowledge receipt, please stamp and return one copy of this Application enclosed for that purpose. Please contact the undersigned with any inquiries concerning this Application.

Respectfully submitted,



Richard A. Finnigan
Attorney for Beaver Creek Telephone
Company, d/b/a Timberline Telecom,
Skyline Telecom, Inc. and North-State
Telephone Co.

Dated: October 18, 2010

[Please see attached certifications of Timberline, Skyline and North-State which are incorporated herein by this reference.]

DECLARATION OF GARRIN BOTT

I, Garrin Bott, President for Beaver Creek Telephone Company, d/b/a Timberline Telecom, do hereby declare under penalty of perjury that I have read the foregoing "APPLICATION FOR CONSENT FOR TRANSFER OF CONTROL," and the information contained therein is true and accurate to the best of my knowledge, information, and belief.

10-14-10
Date


Garrin Bott

DECLARATION OF LEONARD MAY

I, Leonard May, President for North-State Telephone Co., do hereby declare under penalty of perjury that I have read the foregoing "APPLICATION FOR CONSENT FOR TRANSFER OF CONTROL," and the information contained therein is true and accurate to the best of my knowledge, information, and belief.

10-14-10

Date

Leonard May
Leonard May

DECLARATION OF GARRIN BOTT

I, Garrin Bott, President for Skyline Telecom, Inc., do hereby declare under penalty of perjury that I have read the foregoing "APPLICATION FOR CONSENT FOR TRANSFER OF CONTROL," and the information contained therein is true and accurate to the best of my knowledge, information, and belief.

10-14-10

Date



Garrin Bott