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Federal Communications Commission  
Office of the Secretary

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July 11, 2014

VIA FEDERAL EXPRESS

Federal Communications Commission  
c/o U.S. Bank - Government Lockbox #979091  
SL-MO-C2-GL  
1005 Convention Plaza  
St. Louis, MO 63101  
Attention: FCC Government Lockbox

Re: Ron L. Milford, R. Gray Mundell, John B. Hemphill, William T. Alexander,  
George Alexander and Alexander Construction and North-State Telephone Co. –  
Domestic 214 Application

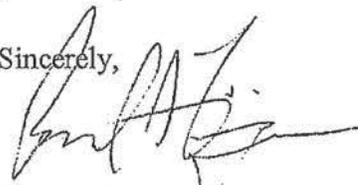
Dear Sir/Madam:

Enclosed are the original and six copies of the Domestic 214 Application between Ron L. Milford, R. Gray Mundell, John B. Hemphill, William T. Alexander, George Alexander and Alexander Construction as Transferors and North-State Telephone Co. as Transferee. Also enclosed is the Form 159 with payment information for the filing fee of \$1,130.00.

Please date stamp and return one copy of the Application to me in the enclosed self-addressed, stamped envelope.

Please let me know if you have any questions.

Sincerely,



RICHARD A. FINNIGAN

RAF/cs  
Enclosures

cc: Garrin Bott (via e-mail)  
John Hemphill (via e-mail)

READ INSTRUCTIONS CAREFULLY  
BEFORE PROCEEDING

FEDERAL COMMUNICATIONS COMMISSION  
REMITTANCE ADVICE  
FORM 159

Approved by OMB  
306A-0589  
Page No. 1 of 2

(1) LOCKBOX # 979091		SPECIAL INSTRUCTIONS FCC USE ONLY	
SECTION A - PAYER INFORMATION			
(2) PAYER NAME (if paying by credit card enter name exactly as it appears on the card) North-State Telephone Company		(3) TOTAL AMOUNT PAID (U.S. Dollars and cents) \$1,130.00	
(4) STREET ADDRESS LINE NO. 1 One Telephone Drive			
(5) STREET ADDRESS LINE NO. 2 PO Box 609			
(6) CITY Mt. Vernon		(7) STATE OR	(8) ZIP CODE 97865
(9) DAYTIME TELEPHONE NUMBER (include area code) 541-467-2211		(10) COUNTRY CODE (if not in U.S.A.)	
FCC REGISTRATION NUMBER (FRN) REQUIRED			
(11) PAYER (FRN) 0003-7389-94		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 North-State Telephone Company			
(14) STREET ADDRESS LINE NO. 1 One Telephone Drive			
(15) STREET ADDRESS LINE NO. 2 PO Box 609			
(16) CITY Mt. Vernon		(17) STATE OR	(18) ZIP CODE 97865
(19) DAYTIME TELEPHONE NUMBER (include area code) 541-467-2211		(20) COUNTRY CODE (if not in U.S.A.)	
FCC REGISTRATION NUMBER (FRN) REQUIRED			
(21) APPLICANT (FRN) 0003-7389-94		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 CDT	(25A) QUANTITY 1	
(26A) FEE DUE FOR (PTC) \$1,130.00	(27A) TOTAL FEE \$1,130.00	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, <u>Richard A. Finnigan</u> , 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 <u>[Signature]</u>		DATE <u>July 11, 2014</u>	
SECTION E - CREDIT CARD PAYMENT INFORMATION			
MASTERCARD <input type="checkbox"/> VISA <input checked="" type="checkbox"/> AMEX <input type="checkbox"/> DISCOVER <input type="checkbox"/>			
ACCOUNT NUMBER _____		EXPIRATION DATE _____	
I hereby authorize the FCC to charge my credit card for the service(s) authorization herein described.			
SIGNATURE <u>[Signature]</u>		DATE <u>July 11, 2014</u>	

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

Application of

Ron L. Milford, R. Gray Mundell, John B.  
Hemphill, William T. Alexander, George  
Alexander and Alexander Construction

Transferors,

and

North-State Telephone Co.,

Transferee,

For Consent for Transfer of Control

WC Docket No. \_\_\_\_\_

To: Wireline Competition Bureau

**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, Ron L. Milford, R. Gray Mundell, John B. Hemphill, William T. Alexander, George Alexander and Alexander Construction ("Transferors") and North-State Telephone Co ("North-State" or "Transferee") (together "Applicants" filing the "Application") hereby respectfully request for the reasons detailed below the authority necessary to consummate a transaction (the "Transaction") whereby North-State will acquire direct control of Transferors' holding company, Pine Communications, LLC, a Texas limited liability company (the "LLC") and through the LLC, one hundred percent of its direct subsidiary Pine Telephone System, Inc. ("Pine" or "Licensee"), which holds domestic Section 214 authorization.

Applicants respectfully request that the Commission grant this Application on a streamlined basis. This Application is eligible for streamlined treatment pursuant to Section 63.03(b)(2) of the Commission's rules because the transaction will result in Transferee having a market share in the interstate, interexchange market of less than 10 percent; the Transferee does not and will not provide competitive telephone exchange services or competitive exchange access services; and Applicants are incumbent independent local exchange carriers that have, in combination, fewer than two percent of the nation's subscriber lines installed in the aggregate nationwide, and no overlapping or adjacent service areas. In the alternative, streamlined treatment is justified on a case-by-case 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.**

Transferors:

Attn: John B. Hemphill  
301 West Beauregard, Ste. 208  
San Angelo, TX 76903  
(325) 657-0016

Attn: Ron L. Milford  
301 West Beauregard, Ste. 208  
San Angelo, TX 76903  
(325) 657-0016

Attn: R. Gray Mundell  
301 West Beauregard, Ste. 208  
San Angelo, TX 76903  
(325) 657-0016

Attn: William T. Alexander  
301 West Beauregard, Ste. 208  
San Angelo, TX 76903  
(325) 657-0016

Attn: George Alexander  
301 West Beauregard, Ste. 208  
San Angelo, TX 76903  
(325) 657-0016

Alexander Construction  
Attn: George Alexander  
301 West Beauregard, Ste. 208  
San Angelo, TX 76903  
(325) 657-0016

Transferee:

North-State Telephone Co.  
PO Box 609  
Mt. Vernon, OR 97865  
(541) 467-2211

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

Ron L. Milford, R. Gray Mundell, John B. Hemphill, William T. Alexander and George Alexander are individuals who reside in the State of Texas. Alexander Construction is a Texas general partnership with George Alexander as its managing partner. North-State is a corporation organized under the laws of the State of Oregon. Licensee is an Oregon corporation.

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

For Transferors:

John B. Hemphill  
301 West Beauregard, Ste. 208  
San Angelo, TX 76903  
(325) 657-0016  
john@pinecommunications.com

For Transferee:

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

**(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 Transferors:

Ron L. Milford's address is 301 West Beauregard, Ste. 208, San Angelo, TX 76903. Ron L. Milford is a citizen of the United States. Mr. Milford is an engineer and as an indirect co-owner and officer of Pine, telecommunications is his principal occupation. R. Gray Mundell's address is 301 West Beauregard, Ste. 208, San Angelo, TX 76903. R. Gray Mundell is a citizen of the United States. Mr. Mundell's principal occupation, as an indirect co-owner and officer of Pine is telecommunications executive. John B. Hemphill's address is 301 West Beauregard, Ste. 208, San Angelo, TX 76903. John B. Hemphill is a citizen of the United States. Mr. Hemphill's principal business, as an indirect co-owner of Pine is telecommunications executive, particularly legal and regulatory matters. William T. Alexander's address is 301 West Beauregard, Ste. 208, San Angelo, TX 76903. William T. Alexander is a citizen of the United States. Mr. Alexander's principal business as an indirect co-owner of Pine is financial, tax and accounting advice to Pine.<sup>1</sup>

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<sup>1</sup> Mr. Alexander is listed in the intent of full disclosure. Mr. Alexander is trustee for or beneficial owner of 100% of the "A" partnership units of Alexander Construction and is also co-trustee or beneficial owner of 22.21% of the "B" partnership units of Alexander Construction. No other partner in Alexander Construction would have an attributable interest in the Transferor of 10% or more.

For Transferee:

Over ninety-five percent (95%) of the stock of North-State is held by Oregon Telephone Corporation ("OTC"), which is incorporated under the laws of the State of Oregon. Mr. Garrin Bott owns, directly and indirectly, one hundred percent (100%) 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. Bott which are included in the figures set out for Mr. Bott. Mr. Bott is a citizen of the United States. No other person or entity owns a ten percent (10%) or more direct or indirect interest in OTC. The address of OTC is One Telephone Drive, Mount Vernon, Oregon, 97865. The principal business of OTC and Transferee is telecommunications. The principal business of Mr. Bott is telecommunications.

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.**

Applicants have entered into an agreement dated as of June 25, 2014, pursuant to which North-State will acquire one hundred percent (100%) of each person or entity's interests in the LLC, which currently holds one hundred percent (100%) of the capital stock of Pine. Pine serves the service area known as "Halfway," the service area known as "Three Rivers," the service area known as "Granite," and the service area known as

"Thorn," which combined constitute USAC Study Area No.532392 ("Study Area"). Pine is owned by the LLC. There are 880 working loops in the Pine Study Area.

**(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.**

Transferors conduct ILEC telephone operations through Pine in Oregon. As of July 1, 2014, Pine provides service to 664 wireline residential voice connections and 216 wireline commercial single and multi-line voice connections, serving as a rural incumbent local exchange carrier.

As noted above, Pine serves the following wire centers: Granite, Halfway, Three Rivers and Thorn. The Granite wire center is located in Northeast Oregon. The Halfway wire center is located in the upper Northeast portion of the State of Oregon. The Three Rivers wire center is located in central Oregon near Bend, Oregon. Thorn also is located in central Oregon and is adjacent to the Three Rivers wire center.

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.

Mr. Bott holds ownership interests in one other domestic telecommunications carrier. Specifically, Mr. Bott indirectly owns seven and one-half percent (7.5%) of Direct Communications Long Distance, Inc. Direct Communications Long Distance, Inc. is an interexchange carrier. The corporation is organized under the laws of the State of Idaho and is authorized to do business as a foreign corporation in the State of Oregon.

**(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, interexchange 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 "[t]he 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."<sup>2</sup> Transferors control 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, Transferors 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 competitive exchange access service.

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<sup>2</sup> 47 C.F.R. § 63.03(b)(2)(iii).

Alternatively, streamlined treatment is appropriate under the Commission's "case-by-case approach."<sup>3</sup> 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 [the Commission] continue[s] to serve the public interest under section 214 of the Communications Act."<sup>4</sup>

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."<sup>5</sup> As noted above (and discussed more fully below), this Application presents no competitive or public interest concerns. Upon completion of the proposed transactions, TDS Telecom and Licensee 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.**

No party requests any special consideration as no party to the Transaction is facing imminent business failure.

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<sup>3</sup> *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").

<sup>4</sup> *Streamlining Order* ¶34.

<sup>5</sup> *Id.* ¶28.

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

None. In addition, please note that there is no international 214 application required for this Transaction.

**(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.**

The Transaction will enhance the ability of the Licensee to serve its subscribers in the local exchange market. Upon consummation of the proposed Transaction, Licensee will continue to provide service at 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 transition of service will be seamless with no interruption or disruption of service. The proposed transaction also poses no countervailing harms. The Transaction will not reduce the number of entities that compete in the market for the provision of telecommunications services. Indeed, the stable financial environment resulting from the proposed Transaction will help to ensure a continued high level of service to existing and new customers.

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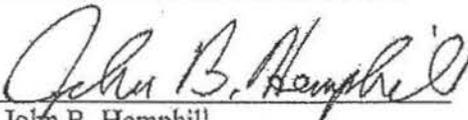
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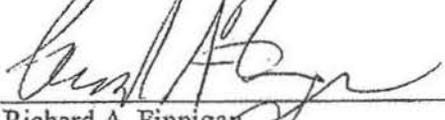
For all of the foregoing reasons, Applicants respectfully request that the Commission grant all authority necessary for consummation of the Transaction described herein. Please contact the undersigned with any inquiries concerning this Application. Payment in the amount of \$1,050.00, along with FCC 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.

Respectfully submitted,

Ron L. Milford, R. Gray Mundell, John B. Hemphill, William T. Alexander, George Alexander and Alexander Construction

North-State Telephone Co.

By: 

By: 

John B. Hemphill  
301 West Beauregard, Ste. 208  
San Angelo, TX 76903  
(325) 657-0016  
john@pinecommunications.com

Richard A. Finnigan  
Law Office of Richard A. Finnigan  
2112 Black Lake Blvd SW  
Olympia, WA 98512  
(360) 956-7001  
rickfinn@localaccess.com

Their Attorney

Its Attorney

Dated: July \_\_, 2014

Attachments

**DECLARATION OF RON L. MILFORD**

I, Ron L. Milford, 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 correct to the best of my knowledge, information, and belief.

7-8-14  
Date

Ron L. Milford  
Ron L. Milford

**DECLARATION OF R. GRAY MUNDELL**

I, R. Gray Mundell, 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 correct to the best of my knowledge, information, and belief.

07-8-14  
Date

R. Gray Mundell  
R. Gray Mundell

**DECLARATION OF JOHN B. HEMPHILL**

I, John B. Hemphill, 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 correct to the best of my knowledge, information, and belief.

7-8-14  
Date

John B. Hemphill  
John B. Hemphill

**DECLARATION OF WILLIAM T. ALEXANDER**

I, William T. Alexander, 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 correct to the best of my knowledge, information, and belief.

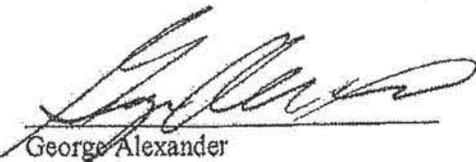
7-10-14  
Date

  
William T. Alexander

**DECLARATION OF GEORGE ALEXANDER**

I, George Alexander, for myself and as managing partner of Alexander Construction, 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 correct to the best of my knowledge, information, and belief.

7-10-14  
Date

  
George Alexander

**DECLARATION OF GARRIN BOTT**

I, Garrin Bott, 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 correct to the best of my knowledge, information, and belief.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Garrin Bott

**DECLARATION OF WILLIAM T. ALEXANDER**

I, William T. Alexander, 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 correct to the best of my knowledge, information, and belief.

\_\_\_\_\_  
Date

\_\_\_\_\_  
William T. Alexander

**DECLARATION OF GEORGE ALEXANDER**

I, George Alexander, for myself and as managing partner of Alexander Construction, 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 correct to the best of my knowledge, information, and belief.

\_\_\_\_\_  
Date

\_\_\_\_\_  
George Alexander

**DECLARATION OF GARRIN BOTT**

I, Garrin Bott, 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 correct to the best of my knowledge, information, and belief.

7-8-2014  
Date

  
\_\_\_\_\_  
Garrin Bott