

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

In the Matter of

REDWOOD COUNTY TELEPHONE COMPANY
(FRN 0004318507)

And its subsidiary:

REDWOOD LONG DISTANCE COMPANY
(FRN 0004318697)

Section 214 Authorization Holders and Assignors

ARVIG ENTERPRISES, INC.
(FRN 0008393118)

And its subsidiaries:

REDWOOD TEL ACQUISITION, INC
(FRN 0020199584)

REDWOOD LD ACQUISITION, INC.
(FRN 0020199600)

Assignees

**Joint Application for Section 214 Authorizations for
the Assignment of International and Domestic
Telecommunications Resale Authorizations**

WC Docket No. _____

File No. ITC- _____

JOINT APPLICATION

Redwood County Telephone Company (“Redwood” or “Redwood ILEC”) and its wholly owned subsidiary, Redwood Long Distance Company (“Redwood LD”) (jointly, the “Assignors”), and Arvig Enterprises, Inc. (“Arvig”) and its subsidiaries Redwood Tel Acquisition, Inc. (“New Redwood”) and Redwood LD Acquisition, Inc. (“New Redwood LD”)

(jointly, the “Assignees”), hereby request authority of the Federal Communications Commission (“Commission”) pursuant to Section 214 of the Communications Act of 1934, as amended, 47 U.S.C. §214, and Sections 1.763, 63.03, 63.04, 63.18, and 63.24(e) of the Commission’s rules, 47 C.F.R. §1.763, 63.03, 63.04, 63.18, and 63.24(e), to assign assets of the Assignors to the Assignees. All parties are referred to jointly herein as the “Applicants.”

I. Combined Application for Domestic and International Section 214 Authorizations

Under Section 63.04(b) of the Commission’s rules, the Applicants are filing a combined domestic and international application for the assignment of assets held by the Assignors to Assignees. Specifically, the assets of Redwood ILEC are to be assigned to New Redwood, while the assets of Redwood LD are to be assigned to New Redwood LD which is wholly owned by New Redwood.

This application does not qualify for streamlined treatment under applicable rules.

II. Applicants

A. Redwood County Telephone Company

Redwood ILEC is a Minnesota corporation formed in 1902. Its headquarters address is 731 Main Street, PO Box 130, Wabasso, MN 56293. It is authorized by the Minnesota Public Utility Commission (“PUC”) to provide local telephone service as the incumbent service provider in the Belview, Echo, Falls Junction, Morgan, Red-Del, Seaforth, Vesta, Wabasso, Walnut Grove and Wood Lake exchanges in south central Minnesota.

B. Redwood Long Distance Company

Redwood LD is a corporation organized under the laws of Minnesota. Its headquarters address is 731 Main Street, PO Box 130, Wabasso, MN 56293. Redwood LD has authority to provide interstate and international telecommunications services from the Commission.

Redwood LD currently provides interstate and international telecommunications services throughout the United States and markets its services in the state of Minnesota solely within the local exchange service areas of its parent company, Redwood ILEC, and of its affiliate, Clements Telephone Company.¹

C. Arvig Enterprises, Inc.

Arvig is a Minnesota corporation formed in 1984. It is a diversified provider of communication and other services, offering through its operating subsidiaries incumbent and competitive local exchange telephone service, long distance telephone service, cable television service, Internet, directory advertising, construction, answering services and, as an agent of a commercial mobile radio service provider, wireless communication services. These business operations are described on its web page at www.arvig.com.²

D. Redwood Tel Acquisition, Inc.

New Redwood is a corporation recently formed under Minnesota law for the purpose of acquiring assets of Redwood ILEC in the transaction described in Section III of this application. Its address is 150 Second Street SW, Perham, MN 56573-1408. New Redwood is a wholly owned subsidiary of Arvig.

¹ By the terms of a separate agreement Arvig is to acquire all of the issued and outstanding shares of capital stock of Clements Telephone Company ("Clements"). Redwood ILEC and Clements are presently owned by the same stockholders. An application for domestic Section 214 authorization of the Clements stock purchase by Arvig is being filed at the same time as this application.

² Although not viewed by Assignees as significant as to the Commission's consideration of this application it is noted that Arvig owns a one-third, non-controlling interest in Hector Communications Corporation which is the parent company of Sleepy Eye Telephone Company (both companies referred to herein as "Hector"). The Sleepy Eye exchange area of Hector adjoins (i) an exchange area of Redwood ILEC, and (ii) the exchange area of Redwood's affiliated company, Clements, which also is to be acquired by Arvig. Attachment A to this application is a map that shows the respective locations of the local exchanges served by Arvig's operating ILEC subsidiaries (yellow), Arvig's CLEC subsidiary (green), Hector (pink), Redwood (blue) and Clements (brown). As shown by the map, exchanges served by Redwood (Morgan) and by Clements (Clements, its only exchange) are adjacent to the Sleepy Eye exchange of Hector.

E. Redwood LD Acquisition, Inc.

New Redwood LD is a corporation recently formed under Minnesota law for the acquisition of assets of Redwood LD. Its address is 150 Second Street SW, Perham, MN 56573-1408. New Redwood LD is a wholly owned subsidiary of New Redwood which in turn is wholly owned by Arvig.

III. Description of the Transaction

Following receipt of Commission and PUC approvals, Redwood ILEC and Redwood LD will close on the sale and conveyance of (a) all of Redwood ILEC's assets, except certain excluded assets not relating to its telephone operations, and (b) all of Redwood LD's assets (the "Transaction").

Redwood ILEC's assets will be conveyed to New Redwood. Immediately following the closing and transfer of Redwood ILEC's assets, New Redwood will change its name to "Redwood County Telephone Company."

Immediately following the closing and transfer of Redwood LD's assets, New Redwood LD will change its name to "Redwood Long Distance Company." New Redwood LD will operate as an interexchange carrier serving the former customers of, and using in its operations the assets conveyed to it by, Redwood LD.

Following closing, (1) New Redwood will operate as a local telephone company serving the same exchanges as, and using in its operations the assets conveyed to it by, Redwood ILEC, and (2) New Redwood LD will operate as an interexchange carrier serving the former customers of, and using in its operations the assets conveyed to it by, Redwood LD.

IV. Public Interest Statement

The Transaction furthers the public interest, convenience and necessity. Arvig possesses the requisite financial, managerial and technical resources to own and operate the assets of Redwood ILEC and Redwood LD through its wholly owned subsidiaries New Redwood and New Redwood LD.

A. Continuity of Service is Ensured

1. *Redwood County Telephone Company.*

New Redwood will assume those contracts of Redwood ILEC which are necessary for it to carry on the local telephone service operations of Redwood ILEC and to provide Redwood ILEC customers with uninterrupted local telephone service. Following the acquisition, New Redwood will assume the responsibilities of Redwood ILEC under its tariffs and price lists.

Customers will be notified of the transaction as required by the applicable state and federal laws and regulations.

Because New Redwood will be assuming the local service operations of Redwood ILEC, New Redwood will request that the PUC designate New Redwood as an eligible telecommunications carrier in the local service exchanges of Redwood ILEC.

Redwood ILEC's interconnection and traffic exchange agreements will be assigned to and assumed by New Redwood. The North American Numbering Plan Agency (NANPA) will be notified of the transfer of Redwood ILEC's NPA-NXX codes to New Redwood.

2. *Redwood Long Distance Company*

New Redwood LD will assume those contracts of Redwood LD which are necessary for it to carry on the long distance service operations of Redwood LD and to provide Redwood LD

customers with uninterrupted long distance service. Following the acquisition, New Redwood LD will assume the responsibilities of Redwood LD under its tariffs and price lists and will provide services and charge its customers under these tariffs and price lists. Services and rates charged to customers will not change as a result of the acquisition. New Redwood LD customers will be notified of the transaction as required by the applicable state and federal laws and regulations.

B. Continued Provision of High Quality Service is Ensured

Following the transfer of assets, the customers of New Redwood and New Redwood LD will benefit from the proven financial, managerial and technical resources of Arvig. Arvig, through its operating telephone company subsidiaries, has a well-established record of providing customers with high quality telephone services. As with each of Arvig's other subsidiary telephone and telecommunication service operations, New Redwood and New Redwood LD will have access to high quality financial, managerial and technical support services.

C. No Anti-Competitive Issues are Present

The Transaction does not present any anti-competitive issues. Redwood LD's total market share, combined with that of Arvig affiliates, is less than ten percent (10%) of the interstate interexchange and international telecommunications markets. There remain numerous other interexchange carriers operating in the Minnesota areas where New Redwood LD will market its services.

In summary, the Transaction has no potential to harm the public interest and is expected to preserve and increase competition in the domestic and international telecommunications markets.

V. Information Required by Section 63.24(e) of the Commission's Rules for an Assignment of a Section 214 Authorization

In furtherance of this application the Applicants submit the specific information pursuant to Section 63.24(e) of the Commission's rules. The following paragraphs refer to Sections (a) through (d), and (h) through (p), of Section 63.18.

(a) Name, address and telephone number of Applicants:

Redwood County Telephone Company
731 Main Street
PO Box 130
Wabasso, MN 56293
507-342-8000

Redwood Long Distance Company
731 Main Street
PO Box 130
Wabasso, MN 56293
507-342-8000

Arvig Enterprises, Inc.
150 Second Street SW
Perham, MN 56573-1408
Tel: 218-346-5500

Redwood Tel Acquisition, Inc.
150 Second Street SW
Perham, MN 56573-1408
Tel: 218-346-5500

Redwood LD Acquisition, Inc.
150 Second Street SW
Perham, MN 56573-1408
Tel: 218-346-5500

(b) Each of the Applicants is a corporation organized under the laws of Minnesota.

(c) Correspondence concerning this application should be sent to:

For the Assignors:

Redwood County Telephone Company
Attention: Joe H. Beran
731 Main Street
PO Box 130
Wabasso, MN 56293

With a copy to:

David L. Nace, Esq.
Lukas, Nace, Gutierrez & Sachs, LLP
8300 Greensboro Drive, Suite 1200
McLean, VA 22102
Tel: 703-584-8661
Email: dnace@fcclaw.com

For the Assignees:

Arvig Enterprises, Inc.
Attn: David Arvig
150 Second Street SW
Perham, MN 56573-1408

With a copy to:

David L. Nace, Esq.
Lukas, Nace, Gutierrez & Sachs, LLP
8300 Greensboro Drive, Suite 1200
McLean, VA 22102
Tel: 703-584-8661
Email: dnace@fcclaw.com

- (d) (i) Redwood LD holds the following international Section 214 authorization which is the subject of this application: File No. ITC-214-19940401-00125. That authorization, granted May 28, 1994, permits Redwood LD to engage in resale of international telecommunications services. Redwood LD also holds blanket domestic Section 214 authority to provide domestic telecommunications services.
- (ii) None of the Assignees currently provides telecommunications services and none holds any Section 214 authorization. Other Arvig subsidiaries hold domestic and

international Section 214 authorizations in connection with their provision of resold telecommunications services.

(h) The following entities and individuals hold a ten percent (10%) or greater interest in Assignees:

- (i) New Redwood LD is wholly owned by New Redwood which is wholly owned by Arvig. All three companies are Minnesota corporations. The principal business of Arvig is described in Section II.C. of this application. The address of Arvig and other Assignees is 150 Second Street SW, Perham, MN 56573-1408.
- (ii) Arvig is a privately held corporation whose stock is owned by various members of the Arvig family. Allen R. Arvig is Arvig's largest individual stockholder, owning 29.342% of the issued and outstanding common stock of Arvig. Mr. Arvig is a United States citizen whose principal business is President of Arvig. His address is 150 Second Street SW, Perham, MN 56573-1408.
- (iii) The Arvig Employee Stock Ownership Plan, an entity organized under the laws of Minnesota, owns 36.706% of the stock of Arvig. The address of the Arvig Employee Stock Ownership Plan is 150 Second Street SW, Perham, MN 56573-1408. The sole trustee is Horizon Bank, N.A. d/b/a Horizon Trust and Investment Management, an entity organized under the laws of Indiana whose address is 515 Franklin Square, Michigan City, IN 46360.

(iv) Each of the following owns less than 10 percent of the common stock of

Arvig, but all are listed in this application due to the familial relationships among them and with Allen R. Arvig:

Donna M. Ward (sister of Allen R. Arvig): 8.684%

David R. Arvig (son of Allen R. Arvig): 4.850% ³

Dennis J. Arvig (son of Allen R. Arvig): 0.834%

Michele L. Arvig – Biederman (daughter of Allen R. Arvig): 4.796% ⁴

Bruce A. Ward (son of Donna Ward): 1.33% ⁵

Ashley Arvig (daughter of Allen R. Arvig): 4.850%

Jay A. Arvig (son of Allen R. Arvig): 4.850%

Each of the aforementioned stockholders is a United States citizen, and each can receive mail c/o Arvig Enterprises, Inc., 150 Second Street SW, Perham, MN 56573-1408.

(v) Section 63.24(h) calls for disclosure of any interlocking directorates with a foreign carrier. Assignees and their affiliates have no interlocking directorates with a foreign carrier.

³ David R. Arvig also serves as Custodian for Elena Alice Arvig, his daughter, under the Minnesota Uniform Transfers to Minors Act" Minn. Stat. Secs. 527.21 et seq. ("MUTMA") for whom he has voting power over 0.675% of Arvig's common stock. And David R. Arvig serves as Custodian for Evan Royale Arvig, his son, under MUTMA for whom he has voting power over 0.675% of Arvig's common stock.

⁴ Michele L. Arvig-Biederman also serves as Custodian for Eleanor Leigh Arvig-Biederman, her daughter, under MUTMA for whom she has voting power over 0.377% of Arvig's common stock. And Michele L. Arvig-Biederman serves as Custodian for Anton Joseph Arvig-Biederman, her son, under MUTMA for whom she has voting power over 0.353% of Arvig's common stock.

⁵ Bruce A. Ward also serves as Custodian for Kirsten Emily Ward, his daughter, under MUTMA for whom he has voting power over 0.948% of Arvig's stock. And Bruce A. Ward serves as Custodian for Madeline Ward, his daughter, under MUTMA for whom he has voting power over 0.726% of Arvig's stock.

(i) Section 63.18(i) calls for a certification as to whether or not the applicant is, or is affiliated with, a foreign carrier. Assignees hereby certify that none is a foreign carrier and none is affiliated with a foreign carrier.

(j) Section 63.18(j) calls for a certification as to whether or not the applicant seeks to provide international telecommunications services to any destination country for which any of the following is true:

(1) *The applicant is a foreign carrier in that country* — Assignees hereby certify that none is a foreign carrier in any destination country;

(2) *The applicant controls a foreign carrier in that country*; Assignees hereby certify that none controls a foreign carrier in any destination country;

(3) *Any entity that owns more than 25 percent of the applicant, or that controls the applicant, controls a foreign carrier in that country*. Assignees hereby certify that no entity that controls a foreign carrier in any destination country owns more than 25 percent of any of the Assignees.

(4) *Two or more foreign carriers (or parties that control foreign carriers) own, in the aggregate, more than 25 percent of the applicant and are parties to, or the beneficiaries of, a contractual relation (e.g., a joint venture or market alliance) affecting the provision or marketing of international basic telecommunications services in the United States*. Assignees hereby certify that the foregoing statement is not true as relating to each Assignee.

(k) Section 63.18(k) calls for one of certain showings by the applicant for any destination country listed by the applicant in response to paragraph (j). Based upon Assignees'

certifications in response to Section 63.18(j), no showing is required of Assignees in response to Section 63.18(j).

(l) In response to Section 63.18(l), Assignees do not propose to resell the international switched services of an unaffiliated U.S. carrier for the purpose of providing international telecommunications services to a country where it is a foreign carrier or is affiliated with a foreign carrier.

(m) Assignees hereby respond to Section 63.10(m) by confirming that none is a foreign carrier, and none is affiliated with a foreign carrier. Assignees satisfy the requirements of Section 63.10(a)(1) to be a presumptively classified as “non-dominant” for the provision of international communications services.

(n) Assignees certifies that none has agreed to accept special concessions directly or indirectly from any foreign carrier with respect to any U.S. international route where the foreign carrier possesses market power on the foreign end of the route and will not enter into such agreements in the future.

(o) With reference to §§ 1.2001 through 1.2003 of the Commission’s rules, it is certified 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. See 21 U.S.C. 853a.

(p) Applicants do not request streamlined processing of this application.

VI. Additional Information Required by Section 63.04(b) of the Commission’s Rules for Assignment/Transfer of Control

In response to requirements of Section 63.04(b) of the Commission’s rules, the additional information required by Sections 63.04(a)(6) through 63.04(a)(12) is provided in Exhibit A to this application.

VII. Conclusion

In view of the foregoing, Applicants respectfully submit that the public interest, convenience and necessity would be furthered by grant of this application.

[signature page follows]

Respectfully submitted,

REDWOOD COUNTY TELEPHONE COMPANY

By: 

Name & Title Joe H. Beran SEC

Date: September 20, 2010

REDWOOD LONG DISTANCE COMPANY

By: 

Name & Title Joe H. Beran SEC

Date: September 20, 2010

ARVIG ENTERPRISES, INC.

By: _____

Name: & Title _____

Date: _____

REDWOOD TEL ACQUISITION, INC.

By: _____

Name & Title _____

Date: _____

REDWOOD LD ACQUISITION, INC.

By: _____

Name & Title _____

Date: _____

Respectfully submitted,

REDWOOD COUNTY TELEPHONE COMPANY

By: _____

Name & Title _____

Date: _____

REDWOOD LONG DISTANCE COMPANY

By: _____

Name & Title _____

Date: _____

ARVIG ENTERPRISES, INC.

By: Staci Malikowski

Name: & Title Staci Malikowski, CFO

Date: September 20, 2010

REDWOOD TEL ACQUISITION, INC.

By: Staci Malikowski

Name & Title Staci Malikowski, CFO

Date: September 20, 2010

REDWOOD LD ACQUISITION, INC.

By: Staci Malikowski

Name & Title Staci Malikowski, CFO

Date: September 20, 2010

Exhibit A

Information Required by Sections 63.04(a)(6) through 63.04(a)(12)

Pursuant to Section 63.04(b) of the Commission's rules, Applicants provide the following information in connection with the proposed acquisition of assets by Assignees:

§63.04(a)(6) – Description of the Transaction

The Transaction is summarized in Section III of the Joint Application.

§63.04(a)(7) – Description of the Geographic Service Area and Services in Each Area

Descriptions of the geographic service areas and the services provided in each area are provided in Section II.A. and Section II.B. of the Joint Application.

§63.04(a)(8) – Presumption of Non-Dominance and Qualification for Streamlining

Applicants do not request streamlined processing of this application.

§63.04(a)(9) – Other Pending Commission Applications Concerning the Subject Transaction

- (1) In a separate application filed on FCC Form 603, Redwood ILEC and New Redwood request consent to assignment of three licenses held by Redwood ILEC in the Common Carrier Fixed Point to Point Microwave Radio Service and one license held by Redwood ILEC in the Industrial/Business Pool, Conventional Radio Service.⁶
- (2) To complement the continuing operations of Redwood ILEC the Transaction is to include a partitioning of certain 700 MHz radio licenses held by another subsidiary of Redwood ILEC, named Redwood Wireless Corp. and assignment of such licenses to New Redwood.⁷

⁶ See File No. 0004392049.

⁷ See Application on FCC Form 603, File No.0004392046.

(3) By the terms of a separate agreement Arvig is to acquire all of the issued and outstanding shares of capital stock of Clements Telephone Company. Redwood ILEC and Clements are presently owned by the same stockholders. An application for domestic Section 214 authorization of the Clements stock purchase by Arvig is being filed at the same time as this application.

§63.04(a)(10) – Special Considerations

None

§63.04(a)(11) – Waiver Requests

None

§63.04(a)(12) – Public Interest Statement

The Transaction is in the public interest for the reasons stated in Section IV of the Joint Application.



This map was prepared by the Minnesota Department of Transportation (Mn/DOT) with cooperation from the Minnesota Department of Corrections (Mn/DCC). Mn/DOT has worked with Mn/DCC to provide only an overview of all Minnesota's prisons and jails. This map is NOT recognized as an accurate or reliable representation of any prison or jail. For more information, please call the Minnesota Department of Corrections at (612) 296-6000. Mn/DCC represents to the best of its knowledge that this map is accurate. Mn/DCC and Mn/DOT reserve the right to change the map at any time without notice.