

ATTACHMENT 1

Dixon Acquisition, LLC, an Iowa limited liability company (“Acquisition” or “Assignee”) and Dixon Telephone Company, an Iowa corporation (“Dixon Telephone” or “Assignor,” together with Acquisition, the “Applicants”), submit this attachment to their Application to assign the international Section 214 authority held by Dixon Telephone under FCC File No. ITC-214-20080721-00333 (granted August 8, 2008) to Acquisition in the Federal Communications Commission’s (“FCC’s” or “Commission’s”) International Bureau Filing System (“IBFS”).

Answer to Question 10. The information required by 47 C.F.R. § 63.18(c) and (d) is contained in the attached Joint Application at pages 3 through 5. Dixon Telephone holds the subject International Section 214 authorization for global resale of switched services (File No. ITC-214-20080721-00333, granted August 8, 2008). Other Section 214 authority held by the Applicants is described in the Joint Application at Section III(d) on page 5.

Answer to Question 11. Additional information regarding the ownership of the Applicants is contained in the Joint Application at pages 6 through 7.

Answer to Question 13. The Joint Application contains a description of the proposed acquisition at pages 3 and 8 through 9. The Joint Application also provides support for the Commission’s conclusion that the public interest, convenience and necessity would be furthered by a grant of this application for assignment of Dixon Telephone’s international Section 214 authorization requested herein.

Answer to Question 16. This question is not applicable to Acquisition. As indicated in response to Questions 14 and 15, Acquisition is not a foreign carrier in any country, nor is it affiliated with any foreign carrier. Therefore, Acquisition and its parent corporation, Central

Scott Telephone Company, should be classified as non-dominant carriers pursuant to 47 C.F.R. § 63.10(a)(1).

Answer to Question 20. The Applicants request streamlined processing of this Application to transfer control of Dixon Telephone's international Section 214 authorization pursuant to 47 C.F.R. § 63.12. Acquisition is not affiliated with a foreign carrier in a destination market, nor does it have an affiliation with a dominant U.S. carrier whose international switched or private line services it seeks authority to resell. See 47 C.F.R. § 63.12(c). Therefore, pursuant to Section 63.12(a) of the Commission's rules, the Commission should grant this Application fourteen days after the date of public notice listing the Application as accepted for filing.

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

In the Matter of)	
)	
Dixon Telephone Company)	
Assignor)	
)	WC Docket No. _____
Dixon Acquisition, LLC)	
Assignee)	
)	
Application for Authority Pursuant to)	
Section 214 of the Communications Act of)	
1934, as Amended, to Assign Domestic and)	
International Section 214 Authorizations)	
)	

JOINT APPLICATION

Dixon Telephone Company (“Dixon Telephone”) and Dixon Acquisition, LLC (“Acquisition,” together with Dixon Telephone, the “Applicants”) hereby request authority pursuant to Section 214 of the Communications Act of 1934, as amended (the “Act”), and Sections 63.04 and 63.24(e) of the Commission’s rules to assign domestic and international Section 214 authority from Dixon Telephone to Acquisition, in connection with the acquisition of substantially all of Dixon Telephone’s assets by Acquisition.

I. DESCRIPTION OF THE PARTIES

Dixon Telephone is an Iowa corporation that provides domestic telecommunications services and holds blanket domestic Section 214 authorizations (FRN: 0004194585), serving as an ILEC that provides local exchange services to the communities of Dixon and Big Rock, Iowa. Dixon Telephone also provides cable television and Internet access services in its ILEC territory as well as in the communities of Donahue, Maysville and New Liberty, Iowa. Dixon Telephone

serves approximately 350 voice customers and less than 500 cable television and Internet access customers.¹

Acquisition is a newly formed Iowa limited liability company that was created for the purpose of acquiring the assets of Dixon Telephone. Acquisition is a wholly owned subsidiary of Central Scott Telephone Company, an Iowa corporation that provides domestic telecommunications services and holds blanket domestic Section 214 authorizations (FRN: 0003722121), serving as an ILEC that provides local exchange services to approximately 3,700 customers in the communities of Eldridge, Park View, Long Grove, Donahue, McCausland, and northern Scott County, Iowa. Central Scott, through its subsidiary CS Technologies, Inc., also provides competitive local exchange carrier (“CLEC”) services to approximately 2,000 business customers in Davenport, Bettendorf and Dubuque, Iowa and in Rock Island and Moline, Illinois. Central Scott also provides Internet access service to approximately 2,700 customers and video service (IPTV) to approximately 300 customers. Central Scott is a wholly owned subsidiary of Lynch Telephone Corporation IX, which is a wholly owned subsidiary of Brighton Communications Corporation, which is itself a wholly owned subsidiary of LICT Corporation (“LICT”). LICT is a publicly traded corporation that owns controlling interests in other independent ILECs located in the states of New Hampshire, California, Oregon, Utah, Wisconsin, Kansas, Michigan and New Mexico, as well as CLECs with operations in located in Oregon, California, Michigan, New Mexico, Kansas and Utah.

¹ Based on the extremely small number of cable subscribers served by Dixon Telephone’s system, it is exempt from the restriction in Section 652(a) of the Act on the acquisition of cable systems by a LEC. *See* 47 U.S.C. § 652(d)(4).

II. DESCRIPTION OF THE PROPOSED TRANSACTION

The proposed transaction involves the sale of substantially all of the assets of Dixon Telephone to Acquisition, including the assignment of the international Section 214 authorization held by Dixon Telephone. In addition, by acquiring substantially all of the assets of Dixon Telephone at the time of the transaction, Acquisition will acquire ultimate control of the blanket domestic Section 214 authorization of Dixon Telephone.

Acquisition will acquire all of the current customers of Dixon Telephone. The proposed transaction will not cause any interruption in service to customers. No existing service will be discontinued, reduced, or impaired in conjunction with the proposed transaction. As discussed in more detail below, the proposed transaction will enhance the telecommunications service available in Dixon Telephone's service territory.

III. INFORMATION REQUIRED BY SECTION 63.24 OF THE COMMISSION'S RULES

In accordance with 47 C.F.R. § 63.24(e)(2), the Applicants submit the following information requested in 47 C.F.R. § 63.18(a) through (d) for Dixon Telephone and Acquisition, and the information requested in 47 C.F.R. § 63.18(h) through (p) for Acquisition:

- (a) The name, address, and telephone number of the assignor and assignee are:

Assignor

Dixon Telephone Company
6080 Davenport St.
PO Box 10
Dixon, IA 52745
Telephone: (563) 843-2901

Assignee

Dixon Acquisition, LLC
c/o Central Scott Telephone

125 N. 2nd St.
Eldridge, IA 52748
Telephone: (563) 285-9611

- (b) Dixon Telephone Company is a corporation incorporated under the laws of Iowa. Dixon Acquisition, LLC is a limited liability company organized under the laws of Iowa.
- (c) Correspondence concerning this Joint Application should be addressed to:

For Assignor

Howard Hunt, Manager
Dixon Telephone Company
6080 Davenport St.
PO Box 10
Dixon, IA 52745
Telephone: (563) 843-2901

With a copy to counsel:

John C. Pietila
Davis Brown Law Firm
215 10th Street
Suite 1300
Des Moines, IA 50309
Direct Dial: 1.515.246.7871
Facsimile: 1.515.243.0654

For Assignee

Donn Wilmott
Central Scott Telephone
125 N. 2nd St.
Eldridge, IA 52748
Telephone: (563) 285-5717

Robert E. Dolan, Executive Vice President & Chief Financial Officer
LICT Corporation
401 Theodore Fremd Avenue
Rye, New York 10580
Telephone: (914) 921-8821
Facsimile: (914) 921-6410

With a copy to Counsel:

Elizabeth R. Park
Latham & Watkins LLP
555 Eleventh Street, NW
Suite 1000
Washington, DC 20004-1304
Direct Dial: 1.202.637.1056
Facsimile: 1.202.637.2201

(d) Dixon Telephone holds international Section 214 authority to provide global resale services between the United States and international points under 47 C.F.R. § 63.18(e)(2). *See* File No. ITC-214-20080721-00333.

In addition, Dixon Telephone currently operates as a domestic carrier in Iowa authorized to provide interstate telecommunications services pursuant to blanket domestic Section 214 authorizations under Section 63.01 of the Commission's rules.

Acquisition has not previously received authority under Section 214. Central Scott's subsidiary, CST Communications Inc., holds international Section 214 authority to provide global resale services between the United States and international points under 47 C.F.R. § 63.18(e)(2). *See* File No. ITC-214-19961108-00562.

In addition, Central Scott currently operates as a domestic carrier in Iowa authorized to provide interstate telecommunications services pursuant to blanket domestic Section 214 authorizations under Section 63.01 of the Commission's rules.

(h) Ownership of the Applicant/Assignee

Ownership of Dixon Telephone and Acquisition will not be effected by the proposed asset transaction. Immediately preceding and following the transaction, these parties will own at least ten percent of the equity of Acquisition:

<u>Name and Address</u>	<u>Percentage Ownership</u>	<u>Citizenship</u>	<u>Principal Business</u>
Central Scott Telephone Company 125 N. 2 nd St. Eldridge, IA 52748 Telephone: (563) 285-9611	100.00%	Iowa Corporation	Telecommunications

Before and after the proposed transaction, these parties will own at least ten percent of the equity of Central Scott Telephone Company:

<u>Name and Address</u>	<u>Percentage Ownership</u>	<u>Citizenship</u>	<u>Principal Business</u>
Lynch Telephone Corp. IX 401 Theodore Fremd Avenue Rye, New York 10580 Telephone: (914) 921-882	100.00%	Delaware Corporation	Holding Company

Before and after the proposed transaction, these parties will own at least ten percent of the equity of Lynch Telephone Corporation IX:

<u>Name and Address</u>	<u>Percentage Ownership</u>	<u>Citizenship</u>	<u>Principal Business</u>
Brighton Communications Corp. 401 Theodore Fremd Avenue Rye, New York 10580 Telephone: (914) 921-8821	100.00%	Delaware Corporation	Holding Company

Before and after the proposed transaction, these parties will own at least ten percent of the equity of Brighton Communications Corporation:

<u>Name and Address</u>	<u>Percentage Ownership</u>	<u>Citizenship</u>	<u>Principal Business</u>
LICT Corporation 401 Theodore Fremd Avenue Rye, New York 10580 Telephone: (914) 921-8821	100.00%	Delaware Corporation	Telecommunications

Before and after the proposed transaction, these parties will own at least ten percent of the equity of LICT Corporation:

<u>Name and Address</u>	<u>Percentage Ownership</u>	<u>Citizenship</u>	<u>Principal Business</u>
MJG 1999 Descendants Trust 401 Theodore Fremd Avenue Rye, New York 10580 Telephone: (914) 921-8821	27.07%	New York Trust	Investments

Mario J. Gabelli is Chairman and Chief Executive Officer of LICT, and may direct approximately 12.69% interest in LICT.

John Gabelli, brother of Mario J. Gabelli, is a Trustee of the MJG 1999 Descendants Trust. He is a U.S. citizen and can be contacted at the Rye, New York address.

LICT Corporation is a publicly traded corporation. No other individual or entity owns ten percent or more of the issued and outstanding stock of LICT Corporation prior to or immediately after the proposed transaction. Please note that the term “immediately after the proposed transaction” is used with respect to LICT Corporation only because it is a publicly traded corporation whose ownership is potentially subject to significant changes at any time.

Immediately preceding and following the transaction, these parties will own at least ten percent of the equity of Dixon Telephone:

<u>Name and Address</u>	<u>Percentage Ownership</u>	<u>Citizenship</u>	<u>Principal Business</u>
Estate of Mr. Ralph Berodt Scott County, Iowa Probate No. ESPR075044 c/o Dianne Anderson 30544 Big Rock Rd. Dixon, IA 52745 Telephone: Unknown.	11.11%	Iowa resident	N/A

and c/o Richard Berodt
P.O. Box 94
Dixon, IA 52745
Telephone: Unknown.

Mr. Berodt was a U.S. Citizen; the probate of his estate remains pending in Scott County Probate Case No. ESPR075044. The beneficiaries of his estate are identified above and may be contacted at the addresses listed above. Richard Berodt has been appointed Personal Representative of the Estate of Mr. Berodt. Mr. Berodt did not directly or

indirectly own or control a ten percent or greater equity interest in any other domestic or foreign carrier.

- (i) Acquisition certifies that it is not a foreign carrier in any country, nor is it affiliated with any foreign carrier.
- (j) Acquisition certifies that it does not seek to provide international telecommunications services to any destination country to which 47 C.F.R. § 63.18(j)(1) through (j)(4) applies.
- (k) – (m) Sections (k) through (m) of 47 C.F.R. § 63.18 are not applicable to Acquisition because it is not affiliated with any foreign carrier.
- (n) Acquisition certifies that it has not 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) Acquisition certifies, pursuant to 47 C.F.R. §§ 1.2001 through 1.2003, that no party to this Joint Application is subject to a denial of Federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988.
- (p) The Applicants request streamlined processing of this Application to transfer control of Dixon Telephone's international Section 214 authorization pursuant to 47 C.F.R. § 63.12. Acquisition is not affiliated with a foreign carrier in a destination market, nor does it have an affiliation with a dominant U.S. carrier whose international switched or private line services it seeks authority to resell. *See* 47 C.F.R. § 63.12(c). Therefore, pursuant to Section 63.12(a) of the Commission's rules, the Commission should grant this Application fourteen days after the date of public notice listing the Application as accepted for filing.

IV. INFORMATION REQUIRED BY SECTION 63.04 OF THE COMMISSION'S RULES

In accordance with Section 63.04(b) of the Commission's rules, 47 C.F.R. § 63.04(b), which specifies the contents required of joint international and domestic Section 214 transfer of control applications, in addition to the information required in international Section 214 applications by 47 C.F.R. § 63.18, the Applicants submit the following information, as described in 47 C.F.R. §§ 63.04(a)(6) through (a)(12):

(6) Description of the transaction.

As discussed in more detail in Section II above, Acquisition is purchasing substantially all of the assets of Dixon Telephone. The proposed transaction will give Acquisition control over the business operations of Dixon Telephone, including the blanket Section 214 authorizations of Dixon Telephone. Acquisition will acquire all of the current customers of Dixon Telephone.

(7) Description of the geographic areas in which the Assignor and Assignee and their affiliates) offer domestic telecommunications services, and what services are provided in each area.

The respective services and operating areas of Dixon Telephone and Acquisition are as described in Section I above.

(8) Statement as to how the application fits into one or more of the presumptive streamlined categories in this section or why it is otherwise appropriate for streamlined treatment.

This Application satisfies the presumptive streamlined category set forth in 47 C.F.R. § 63.03(b)(1)(iii), and streamlined processing is requested. The proposed transaction is an asset sale that involves the transfer of the ILEC assets of Dixon Telephone to Acquisition. This case involves the assignment of approximately 350 access lines in a rural area to another independent ILEC that has approximately 3,700 access lines through an asset acquisition. The Commission has determined that transactions such as this that involve an asset acquisition, and not an

acquisition of corporate control, do not raise the potential of competitive harm.² Therefore, streamlined processing is warranted in this case.

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

The Applicants have filed or plan to file applications with the Commission's Wireless Telecommunications Bureau and International Bureau seeking authority to transfer control of the private wireless licenses and international 214 authorization held by Dixon Telephone to Acquisition.

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

The Applicants are not requesting such special consideration of this Joint Application.

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

There are no separately filed waiver requests being sought in connection with the proposed transaction.

(12) Statement showing how grant of the application will serve the public interest, convenience, and necessity.

Commission approval of this Application will serve the public interest, convenience and necessity. The proposed transaction will allow Central Scott, through Acquisition, to expand its presence in eastern Iowa and to bring enhanced and improved voice and broadband services to customers in Dixon Telephone's service area. In addition, customers in Central Scott's territory

² See *Implementation of Further Streamlining Measures for Domestic Section 214 Authorizations*, Report and Order, 17 FCC Rcd 5517 ¶ 33 (2002).

will benefit from the scale and cost efficiencies that Central Scott will be able to achieve due to its expanded presence in the region.

Moreover, there are no countervailing competitive harms associated with the proposed transaction. The respective ILEC territories of the Applicants do not overlap. Dixon Telephone provides cable service to approximately 90 customers in Donahue, which is within Central Scott's ILEC territory. However, Dixon Telephone does not provide telecommunications services in Donahue and is not certificated to provide such services. Further, the proposed transaction will not cause any interruption in service to customers. No existing service will be discontinued, reduced, or impaired in conjunction with the proposed transaction. Therefore, there will be no threat to competition and no associated public interest harm.

CONCLUSION

For the foregoing reasons, the Applicants respectfully submit that the public interest, convenience, and necessity will be served by a grant of this Joint Application.

Respectfully submitted,

/s/

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