Streamlined

ITC-STA-20130325-00088

IB2013000663

Blue Earth Valley Communications Inc

6-20130305

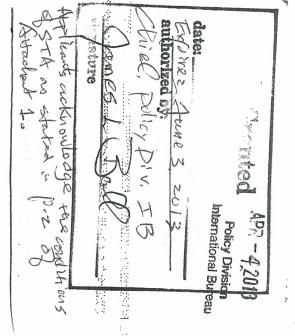
Same Tribance

in American

See All Williams of the Charles of the Committee of

Charles and the same

Married States of the Fred States Schools States



## Response to Item 10

under Section 355 of the Internal Revenue Code. subsidiaries of Hector that hold International Section 214 Authorizations for Global Resale and which were distributed to Blue Earth Valley on December 31, 2012 pursuant to a reorganization Communications, Inc. ("Blue Earth Valley") request Special Temporary Authority ("STA") to permit continued international toll resale operations by Indianhead Communications Corporation Transferor Hector Communications Corporation ("Hector") and Transferee Blue Earth Valley and Cannon Communications Corporation ("Cannon"), which are

of the affiliates - Arrowhead Communications Corp., Eagle Valley Telephone Company, Felton Telephone Company was distributed to New Ulm. Telephone Company and Loretel Systems, Inc. - was distributed to Arvig; and (c) Sleepy Eye Valley; (b) Alliance Telecommunications Corporation, an intermediate subsidiary that owns four were distributed to BCS Holdings, Indianhead Telephone Company, Pine Island Telephone Company, Cannon and Indianhead -Hector reorganization: (a) six affiliates -- Granada Telephone Company, Hager Telecom, most capable of assuming full operational control with little or no disruption. As a result of the and Cannon) to the Hector stockholder that was the closest from a geographic standpoint and dissolve Hector and to distribute Hector's eleven operating subsidiaries (including Indianhead Specifically, Blue Earth Valley, Arvig Enterprises, Inc. ("Arvig"); and New Ulm Telecom, Inc. ("New Ulm"), which were each formerly 33.33 percent stockholders of Hector, decided to LLC ("BCS"), a wholly-owned subsidiary of Blue Earth

Indianhead and Cannon. were distributed to them in the reorganization. For Blue Earth Valley, these affiliates include management and supervision of all of the operations of the specific former Hector affiliates that Subsequently, the Blue Earth Valley, Arvig and New Ulm organizations are each involved in the As 33.33 percent stockholders of Hector, Blue Earth Valley, Arvig and New Ulm were involved aspects of the operations of the eleven affiliates prior to the reorganization.

required FCC consent or notice. mentioned the transaction in another context to FCC counsel, and was told that it may have focused upon the internal Hector reorganization from a tax standpoint, and it was assumed by these advisors, as well as by Hector, Blue Earth Valley, Arvig and New Ulm, that the December 31, reorganization was a pro forma transaction among the existing and FCC-approved owners of Hector and did not require prior FCC approval. It was not until more than a month after the During the course of the reorganization, Hector's corporate and tax attorneys and accountants 2012 completion of the reorganization that one of Hector's stockholders

Bureau and the Wireless Telecommunications Bureau the International Bureau, as well as appropriate applications with the Wireline Competition Resale held by Indianhead (IB2013000523) and Cannon (IB2013000524) have been filed with Applications for transfer of control of the International Section 214 Authorizations for Global

MODE = MEMORY TRANSMISSION

START=APR-04 16:11

END=APR-04 16:12

FILE NO. =830

COMM. STATION NAME/EMAIL ADDRESS/TELEPHONE NO.

PAGES

NO.

DURATION

옩

001

**5**98285568

003/003

00:00:19

-FCC-PSHSB

UF-8000 V2 \*\*\*\*\*\*\*\*\*\*\*\*

202 418 2816-

10:2