

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

In the Matter of)
)
Villisca Farmers Telephone Company,) WC Docket No. ____
on behalf of its existing shareholders)
Transferors)
)
The Farmers Mutual Telephone)
Company of Stanton, Iowa)
Transferee)
)
Applications for Transfer of Control of)
Domestic and International Authorizations)
Under Section 214 of the Communications Act)

TO: Wireline Competition Bureau
International Bureau

APPLICATION FOR CONSENT TO TRANSFER OF CONTROL

Pursuant to Section 214 of the Communications Act of 1934, as amended, 47 U.S.C. § 214, and Sections 63.03, 63.04 and 63.24(e) of the Commission's rules, 47 C.F.R. §§ 63.03, 63.04 and 63.24(e), Villisca Farmers Telephone Company (“**Villisca**”; FRN: 0003749611), on behalf of its existing shareholders (collectively, the “**Transferors**”) and The Farmers Mutual Telephone Company of Stanton, Iowa (“**FMTC**” or “**Transferee**”; FRN: 0003726288) hereby request Commission authorization for the transfer of control of the blanket domestic Section 214 authorization for interstate exchange access services and interstate interexchange services held by Villisca and the international Section 214 authorization held by Villisca from Villisca’s existing shareholders to FMTC. A Domestic Section 214 Supplement, containing the information required by 47 C.F.R. § 63.04, is attached hereto as **Exhibit A**. The international Section

214 application is eligible for streamlined processing pursuant to 47 C.F.R. § 63.12. Applicants do not seek streamlined processing of the domestic Section 214 application, but, nonetheless, request expedited review and action.

1. DESCRIPTION OF THE APPLICANTS.

A. VILLISCA FARMERS TELEPHONE COMPANY. Villisca is an Iowa corporation located in Villisca, Iowa. Villisca is an independent local exchange carrier that provides local exchange telephone service and exchange access services to two exchanges (Villisca and Nodaway) in Montgomery, Adams, Page and Taylor Counties in southwestern Iowa. Villisca serves a total of approximately 834 access lines in these two Iowa exchanges. Its local exchange service offerings include custom calling features such as voice mail, call forwarding, call waiting, caller identification, speed calling and three-way calling. In addition to its local exchange and exchange access services, Villisca resells intrastate, interstate and international long distance toll services within its local exchange service areas. Finally, Villisca offers dial-up and high-speed Internet access services in its local exchange service areas. Villisca is the holder of a Certificate of Video Franchise Authority issued by the Iowa Utilities Board, but Villisca does not currently provide video service.

Villisca owns a non-controlling 7.62 percent limited partnership interest in RSA 1 Limited Partnership d/b/a Chat Mobility, an Iowa limited partnership (“**Chat Mobility**”) and a 10% ownership interest in Cellular 29, Ltd., an Iowa corporation and the corporate general partner of Chat Mobility. Villisca's interests in Chat Mobility and Cellular 29, Ltd. are subject to a right of first refusal which has been exercised by the partnership and the corporation, respectively, in connection with the proposed transaction. Accordingly,

Villisca's interests in Chat Mobility and Cellular 29, Ltd. will be redeemed upon the closing of the proposed transaction. Chat Mobility is the licensee of: (a) Cellular Radio Service Station KNKN649, which serves Iowa Rural Service Area (“**RSA**”) 1-Mills; (b) Broadband PCS Station WPTK838, which serves a submarket of the Omaha, Nebraska Basic Trading Area; (c) Broadband PCS Station WPXA563, which serves a submarket of the Omaha, Nebraska Basic Trading Area; (d) Broadband PCS Station WPXA562, which serves a submarket of the Omaha, Nebraska Basic Trading Area; (e) 700 MHz Lower Band Station WPWV306 in a submarket of Iowa RSA 1-Mills (Taylor County); (f) 700 MHz Lower Band Station WQFA497 in a submarket of Iowa RSA 1-Mills (Mills and Montgomery Counties); (g) 700 MHz Lower Band Station WQFA882 in a submarket of Iowa RSA 1-Mills (Fremont, Page and Adams Counties); (h) Common Carrier Fixed Point to Point Microwave Station WQJI865, Brooks, Iowa; (i) Common Carrier Fixed Point to Point Microwave Station WQJI866, Villisca, Iowa; (j) Common Carrier Fixed Point to Point Microwave Station WQJN970, Murray, Nebraska; (k) Common Carrier Fixed Point to Point Microwave Station WQJN971, Pacific Junction, Iowa; (l) Common Carrier Fixed Point to Point Microwave Station WPOS383, Red Oak, Iowa; and (m) Common Carrier Fixed Point to Point Microwave Station WPOS384, Emerson, Iowa.

Villisca has no other subsidiaries or affiliates that offer telecommunications services.

B. THE FARMERS MUTUAL TELEPHONE COMPANY OF STANTON, IOWA. FMTC is an Iowa corporation located in Stanton, Iowa. FMTC is an independent local exchange carrier that provides local exchange telephone service and exchange access to three exchanges (Stanton, Bethesda and New Market) in

Montgomery, Page and Taylor Counties in southwestern Iowa. FMTC serves a total of approximately 992 access lines in these three Iowa exchanges. Its local exchange service offerings include custom calling features such as voice mail, call forwarding, call waiting, caller identification, speed calling and three-way calling. FMTC also resells intrastate, interstate and international long distance toll services within its local exchange service areas. Finally, FMTC offers dial-up and high speed Internet access services and cable television service in its local exchange service areas.

FMTC owns a non-controlling 10.28 percent limited partnership interest in RSA 1 Limited Partnership d/b/a Chat Mobility, an Iowa limited partnership (“**Chat Mobility**”) and a 10% ownership interest in Cellular 29, Ltd., an Iowa corporation and the corporate general partner of Chat Mobility. Chat Mobility holds the licenses listed in paragraph 1.A above.

FMTC is an authorized dealer for the cellular services of Chat Mobility in the Stanton, Iowa area.

FMTC has no other subsidiaries or affiliates that offer telecommunications services.

2. DESCRIPTION OF THE TRANSACTION

The proposed transaction consists of the acquisition of all of the issued and outstanding shares of common stock of Villisca, representing 100% of the issued and outstanding shares of capital stock or other equity securities of Villisca, by FMTC from the existing shareholders of Villisca. Villisca will continue to exist as an Iowa corporation, and as an incumbent local exchange carrier that provides interstate exchange access services, interstate interexchange services and international long distance service.

Control of Villisca will give FMTC and its owners control of the blanket domestic Section 214 authorization and the international Section 214 authorization held by Villisca.

3. PUBLIC INTEREST STATEMENT. This transaction will serve the public interest consistent with the requirements of Sections 310(d) and 214 of the Communications Act of 1934, as amended. The proposed transaction will serve the public interest by ensuring the continued availability of quality telecommunications services at affordable rates for the businesses and residents of the rural southwestern Iowa area served by Villisca. FMTC is an experienced and successful provider of local exchange and exchange access services in the rural southwestern Iowa area surrounding the Villisca and Nodaway exchanges. Under FMTC's ownership and control, Villisca will continue to provide its rural Iowa customers with quality local exchange, exchange access and interexchange services at affordable rates.

The transaction will be seamless to Villisca customers. Immediately following the consummation of the proposed transaction, Villisca will continue to offer service with no change in the rates or terms and conditions of service. Further, Villisca will continue to be led by experienced management. Therefore, the transfer of control of Villisca will be seamless and virtually transparent to consumers.

In addition, the proposed transaction will promote and preserve competition in the domestic and international market and will not result in harm to competition in any relevant market. Villisca and FMTC are both non-dominant in the domestic interstate interexchange market. Both before and after completion of the proposed transaction, (1) FMTC and Villisca and their affiliates will have a market share of less than ten percent

(10.0%) of the interstate, interexchange market; (2) FMTC will be taking control of the existing telephone exchange and exchange access services provided by Villisca, and has no affiliated telecommunications carrier that has previously provided or that presently provides competitive local exchange services or exchange access services within Villisca's service area, while Villisca does not provide competitive local exchange services or exchange access services within FMTC's service area; and (3) FMTC (approximately 992 aggregate access lines) and Villisca (approximately 834 access lines) are incumbent independent local exchange carriers that have, in combination, far fewer than two percent (2.0%) of the subscriber lines installed in the aggregate nationwide and no overlapping service areas.

There is currently very substantial local voice service competition within Villisca's service area. Mediacom Communications Corporation ("**Mediacom**"), the long-established incumbent local cable television service provider in portions of Villisca's service area offers competitive, wireline voice service in portions of Villisca's service area. In addition, national cellular and/or Personal Communications Service carriers offer competing local wireless voice services in portions of Villisca's service area. Villisca and FMTC believe the proposed transaction will allow the incumbent local exchange carrier voice service provider to have access to greater resources and economies of scale so that it can compete more effectively with the much larger Mediacom and national wireless carriers.

The proposed transaction poses no risk of harm to competition in the international telecommunications market. Applicants together hold only a miniscule share of the international telecommunications market and therefore the proposed transaction would

have no ability to adversely affect competition. In addition, the Commission's principal concern for "the exercise of foreign market power in the U.S. market" is that such market power "could harm U.S. consumers through increases in prices, decreases in quality, or a reduction in alternatives in end-user markets."¹ The Commission has stated that, generally, this risk occurs when a U.S. carrier is "affiliated with a foreign carrier that has sufficient market power on the foreign end of a route to affect competition adversely in the U.S. market."² As discussed herein, neither applicant currently has any affiliations with foreign carriers, nor will either applicant acquire any affiliations with foreign carriers as a result of the proposed transaction.

4. SECTION 63.24 INFORMATION. In accordance with the requirements of Section 63.24(e) of the Commission's rules, the applicants submit the following information. Information is provided responsive to the provisions of Section 63.18 of the Commission's rules, paragraphs (a) through (p), as applicable.

(a) Name, address and telephone number of each applicant:

Transferors:

Shareholders of Villisca Farmers Telephone Company
205 East Fourth Street
Villisca, IA 50864-1198
Telephone: (712) 826-2812
Facsimile: (712) 826-2405
FRN: 0003749611

Transferee:

The Farmers Mutual Telephone Company of Stanton, Iowa
410 Broad Avenue
Stanton, IA 51573-0220
Telephone: (712) 829-2111
Facsimile: (712) 829-2509

¹ *In re Rules and Policies on Foreign Participation in the U.S. Telecommunications Market; Market Entry and Regulation of Foreign-Affiliated Entities*, Report and Order and Order on Reconsideration, 12 FCC Red. 23891, 23951-54 (FCC 1997).

² *Id.*

FRN: 0003726288

(b) Government, state or territory under the laws of which each corporate or partnership applicant is organized:

Villisca is a corporation organized under the laws of the State of Iowa.

FMTC is a corporation organized under the laws of the State of Iowa.

(c) Name, title, post office address, and telephone number of the officer or contact person to whom correspondence concerning the application is to be addressed:

For Transferors:

David Lindburg, President
Villisca Farmers Telephone Company
205 East Fourth Street
Villisca, IA 50864-1198
Telephone: (712) 826-2812
Facsimile: (712) 826-2405

With a copy to Counsel:
Paul W. Jones
Turner, Jones & Bitting
301 East Main Street
P.O. Box 231
Clarinda, Iowa 51632
Telephone: 712-542-2151
Facsimile: 712-542-2031

For Transferee:

Max Peterson, President
The Farmers Mutual Telephone Company of Stanton, Iowa
410 Broad Avenue
Stanton, IA 51573-0220
Telephone: (712) 829-2111
Facsimile: (712) 829-2509

With a copy to Counsel:
Michael G. Kulik
Davis Brown Law Firm
215 10th St., Suite 1300
Des Moines, Iowa 50309
Telephone: (515) 288-2500
Facsimile: (515) 243-0654

(d) International Section 214 Authorizations.

Villisca holds international Section 214 authority to provide global or limited global resale service pursuant to authority granted by the Commission in File No. ITC-214-20080709-00340. FMTC holds international Section 214 authority to provide global or limited global resale service pursuant to authority granted by the Commission in File No. ITC-214-20080722-00337.

(h) Name, address, citizenship and principal business of any person or entity that directly or indirectly owns at least ten (10) percent of the equity of the applicant, and the percentage of equity owned by each of those entities:

VILLISCA PRIOR TO TRANSACTION:

The name, address, citizenship and principal business of the entities that presently own ten percent (10.0%) or more of the equity and voting interests of Villisca are:

<u>Name & Address</u>	<u>% Equity&Voting</u>	<u>Citizenship</u>	<u>Principal Business</u>
Phillip D. Garland 108 N. 3rd Ave. Villisca, IA 50864	26%	United States	Telecommunications
Sandra Penton 309 E. 1st St. Villisca, IA 50864	17%	United States	Telecommunications
Velma M. Wheeler 126 N. 4th Ave. Villisca, IA 50864	13%	United States	Telecommunications

To the best of its knowledge, no other person or entity currently holds a ten percent (10%) or greater interest in Villisca.

VILLISCA AFTER TRANSACTION:

The name, address, citizenship and principal business of the entity that will own the equity and voting interests of Villisca after completion of the proposed transaction are:

<u>Name & Address</u>	<u>Equity & Voting</u>	<u>Citizenship</u>	<u>Principal Business</u>
The Farmers Mutual Telephone Company of Stanton, Iowa 410 Broad Avenue Stanton, IA 51573-0220	100%	Iowa Corporation	Telecommunications

Ownership of The Farmers Mutual Telephone Company of Stanton, Iowa

To the best of its knowledge, no entity or individual has a direct or indirect ownership interest in ten percent (10%) or more in FMTC.

Interlocking Directorates

Neither Villisca nor FMTC currently have any interlocking directorates with any foreign carrier, nor will they have any such interlocking directorates after the consummation of the proposed transaction.

(i) A certification as to whether or not the transferee is, or is affiliated with, a foreign carrier.

FMTC certifies that it is not a foreign carrier and that it is not affiliated with a foreign carrier.

(j) Service to Restricted Destinations.

FMTC certifies that upon consummation of the transaction, it will not provide international telecommunications services to any destination country: (a) in which FMTC is a foreign carrier; (b) in which FMTC controls a foreign carrier; (c) in which an entity that owns more than twenty-five percent (25%) of FMTC, or controls FMTC, controls a foreign carrier; or (d) in which two or more foreign carriers (or parties that control foreign carriers) own, in the aggregate, more than twenty-five percent (25%) of FMTC and are parties to, or the beneficiaries of, a contractual relation affecting the provision or marketing of international basic telecommunications services in the United States.

(k) WTO Membership of Destination Countries.

Not applicable.

(l) Resale of International Switched Services.

Not applicable.

(m) Nondominant Regulatory Classification.

Not applicable.

(n) Special Concessions Certification.

FMTC 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) Certification pursuant to 47 C.F.R. Sections 1.2001 through 1.2003 that no party to the application is subject to denial of Federal benefits pursuant to section 5301 of the Anti-Drug Abuse Act of 1988.

Villisca and FMTC hereby certify, pursuant to 47 C.F.R. Sections 1.2001 through 1.2003 that no party to the present application is subject to denial of Federal benefits pursuant to section 5301 of the Anti-Drug Abuse Act of 1988.

(p) Eligibility for Streamlined Processing.

FMTC qualifies for streamlined processing pursuant to Section 63.12 of the Commission's rules because: (a) FMTC is not affiliated with any foreign carrier in any destination market; (b) FMTC is not affiliated with any dominant U.S. carrier whose international switched or private line services FMTC seeks authority to resell; (c) FMTC does not seek authority to provide switched basic services over private lines to any country (much less, to any country for which the Commission has not previously authorized the provision of switched services over private lines); and (d) FMTC has no reason to believe that the Commission will inform it in writing that this application is not eligible for streamlined processing.

5. SECTION 63.04 INFORMATION.

Pursuant to Section 63.04 of the Commissions' rules, information responsive to Section 63.04(a)(6)-(a)(12) of the rules is provided in **Exhibit A**.

Conclusion

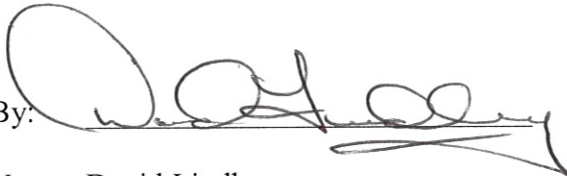
In light of the foregoing facts and public interest considerations, the applicants respectfully request that the Commission authorize the transfer of control of the domestic blanket Section 214 authorization and the international Section 214 authorization for Villisca Farmers Telephone Company from its current shareholders to The Farmers Mutual Telephone Company of Stanton, Iowa.

Villisca and FMTC reiterate that they certify, pursuant to 47 C.F.R. §§1.2001 through 1.2003, that no party to the present application is subject to denial of Federal benefits pursuant to section 5301 of the Anti-Drug Abuse Act of 1988.

Respectfully submitted,

**VILLISCA FARMERS TELEPHONE
COMPANY**

**THE FARMERS MUTUAL
TELEPHONE COMPANY OF
STANTON, IOWA**

By: 

Name: David Lindburg

Title: President

Date: 9-16-10

By: _____

Name: Max Peterson

Title: President

Date: _____

Conclusion

In light of the foregoing facts and public interest considerations, the applicants respectfully request that the Commission authorize the transfer of control of the domestic blanket Section 214 authorization and the international Section 214 authorization for Villisca Farmers Telephone Company from its current shareholders to The Farmers Mutual Telephone Company of Stanton, Iowa.

Villisca and FMTC reiterate that they certify, pursuant to 47 C.F.R. §§1.2001 through 1.2003, that no party to the present application is subject to denial of Federal benefits pursuant to section 5301 of the Anti-Drug Abuse Act of 1988.

Respectfully submitted,

**VILLISCA FARMERS TELEPHONE
COMPANY**

**THE FARMERS MUTUAL
TELEPHONE COMPANY OF
STANTON, IOWA**

By: _____

By: Max Peterson

Name: David Lindburg

Name: Max Peterson

Title: President

Title: President

Date: _____

Date: 9-15-2010

EXHIBIT A

Transfer of Control of Domestic Section 214 Authority Information Responsive to Sections 63.04(a)(6)-(a)(12) of the Commission's Rules

1. Description of the Transaction (§ 63.04(a)(6)):

A description of the proposed transaction is set forth in Section 2 above.

2. 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 (§ 63.04(a)(7)):

The geographic areas in which the applicants offer services and a description of the services provided by each applicant is set forth in Section 1 above. Maps showing the local exchange telephone service areas of Villisca and FMTC are attached as **Exhibit B**. The maps show that the service area of Villisca is adjacent to and surrounded by the Stanton, Bethesda and New Market exchanges of FMTC.

3. Statement as to how the application fits into one or more of the presumptive streamlined categories in section 63.03 or why it is otherwise appropriate for streamlined treatment (§ 63.04(a)(8)) :

The Application does not fit within the presumptive streamlined categories in Section 63.03 of the Commission's rules because the Villisca and Nodaway exchanges are adjacent to FMTC's Stanton, Bethesda and New Market exchanges.

However, even though they do not request streamlined treatment, the parties request expedited review and action of this Application and note that: (1) both before and after completion of the proposed transaction, FMTC and Villisca and their affiliates will have a market share of less than ten percent (10.0%) of the interstate, interexchange market; (2) FMTC will be taking control of the existing telephone exchange and exchange access services provided by Villisca, and has no affiliated telecommunications carrier that has previously provided or that presently provides competitive local exchange services or exchange access services within Villisca's service area, while Villisca does not provide competitive local exchange services or exchange access services within FMTC's service area; and (3) FMTC (approximately 992 aggregate access lines) and Villisca (approximately 834 access lines) are incumbent independent local exchange carriers that have, in combination, far fewer than two percent (2.0%) of the subscriber lines installed in the aggregate nationwide and no overlapping service areas.

4. Identification of all other Commission applications related to the same transaction (§ 63.04(a)(9)):

No other Commission applications will be filed with respect to this transaction.

5. Statement of whether the applicants are requesting special consideration because either party to the transaction is facing imminent business failure (§ 63.04(a)(10)):

No party to the transaction is facing imminent business failure at this time. Therefore, the applicants are not requesting special consideration because a party to the transaction is facing imminent business failure.

6. Identification of any separately filed waiver requests being sought in conjunction with the transaction (§ 63.04(a)(11)):

No separately filed waivers or waiver requests are being sought in conjunction with the proposed transaction.

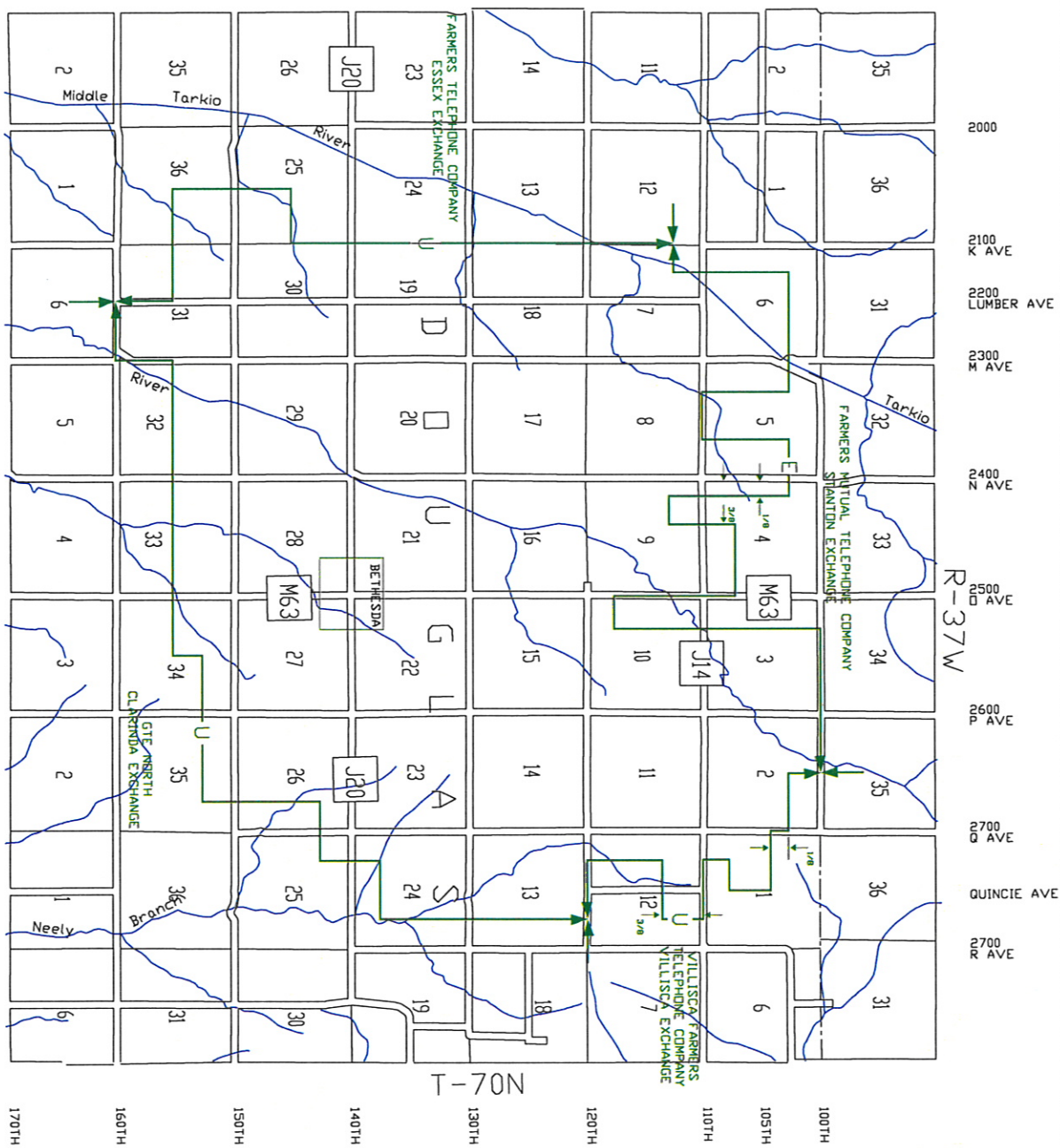
7. Statement showing how grant of the application will serve the public interest, convenience and necessity, including any additional information that may be necessary to show the effect of the proposed transaction on competition in domestic markets (§ 63.04(a)(12)):

See Section 3 above.

EXHIBIT B

**MAP OF LOCAL EXCHANGE AREAS
OF
VILLISCA FARMERS TELEPHONE COMPANY
AND
FARMERS MUTUAL TELEPHONE COMPANY OF STANTON, IOWA**

T-70N

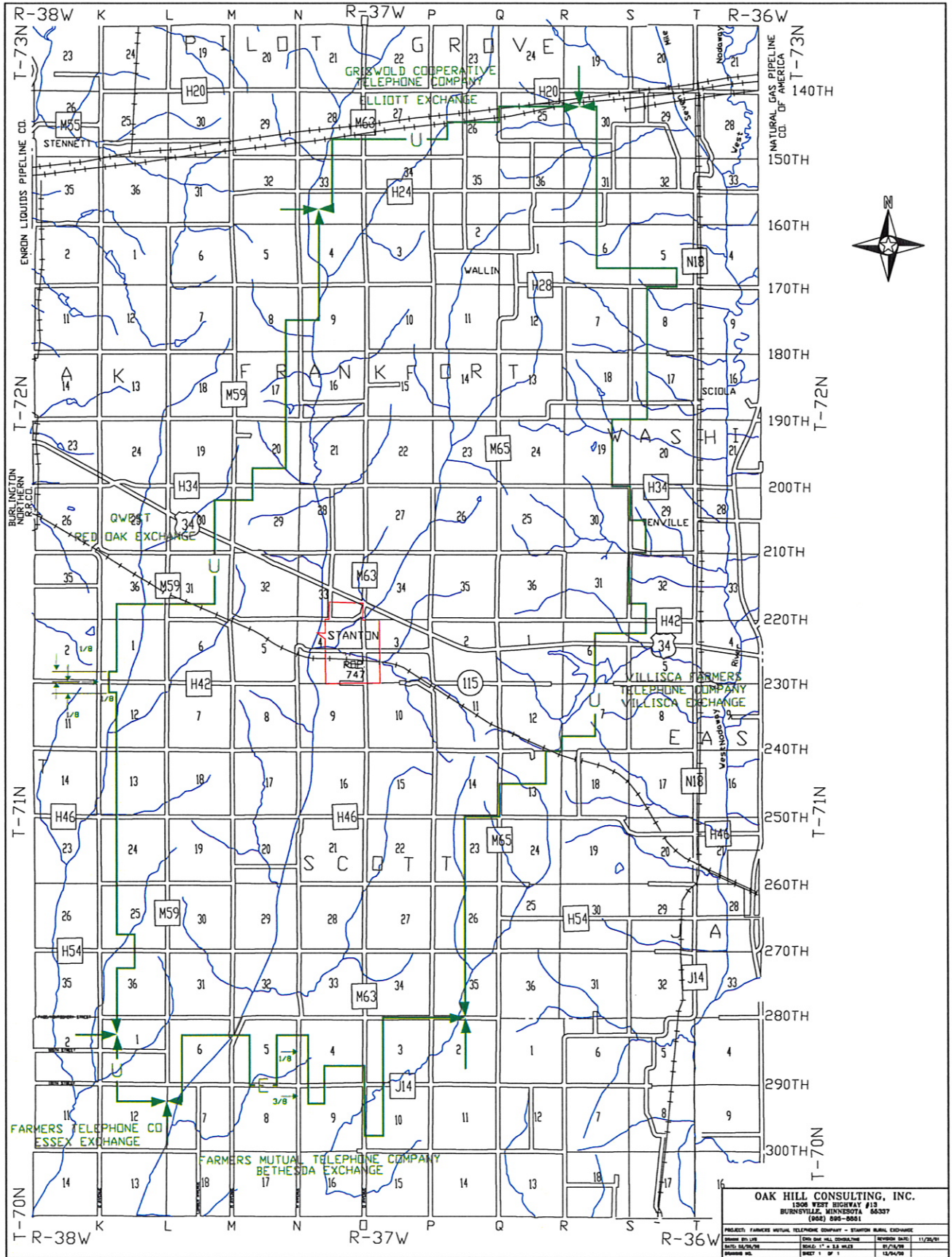


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OAK HILL CONSULTING, INC.	
1000 WEST HUNTERS FISH	
BOULEVARD, SUITE 100	
DALLAS, TEXAS 75241	
PROJECT:	UTILITY MAP
DATE:	10/1/88
BY:	J. H. HARRIS
CHECKED BY:	J. H. HARRIS
SCALE:	AS SHOWN
APP.:	



OAK HILL CONSULTING, INC.			
1500 WEST HIGHWAY #13 BURNSVILLE, MINNESOTA 55337 (612) 835-0081			
PROJECT: FARMERS MUTUAL TELEPHONE COMPANY - STANTON RURAL EXCHANGE			
DESIGN BY: JLB	DATE: 10/28/99	REVISION DATE: 11/29/01	
DRAWN BY: JLB	SCALE: 1" = 3.0 MILES	DATE: 10/28/99	
CHECKED BY: JLB		DATE: 11/29/01	
PROJECT NO.:		HEET 1 OF 1	