

## ATTACHMENT 1

### Answers to Questions 10, 11, 12, 13, 14, 15, 16, 17, 18 and 20

Hector Communications Corporation (“Hector”) and Blue Earth Valley Communications, Inc. (“Blue Earth Valley”) hereby request Commission authorization for the December 31, 2012 transfer of control of the International Section 214 authorizations for global resale of switched services held by Indianhead Communications Corporation (“Indianhead”; File No. ITC-214-19970919-00565, granted November 14, 1997) and by Cannon Communications Corporation (“Cannon”; File No. ITC-214-19970326-00173, granted May 15, 1997) from Hector to Blue Earth Valley.

These transfers were part of a reorganization of Hector that was undertaken and accomplished at the end of 2012 pursuant to Section 355 of the Internal Revenue Code. Prior to the reorganization, Hector (including its numerous subsidiaries) was owned in equal 33.33 percent portions by Blue Earth Valley, Arvig Enterprises, Inc. (“Arvig”) and New Ulm Telecom, Inc. (New Ulm”). It was determined by the Hector stockholders that the most effective and efficient approach to reorganization was to dissolve Hector, and to distribute Hector’s operating subsidiaries to the Hector stockholder that was the closest from a geographic standpoint and most capable of assuming full operational control with little or no disruption. As part of the reorganization and distribution, Indianhead and Cannon were distributed to BCS Holdings, LLC (“BCS”), a wholly-owned subsidiary of Blue Earth Valley. Hector’s corporate and tax attorneys and accountants 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 reorganization was a *pro forma* transaction among the existing and FCC-approved owners of Hector and did not require prior FCC approval.

In the confusion of the end of the year transactions, Hector and Blue Earth Valley did not check with their communications law advisers and did not realize that they were required to notify the International Bureau of the completion of *pro forma* transfers of control of International Section 214 Authorizations. Moreover, after the transaction was brought to the attention of FCC counsel, it was realized that the distribution of Indianhead and Cannon from Hector (where Blue Earth Valley held a 33.33 percent indirect interest as a result of its ownership in Hector) to BCS (where Blue Earth Valley holds a 100 percent ownership) may be looked at separately from the overall reorganization and may not be deemed to be a *pro forma* transaction. As a result and out of an abundance of caution, the present application was submitted.

**Answer to Question 10**

**Transferor Contact Information**

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

Bill Otis, Chairman  
Hector Communications Corporation  
c/o New Ulm Telecom, Inc.  
27 North Minnesota (P.O. Box 697)  
New Ulm, Minnesota 56073  
Telephone: (507) 354-4111  
Facsimile: (507) 354-1982

With a copy to Counsel:

Gerard J. Duffy  
Blooston, Mordkofsky, Dickens, Duffy & Prendergast  
2120 L Street, N.W. (Suite 300)  
Telephone: (202) 659-0830  
Facsimile: (202) 828-5568

**Transferee Contact Information**

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

William Eckles, Chief Executive Officer  
Blue Earth Valley Communications, Inc.  
123 West 7<sup>th</sup> Street  
Blue Earth, Minnesota 56013  
Telephone: (507) 526-2822  
Facsimile: (507) 526-4597

With a copy to Counsel:

Gerard J. Duffy  
Blooston, Mordkofsky, Dickens, Duffy & Prendergast  
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**Prior Section 214 Authority**

Indianhead holds the subject International Section 214 authorization for global resale of switched services (File No. ITC-214-19970919-00565, granted November 14, 1997).

Cannon holds the subject International Section 214 authorization for global resale of switched services (File No. ITC-214-19970326-00173, granted May 9, 1997).

**Answer to Question 11**

The name, address, citizenship and principal business of the sole entity that will own at least ten (10) percent of International Section 214 Authorization Holders Indianhead and Cannon after the proposed transaction is:

<b><u>Name &amp; Address</u></b>	<b><u>% Equity</u></b>	<b><u>Citizenship</u></b>	<b><u>Principal Business</u></b>
BCS Holdings, LLC 123 West 7 <sup>th</sup> Street Blue Earth, MN 56013	100.00%	MN LLC	Telecommunications

The names, addresses, citizenship and principal businesses of the entities that own at least ten (10) percent of BCS after the subject transaction are:

<b><u>Name &amp; Address</u></b>	<b><u>% Equity</u></b>	<b><u>Citizenship</u></b>	<b><u>Principal Business</u></b>
Blue Earth Valley Communications, Inc. 123 West 7 <sup>th</sup> Street Blue Earth, MN 56013	100.00%	MN Corp.	Telecommunications

The names, addresses, citizenship and principal businesses of the entities that own at least ten (10) percent of the equity of Blue Earth Valley are:

<u>Name &amp; Address</u>	<u>% Equity</u>	<u>Citizenship</u>	<u>Principal Business</u>
William V. Eckles 123 West 7 <sup>th</sup> Street Blue Earth, MN 56013	19.84%	U.S.A.	Telecommunications
Eckles Dynasty Trust #1 123 West 7 <sup>th</sup> Street Blue Earth, MN 56013	37.33%	MN Trust	Investments

The trustee of the Eckles Dynasty Trust #1 is William V. Eckles, and the beneficiaries are William V. Eckles and his issue. The trustee and beneficiaries are all United States citizens.

Eckles Dynasty Trust #2 123 West 7 <sup>th</sup> Street Blue Earth, MN 56013	39.58%	MN Trust	Investments
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The trustee of the Eckles Dynasty Trust #2 is William V. Eckles, and the beneficiaries are William V. Eckles and his issue. The trustee and beneficiaries are all United States citizens.

No other entity owns a direct or indirect ownership interest of ten percent (10.0%) or more in Indianhead or Cannon.

### **Answer to Question 12**

Neither Indianhead nor Cannon nor Hector nor Blue Earth Valley nor any of their affiliates has any interlocking directorates with a foreign carrier.

### **Answer to Question 13**

The proposed transaction entails the distribution and related transfers of control of Indianhead and Cannon from Hector, an entity previously owned equally by Blue Earth Valley (33.33 percent), Arvig (33.33 percent) and New Ulm (33.33 percent), to BCS Holdings, LLC (“BCS”), a wholly-owned subsidiary of Blue Earth Valley. The transactions were part of a reorganization of Hector pursuant to Section 355 of the Internal Revenue Code. Control of Indianhead and Cannon will give BCS, and ultimately Blue Earth Valley, control of their subject International Section 214 authorizations for global resale.

**Answer to Questions 14, 15, 16, 17 and 18**

Neither Indianhead nor Cannon nor Hector nor Blue Earth Valley nor BCS: (a) is a foreign carrier; (b) controls, is controlled by, or is under common control with a foreign carrier; (c) is affiliated with a foreign carrier; nor (d) will be affiliated with a foreign carrier upon consummation of the proposed transfer of control.

**Answer to Question 20**

The Applicants (Hector and Blue Earth Valley) and International Section 214 Authorization Holders Indianhead and Cannon qualify for streamlined processing pursuant to Section 63.12 of the Commission's Rules because: (a) neither Hector nor Blue Earth Valley nor BCS nor Indianhead nor Cannon is affiliated with any foreign carrier in any destination market; (b) neither Hector nor Blue Earth Valley nor BCS nor Indianhead nor Cannon is affiliated with any dominant U.S. carrier whose international switched or private line services Indianhead or Cannon seek authority to resell; (c) neither Hector nor Blue Earth Valley nor BCS nor Indianhead nor Cannon seeks 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) neither Hector nor Blue Earth Valley nor BCS nor Indianhead nor Cannon has any reason to believe that the Commission will inform it in writing that this application is not eligible for streamlined processing.