

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

In the Matter of the Application of

**Schurz Communications, Inc., and
Ten Thousand Lakes Broadband, Inc.,** Transferees

and

**Hiawatha Broadband Communications, Inc., and
Robert A. Kierlin,** Transferors,

For Grant of Authority Pursuant to
Section 214 of the Communications Act of 1934,
to Transfer Control of Domestic and International
Section 214 Authorizations

WC Docket No. 17- ____

File No. ITC-T/C- _____

**To: International Bureau
Wireline Competition Bureau**

**JOINT DOMESTIC AND INTERNATIONAL
214 TRANSFER OF CONTROL APPLICATION**

Hiawatha Broadband Communications, Inc., and Robert A. Kierlin (collectively “Transferors”), and Schurz Communications, Inc., and its wholly-owned affiliate Ten Thousand Lakes Broadband, Inc., (collectively “Transferees”), through their undersigned counsel, hereby request authorization pursuant to Section 214 of the Communications Act, 47 U.S.C. §214, and Part 63 of the Commission’s Rules, 47 C.F.R. §63.01 *et. seq.*, to transfer control of the blanket domestic and international Section 214 authorizations held by Transferors to Transferees.

The Applicants respectfully request that the Commission expeditiously grant approval to consummate a transaction (the “Transaction”) whereby Transferees will acquire control of domestic and international Section 214 authorizations and other FCC authorizations held by Transferors to provide domestic and international telecommunications services. Because the Transaction will strengthen an existing, independent source of voice, video, high-speed Internet

and business data services in markets already served by some of the nation's largest providers of such services, and will not reduce competition or consumer choice, the Commission should find that consummation of the Transaction is in the public interest and expeditiously grant its consent for the Parties to consummate the Transaction.

Applicants respectfully submit that this Application is eligible for streamlined processing pursuant to Section 63.03(b)(2)(i) and 63.18(p) of the Commission's Rules, because subsequent to consummation of the proposed transaction, Transferee (and its affiliates) will have a market share in the interstate, interexchange market of less than 10 percent, Transferee (and its affiliates) will provide competitive telephone exchange services or exchange access services (if at all) exclusively in geographic areas served by a dominant local exchange carrier that is not a party to the transaction, and none of the Applicants (or their affiliates) are dominant with respect to any service. Moreover, Section 63.12(c)(1) is inapplicable because none of the Applicants is, or is affiliated with, any foreign carriers and none of the scenarios outlined in Section 63.12(c) applies. The Applicants provide the information set forth below in support of this Application.

I. DESCRIPTION OF THE APPLICANTS

A. Schurz Communications, Inc. and Ten Thousand Lakes Broadband, Inc. (Transferees)

Transferee, Schurz Communications, Inc., ("Schurz" or "Transferee") an Indiana corporation, is a diversified privately-owned, nationwide communications company incorporated in 1873. Schurz has been engaged in publishing daily and weekly newspapers in various communities since its inception, and over the years Schurz has added the operations of radio, television, digital media, and cable television / broadband facilities.

Schurz is a privately held company operated by members of the Schurz family, led by Mr. Todd Schurz, President and CEO of Schurz Communications. The Mishawaka, Indiana

based news and information company has holdings in cable, newspaper publishing and digital media. In small to mid-sized markets across the country Schurz publishes daily and weekly newspapers, provides video, voice, broadband and directory information services through its wholly owned cable companies and phone directory business. Specifically, Schurz owned or controlled cable companies provide high-capacity broadband, video and voice services to communities in Maryland, Iowa and Arizona through three separately owned and operated cable providers. Geographically, Schurz Communications has a presence in Arizona, Indiana, Iowa, Maryland, Michigan, Nebraska, Pennsylvania and South Dakota.

Ten Thousand Lakes Broadband, Inc. (“TTLB”) is a wholly-owned affiliate of Schurz and was created solely for the purpose of effectuating the merger step of this transaction. At closing TTLB will be merged with and into Hiawatha Broadband Communications, Inc., which shall survive the closing and continue operations upon closing under the control of Schurz.

B. Hiawatha Broadband Communications, Inc. and Robert A. Kierlin (Transferors)

Hiawatha Broadband Communications, Inc., (“Hiawatha”) and Robert A. Kierlin (“Kierlin”) (collectively “Transferors”) are the holder of blanket domestic and international 214 authorizations. *See* DA 14-203 (notice of grant of domestic 214 authority); *and* ITC-214-20071113-00536 (international 214 authorization). Hiawatha is a privately held company based in Winona, Minnesota. It provides telephony, cable and broadband services to residential and business customers in sixteen Minnesota exchanges including: Altura, Cannon Falls, Dover, Elgin, Eyota, Goodhue, Kellogg, Lake City, Lewiston, Plainview, Red Wing, St. Charles, Stockton, Wabasha, and Winona. HBC has also been granted approval or conditional for services in the Rochester, Wykoff, Zumbro Falls Hastings, Buffalo Lake, and Stewart exchanges.

Hiawatha operates an advanced fiber optic network serving gigabit broadband, feature-rich telephone, and video service with a selection of more than 300 channels, video on demand

and extensive local high school and college sporting events produced by HBC Studios. Hiawatha's data transport network in southern Minnesota connects more than twenty cities to a protected fiber optic network ring. The company also has wholesale, construction, business consulting and engineering divisions and is the operator of the RS Fiber Cooperative gigabit fiber-to-the-farm project in Minnesota.

Mr. Kierlin is the largest shareholder of Hiawatha. He co-founded Fastenal Company. in 1968 and served as its President and Chief Executive Officer from 1968 to 2001, and as its Chairman from 1968 until 2014.

II. DESCRIPTION OF THE TRANSACTION

The parties entered into an Agreement and Plan of Merger ("Merger Agreement") to effectuate a merger transaction that will result in Schurz acquiring control of Hiawatha. The Merger Agreement provides for Schurz's acquisition of Hiawatha through a separate merger subsidiary. At close of the transaction the merger subsidiary, TTLB, will merge with and into Hiawatha, upon which the separate corporate existence of TTLB will cease.

At closing, Hiawatha will become a wholly-owned, direct subsidiary of Schurz. All of Hiawatha's existing operations, license holdings or authorizations that are the subject of this application will remain intact and will continue to support the operation of Hiawatha's voice and other services. Consistent with this approach, Hiawatha will continue to be based in Winona, Minnesota and operate under the Hiawatha Broadband Communications name. Recognizing that Hiawatha has been an integral part of Southeast Minnesota for twenty years, Schurz has publicly announced that that won't change. Schurz plans to continue investing in the business and the employees of Hiawatha because they recognize that Hiawatha's success is at the local level where the day-to-day business will be run.

As a result, the proposed transaction will not result in any change to the current terms and conditions or operations of the telecommunications services provided by Hiawatha. Immediately following closing Hiawatha will continue to do business as Hiawatha Broadband Communications. The company will also continue to comply with the terms and conditions of the authority granted by this Commission, and all applicable federal, state, and local law. Further, Hiawatha will continue to provide the high quality customer service that customers currently receive. Thus, immediately following consummation of the proposed transaction, Hiawatha will continue to offer service with no change to the rates or terms and conditions of service, and there will be no interruption or disruption of service to customers.

The pre-closing ownership structure of Transferor is depicted on the structure charts attached hereto as Attachment A. The proposed post-Transaction ownership structure of Transferee is depicted on the structure charts attached hereto as Attachment B.

III. INFORMATION REQUIRED BY SECTION 63.04, 63.24 and 63.18

Pursuant to Commission Rule 63.04(a) and 63.18, Applicants submit the following information in support of their request for domestic Section 214 authority:

(a) Name, Address and Telephone Number of Each Applicant

Transferor:

Hiawatha Broadband Communications, Inc.	FRN: 0003785318
58 Johnson Street	
Winona, Minnesota 55987	
(Tel.) 507-474-4000	

and

Robert A. Kierlin	FRN: 0023260136
P.O. Box 978	
Winona, MN 55987	
(Tel.) 507-453-8765	

Transferee:

Schurz Communications, Inc.
1301 E. Douglas Road, Suite 200
Mishawaka, IN 46545
(Tel.) 240-420-2068

FRN: 0008712937

(b) Jurisdiction of Applicants

Transferors: Hiawatha Broadband Communications, Inc. is a corporation formed under the laws of Minnesota

Robert A. Kierlin, an individual, is a U.S. citizen.

Transferee: Schurz Communications, Inc. is a corporation formed under the laws of Indiana.

(c) Correspondence Concerning This Application Should be Directed to:

For Transferee:

K.C. Halm
Davis Wright Tremaine LLP
Suite 800
1919 Pennsylvania Avenue, N.W.
Washington, D.C. 20006-3402
(202) 973-4242 (Tel)
(202) 973-4499 (Fax)
kchalm@dwt.com

With copies to:

Brian Lynch
Schurz Communications, Inc.
Senior V.P., Broadband
1301 E. Douglas Road, Suite 200
Mishawaka, IN 46545
(240) 420-2068 (Tel)
blynch@schurz.com

For Transferor:

Dan Pecarina
Hiawatha Broadband Communications,
Inc.
58 Johnson Street
Winona, MN 55987
507-474-5805
Dpecarina@exchange.hbci.com

With copies to:

Kent A Gernander
28585 County Road 4
Rushford, MN 55971
507-896-3975
kentg@hbci.com

(d) Existing Authorizations Under Section 214

Transferee, Schurz, is a parent company to a wholly-owned affiliate, Long Lines, LLC. Long Lines, LLC holds an international resale authorization under Certificate No. ITC-214-20060724-00362. The FCC consented to Schurz's acquisition of control of the Long Lines, LLC 214 authorization in 2016. *See* IBFS File No. ITC-T/C-20150123-00017. In that proceeding the Commission granted consent to the transfer of control of international section 214 authorization, ITC-214-20060724-00362, held by Long Lines LLC (Long Lines), from its 100% parent, Long Lines Communications LLC (Long Lines Communications), to Schurz. *See* FCC Public Notice DA 15-229 (Feb. 2015). Another wholly-owned subsidiary of Communications, Long Lines Wireless, LLC, previously held an international resale authorization under Certificate No. ITC-214-20130709-00182, which the Commission consented to be assigned to LL Acquisition Company, LLC, an indirect, wholly-owned subsidiary of AT&T Inc.

Transferors, Hiawatha and Mr. Kierlin hold the blanket domestic and international 214 authorizations; *see* DA 14-203 (notice of grant of domestic 214 authority); *and* ITC-214-20071113-00536 (international 214 authorization), that are the subject of this application.

(e) Ownership Information

Transferee - The following entities own or control 10% or more of the Transferee, Schurz, and its wholly-owned affiliate, Ten Thousand Lakes Broadband, Inc.:

Name:	Schurz Communications Voting Trust
Address:	1301 E. Douglas Road, Suite 200, Mishawaka, IN 46545
Citizenship:	USA
Principal Business:	Trust
% Equity:	75.17%

Name:	David C. Ray
Address:	17565 Green Oaks Ct., Granger, IN 46530
Citizenship:	USA
Principal Business:	Investment
% Equity:	15.22%

NOTE: There is no other entity or individual with a direct or indirect 10 percent or greater equity or voting interest in Schurz or Ten Thousand Lakes Broadband, Inc.

Transferor - The following entities own or control 10% or more of the Licensee,

Hiawatha Broadband Communications, Inc.:

Name:	Robert A. Keirlin
Address:	P.O. Box 302, Winona, MN 55987
Citizenship:	U.S.
Principal Business:	Communications
% Equity:	62.574% Owner and Manager

Name:	Maritime Heritage Society
Address:	800 Riverview Drive, Winona, MN 55987
Citizenship:	U.S.
Principal Business:	Non-profit educational institution
% Equity:	13.201%

NOTE: There is no other entity or individual with a direct or indirect 10 percent or greater equity or voting interest in Hiawatha Broadband Communications, Inc.

(f) Certifications

No affiliation with foreign carriers (per 47 C.F.R. 63.18(i)): Applicants certify that they are not foreign carriers, nor are they affiliated with foreign carriers, nor will they become affiliated with foreign carriers as a result of this transaction.

Provision of international telecommunications to certain destination countries (per 47 C.F.R. 63.18(j)): Applicants certify that they do not seek to provide international telecommunications services to any destination country where: (1) an applicant is a foreign carrier in that country; (2) an applicant controls a foreign carrier in that country; (3) any entity that owns more than 25 percent of an applicant, or that controls an applicant, controls a foreign carrier in that country; or, (4) two or more foreign carriers (or parties that control foreign carriers) own, in the aggregate more than 25 percent of an applicant and are parties to, or the

beneficiaries of, a contractual relation affecting the provision or marking of international basic telecommunications service in the United States.

Certifications required per 47 C.F.R. 63.18(k), (l), and (m): Not applicable.

No special concessions (per 47 C.F.R. 63.18(i)): Applicants certify that they have 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.

Not subject to denial of federal benefits (per 47 C.F.R. 63.18(o)): Applicants certify that no applicant is subject to denial of federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1998. *See* 21 U.S.C. § 853a; *see also* 47 C.F.R. §§ 1.2001-1.2003.

(g) Request for Streamlined Treatment

Applicants respectfully submit that this application is eligible for streamlined processing pursuant to Section 63.03(b)(2)(i) and 63.18(p) of the Commission's Rules, because subsequent to consummation of the proposed transaction, Transferee (and its affiliates) will have a market share in the interstate, interexchange market of less than 10 percent, and the Transferee (and its affiliates) will provide competitive telephone exchange services or exchange access services (if at all) exclusively in geographic areas served by a dominant local exchange carrier that is not a party to the transaction, and none of the Applicants (or their affiliates) are dominant with respect to any service. Moreover, Section 63.12(c)(1) is inapplicable because none of the Applicants is or is affiliated with any foreign carriers and none of the scenarios outlined in Section 63.12(c) applies.

(h) Other Applications Before the Commission Related to This Application

In connection with this transaction, the parties will submit a Form 603 transfer of control application for a single 3.65 MHz wireless license with the call-sign: WQOL267.

(i) No Request for Special Consideration or Waiver

No party is requesting special consideration because it is facing imminent business failure; nor are there any separately-filed waiver requests associated with this application.

IV. PUBLIC INTEREST STATEMENT

Applicants submit that the transaction described herein will serve the public interest. Under new ownership, Hiawatha will continue to provide high-quality telecommunications services, while gaining access to the additional capital, resources and operational expertise of Transferee. The transfer of control, therefore, will give Hiawatha the ability to become a stronger competitor, to the ultimate benefit of consumers. As a result, the transaction will strengthen the companies' ability to compete with other, much larger telecommunications providers in the region to the benefit of consumers and the telecommunications marketplace.

Further, the rates, terms and conditions of services currently provided by Hiawatha to its customers will not change as a result of the transaction. The transaction will be seamless for customers and Hiawatha will continue to provide high-quality communications services to its customers without interruption. Future changes in those rates, terms and conditions, if any, will be undertaken pursuant to the applicable federal and state notice and tariff requirements.

V. CONCLUSION

For the reasons stated above, Applicants respectfully submit that the public interest, convenience, and necessity would be furthered by a grant of this Application, and request that the Commission grant the relief requested herein.

Respectfully submitted,

/s/ K.C. Halm

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*Counsel for Transferor,
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1919 Pennsylvania Avenue, N.W., 800
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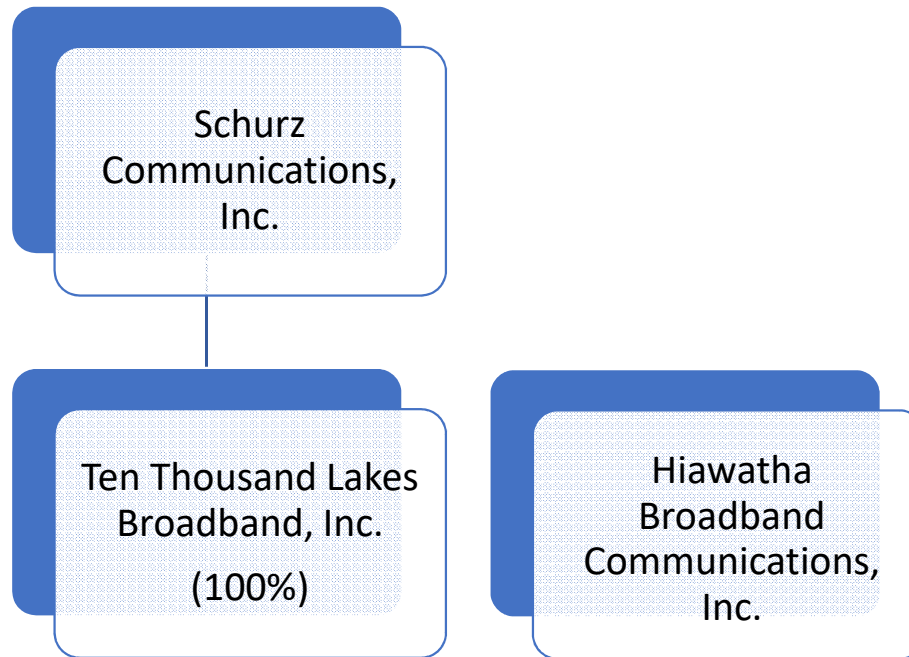
*Counsel for Transferee,
Schurz Communications, Inc., and
Ten Thousand Lakes Broadband, Inc.*

Dated: December 20, 2017

ATTACHMENT A

Pre - Transaction Corporate Organizational Chart

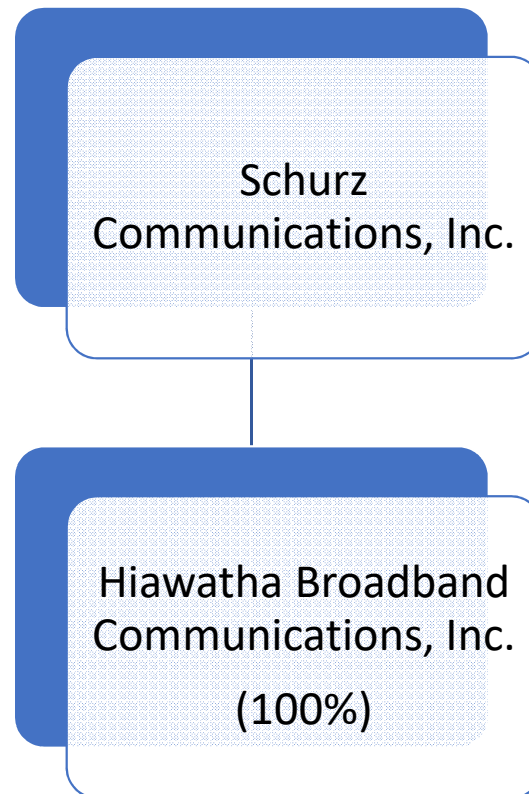
Pre Stock Merger Structure



ATTACHMENT B

Post - Transaction Corporate Organizational Chart

Post Stock Merger



VERIFICATION
(Transferor)

I, Daniel Pecarina, hereby declare that:

- (a) I am President and CEO of Hiawatha Broadband Communications, Inc. ("Hiawatha")
- (b) I am authorized to make this declaration on behalf of Hiawatha
- (c) The statements in the foregoing application relating to Hiawatha and its affiliates, are true and correct to the best of my knowledge.

I declare under penalty of perjury that the foregoing is true and correct. Executed this 19th day of December, 2017.



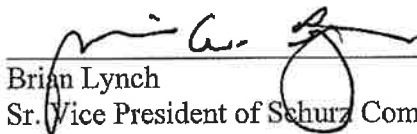
Daniel Pecarina
President & CEO

VERIFICATION
(Transferee)

I, Brian Lynch, hereby declare that:

- (a) I am Senior Vice President of Schurz Communications, Inc. ("Schurz")
- (b) I am authorized to make this declaration on behalf of Schurz.
- (c) The statements in the foregoing application relating to Schurz are true and correct to the best of my knowledge.

I declare under penalty of perjury that the foregoing is true and correct. Executed this 19th day of December, 2017.



Brian Lynch
Sr. Vice President of Schurz Communications, Inc.