



# PUBLIC NOTICE

Federal Communications Commission  
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DA 24-942

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**DOMESTIC SECTION 214 APPLICATION GRANTED FOR THE TRANSFER OF CONTROL OF AMELIA TELEPHONE CORPORATION AND NEW CASTLE TELEPHONE COMPANY FROM TDS TELECOMMUNICATIONS, LLC TO RIVERSTREET MANAGEMENT SERVICES, LLC**

**WC Docket No. 24-185**

By this Public Notice, the Wireline Competition Bureau (Bureau) grants an application filed by TDS Telecommunications, LLC (TDS Telecom or Transferor) and RiverStreet Management Services, LLC (RiverStreet or Transferee) (collectively, the Applicants), pursuant to section 214(a) of the Communications Act of 1934, as amended, and sections 63.03-04 of the Commission's rules,<sup>1</sup> requesting consent to transfer control of Amelia Telephone Corporation (Amelia Telephone) and New Castle Telephone Company (New Castle Telephone) (collectively, Licensees) from TDS Telecom to RiverStreet.<sup>2</sup>

On July 3, 2024, the Bureau released a public notice seeking comment on the Application.<sup>3</sup> The Bureau did not receive any comments or petitions in opposition to the Application.

TDS Telecom is a Delaware limited liability company and wholly-owned subsidiary of

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<sup>1</sup> See 47 U.S.C. § 214; 47 CFR §§ 63.03-04.

<sup>2</sup> Application for Consent to Transfer Control of Amelia Telephone Corporation and New Castle Telephone Company from TDS Telecommunications, LLC to RiverStreet Management Services, LLC, Pursuant to Section 214 of the Communications Act of 1934, as amended, WC Docket No. 24-185 (filed June 24, 2024) (Application). RiverStreet filed a supplement to the application on September 12, 2024. Letter from Michael Bennet, Counsel for RiverStreet Management Services, LLC to Marlene H. Dortch, Secretary, FCC, WC Docket No. 24-185. (RiverStreet Supplement) (attaching a new version of a map to correct a map attached to the application which inadvertently identified Tri-County Telephone Membership Corporation (Tri-County TMC) as the incumbent LEC provider for SAC 230505 and clarifying that the entity serving SAC 230505 is Wilkes. RiverStreet also informed the Commission that Tri-County TMC was merged into Wilkes in 2018 and thereafter ceased to exist. RiverStreet explained that Tri-County TMC remains the name associated with SAC 230505 and now operates as a division of Wilkes, which keeps the accounting and financials separately for regulatory purposes for SAC 230505. Finally, RiverStreet clarified that Wilkes is currently receiving the CAF-BLS support that Tri-County TMC previously received.). Any action on this domestic section 214 application is without prejudice to Commission action on other related, pending applications.

<sup>3</sup> *Domestic Section 214 Application Filed for the Transfer of Control of Amelia Telephone Corp. and New Castle Telephone Company from TDS Telecommunications, LLC to RiverStreet Management Services, LLC*, WC Docket No. 24-185, WC Docket No. 24-185, Public Notice, DA 24-639 (WCB 2023) (*TDS Public Notice*).

Telephone and Data Systems, Inc. (TDS), a Delaware corporation.<sup>4</sup> Through its wholly-owned subsidiaries, TDS Telecom delivers high-speed Internet, TV entertainment, and telecommunications services to a mix of small to mid-sized urban, suburban, and rural communities throughout the U.S., as well as offering Voice-over-Internet Protocol (VoIP) advanced communications solutions, dedicated Internet service, data networking, and hosted-managed services to businesses.<sup>5</sup> TDS Telecom directly owns all of the issued and outstanding shares of capital stock of Amelia Telephone and New Castle Telephone, both Virginia corporations.<sup>6</sup> Applicants assert there will be no other 10%-or-greater equity owners (direct or indirect) of Licensees following consummation of the transaction.<sup>7</sup>

Amelia Telephone is an incumbent local exchange carrier (LEC) and designated Eligible Telecommunications Carrier (ETC) providing service in Study Area Code (SAC) 190217 in Virginia. New Castle Telephone is an incumbent LEC and designated ETC providing service in SAC 193029 in Virginia. Both Licensees receive Universal Service Fund high-cost model-based support in the form of Enhanced Alternative Connect America Cost Model (E-ACAM).<sup>8</sup> Licensees also participate in the Lifeline program and Applicants assert they will continue to do so following consummation of the proposed transaction.<sup>9</sup>

RiverStreet is a holding company organized as a North Carolina corporation and a subsidiary of Wilkes Telephone Membership Corporation (Wilkes), a North Carolina corporation<sup>10</sup> owned by its member/subscribers, none of which owns or controls more than ten percent of Wilkes' equity.<sup>11</sup> Applicants assert that RiverStreet began as an extension of Wilkes.<sup>12</sup> RiverStreet is a regulated ETC<sup>13</sup> that, through its affiliates, serves rural portions of North Carolina and Virginia.<sup>14</sup> Wilkes is an incumbent

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<sup>4</sup> Application at 10. TDS is a publicly-traded company listed on the New York Stock Exchange. TDS is controlled by a Voting Trust whose trustees are LeRoy T. Carlson, Jr., Walter C.D. Carlson, Prudence E. Carlson, and Dr. Letitia G.C. Carlson, all siblings and each a U.S. citizen. LeRoy T. Carlson, Jr. is the President of TDS, and Walter C.D. Carlson is its nonexecutive Chairman. As of April 19, 2024, the Voting Trust controls 54.3% of the voting power of TDS's total shares that vote in matters other than the election of directors, and 95.7% of the Series A Common Shares, which elect seven of TDS's eleven directors. Accordingly, the Voting Trust elects a majority of the directors and directs a majority of the combined voting power of TDS in matters other than the election of directors. *Id.*

<sup>5</sup> Application at 2.

<sup>6</sup> TDS Telecom also wholly owns Virginia Telephone Company, a Virginia incumbent LEC. *Id.* at 2 n.2.

<sup>7</sup> *Id.* at 10-11.

<sup>8</sup> *Id.* at 2.

<sup>9</sup> *Id.*

<sup>10</sup> *Id.* at 2. RiverStreet is owned by Wilkes (88.89%), and Eric Cramer (11.11%), a U.S. citizen. *Id.* at 10. The principal business of both Wilkes and Cramer is telecommunications. *Id.* at 11.

<sup>11</sup> *Id.* at 3.

<sup>12</sup> *Id.* at 6.

<sup>13</sup> *Id.* at 3.

<sup>14</sup> *Id.* at 6. RiverStreet wholly owns the following telecommunications providers: Barnardsville Telephone Company (Barnardsville), an incumbent LEC providing service in SAC 230469 in North Carolina receiving E-ACAM support; Saluda Mountain Telephone Company (Saluda), an incumbent LEC providing service in SAC 230498 in North Carolina receiving model-based E-ACAM support; Service Telephone Company (STC), an incumbent LEC providing service in SAC 230500 in North Carolina receiving model-based E-ACAM support; Ellerbe Telephone Company (Ellerbe), an incumbent LEC providing service in SAC 230478 in North Carolina

LEC and ETC providing service in SAC 230510 in North Carolina.<sup>15</sup> Wilkes receives model-based support in the form of E-ACAM.<sup>16</sup> Wilkes also provides service in SAC 230505 in North Carolina, an area formerly served by Tri-County Telephone Membership Corporation (Tri-County TMC), an incumbent LEC which received cost-based CAF-BLS support.<sup>17</sup> Wilkes is currently receiving the CAF-BLS support that Tri-County TMC previously received.<sup>18</sup>

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receiving model-based E-ACAM support; Electronics Service Co. of Hamlet, Inc. (ESC), a wireless Internet service provider (WISP) providing service in rural areas of southeastern North Carolina and northeastern South Carolina; RiverStreet Communications of North Carolina (RSNC), a competitive LEC providing service in SAC 239033 in North Carolina receiving model-based RDOF support; RiverStreet Wireless of North Carolina (RSWNC), a wireless Internet service provider (WISP) providing service in North Carolina and holder of common carrier industrial microwave and CBRS licenses; RiverStreet Communications of Virginia, Inc. (RSVA), a competitive LEC providing service in SAC 19024 in the Virginia counties of Bedford, Brunswick, Campbell, Charlotte, King and Queen, and Pittsylvania receiving model-based CAF II and RDOF support, and providing other unregulated services in certain Virginia counties; RSVA serves internet subscribers in the Virginia counties of Pittsylvania, Campbell, Bedford, Franklin, Halifax, Charlotte, Prince Edward, King and Queen, Caroline, Essex, Middlesex, King William, Nelson, Albemarle, City of Danville, Charles City County, City of Emporia (Greenville County), City of South Boston (Halifax), and City of Martinsville (Henry). RiverStreet Wireless of Virginia, Inc. (RSWVA), a WISP provider in the Virginia counties of Pittsylvania, Henry, Amelia, Dinwiddie, Louisa, Bedford, Botetourt, Amherst, Nelson, Albemarle, Augusta, Spotsylvania, and Charles City holding private industrial microwave and CMRS licenses; Peoples Mutual Telephone Company (Peoples), an incumbent LEC providing service in in SAC 190244 in Virginia receiving model-based RDOF support. *Id.* at 3-4. RiverStreet owns 50% of NCRBN, LLC (NCRBN), an Internet service provider operating in North Carolina. The other 50% is held by RiverStreet Networks, Inc., a holding company wholly owned by RiverStreet. *Id.* at 4.

<sup>15</sup> Application at 2-3. Wilkes owns 100% of Wilkes Communications, Inc. (WCI), a competitive LEC providing service in SAC 239032 in North Carolina receiving model-based RDOF support. *Id.* at 5. Wilkes owns 100% of Tri-County Communications, Inc. (TCI), a competitive LEC providing service in SAC 230505 in North Carolina. *Id.* Wilkes holds a 44% interest in Response Technology Partners, Inc., a managed service provider and VoIP reseller providing service in Florida, Georgia, North Carolina, and Virginia. *Id.* Wilkes holds a 23.05% interest in Visions West, LLC, and IPTV headend service provider providing service in North Carolina. *Id.*

<sup>16</sup> *Id.* at 3.

<sup>17</sup> See RiverStreet Supplement (including attached corrected map depicting respective service area). Tri-County TMC was acquired by and merged into RiverStreet/Wilkes in 2018. *Id.* See also *Domestic Section 214 Applications Granted Subject to Condition*, WC Docket Nos. 17-101, 17-365, 18-68, 18-94, 18-95, 18-177, DA 18-742 (WCB 2018).

<sup>18</sup> See RiverStreet Supplement. When Tri-County TMC sought approval to be acquired by RiverStreet/Wilkes, the applicants requested approval to consummate a transaction involving companies that receive high-cost universal service support under the different mechanisms of fixed model-based support and cost-based support, and accordingly granted consent subject to compliance with the *Hargray/ComSouth* condition. *Joint Application of W. Mansfield Jennings Limited Partnership and Hargray Communications Group, Inc. for Consent to the Transfer of Control of ComSouth Corporation Pursuant to Section 214 of the Communications Act of 1934*, WC Docket No. 18-52, Memorandum Opinion and Order, 33 FCC Rcd 4780, 4784, para. 19 (2018) (*Hargray/ComSouth Order*). In the *Hargray/ComSouth Order*, the Commission found that “the combination of two companies that receive high-cost universal service support under different mechanisms, one fixed and one cost-based, could result in potential harm to the Commission’s goal of ensuring that limited universal service resources are distributed efficiently and effectively” as a result of the companies having an incentive to shift costs from the model-based support company to the cost-based support company. *Id.* at para. 20. The Commission therefore found that mixed support transactions warrant a safeguard to protect the financial stability of high-cost universal service support as a finite resource and directed the Bureau to impose a limited condition on transactions between parties receiving different types of support to cap high-cost universal service support based on the operating expenses of the cost-based companies. *Id.* Accordingly, to mitigate the potential for cost shifting, the application was granted subject to the following condition, as established in the *Hargray/ComSouth Order*: the combined operating expense for each post-

Pursuant to the terms of the stock purchase agreement, RiverStreet will purchase all of the issued and outstanding capital stock of Amelia Telephone and New Castle Telephone, which would give RiverStreet control of those companies.<sup>19</sup> Applicants assert that after consummation of the proposed transaction Amelia Telephone and New Castle Telephone will continue to exist and operate pursuant to their respective section 214 authorizations.<sup>20</sup>

Applicants assert there is no overlap in the service area of any RiverStreet affiliate with the service areas of Amelia Telephone and New Castle Telephone.<sup>21</sup> Applicants aver that consummation of the transaction will not reduce competition in the relevant market as it will only change the control of Amelia Telephone and New Castle Telephone; it will not remove an actual or potential competitor from the market nor will it have an adverse impact on the ability of other providers to enter or compete in the market; and it will not have an adverse impact on the Universal Service Fund.<sup>22</sup> Accordingly, Applicants affirm that the proposed transaction is consistent with the public interest, convenience, and necessity.<sup>23</sup>

We find that grant of the Application, subject to Applicants' continuing compliance with the *Hargray/ComSouth* condition, will serve the public interest, convenience, and necessity.<sup>24</sup> Therefore, pursuant to section 214 of the Act, 47 U.S.C. § 214, and sections 0.91, 0.291, 63.03, and 63.04 of the Commission's rules, 47 CFR §§ 0.91, 0.291, 63.03, and 63.04, the Bureau hereby grants the Application discussed in this Public Notice,<sup>25</sup> subject to RiverStreet's compliance with the condition described above.<sup>26</sup>

Pursuant to section 1.103 of the Commission's rules, 47 CFR § 1.103, the grant is effective upon release of this Public Notice. Petitions for reconsideration under section 1.106 or application for review under section 1.115 of the Commission's rules, 47 CFR §§ 1.106, 1.115, may be filed within 30 days of the date of this Public Notice.

For further information, please contact Randall Sifers, Wireline Competition Bureau,

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consummation company's rate-of-return affiliates shall be capped at the averaged combined operating expense of the three calendar years preceding the transaction closing date for which operating expense data are available. *Id.* at para 27.

<sup>19</sup> Application at 2.

<sup>20</sup> *Id.* at 6.

<sup>21</sup> *Id.* at 5, 14.

<sup>22</sup> *Id.* at 6.

<sup>23</sup> Application at 6-7. Following consummation of the proposed transaction, Amelia Telephone and New Castle Telephone, which are recipients of model-based universal service support, will be affiliated with companies through RiverStreet that receive universal service support under the different mechanisms of fixed model-based support and cost-based support. Similar to other transactions involving affiliates that receive universal support under the different mechanisms of fixed model-based support and cost-based support, to mitigate the potential for cost shifting, we grant the Application subject to the continued application of the *Hargray/ComSouth* condition to the applicants.

<sup>24</sup> See 47 U.S.C. § 214(a); 47 CFR § 63.03.

<sup>25</sup> We further direct Applicants to submit in the domestic section 214 docket a notice that the proposed transaction has closed with the consummation date and also provide a courtesy copy of the notice to [hcinfo@usac.org](mailto:hcinfo@usac.org).

<sup>26</sup> We direct the applicants to submit, in the domestic section 214 docket, WC Docket No. 24-185, a notice that the proposed transaction has closed with the consummation date, and also provide a courtesy copy of the notice to [hcinfo@usac.org](mailto:hcinfo@usac.org).

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