



PUBLIC NOTICE

Federal Communications Commission
45 L St., N.E.
Washington, D.C. 20554

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DA 24-935
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DOMESTIC SECTION 214 APPLICATION FILED FOR THE TRANSFER OF CONTROL OF TELEPHONE USA OF WISCONSIN, LLC FROM TELEPHONE USA INVESTMENTS, INC. TO LUMEN TECHNOLOGIES, INC.

STREAMLINED PLEADING CYCLE ESTABLISHED

WC Docket No. 24-251

Comments Due: September 26, 2024
Reply Comments Due: October 3, 2024

By this Public Notice, the Wireline Competition Bureau seeks comment from interested parties on an application filed by Telephone USA Investments, Inc. (Telephone USA Investments or Transferor) and Lumen Technologies, Inc. (Lumen) (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,¹ requesting approval to transfer control to Lumen the indirect equity interest held by Transferor in the blanket domestic Section 214 authorization held by Telephone USA of Wisconsin, LLC (Licensee).²

Telephone USA Investments, a Delaware corporation, holds a 10% equity interest in TelUSA Holdings, LLC (TelUSA Holdings), the Licensee's direct parent.³ Telephone USA Investments also holds the rights to appoint two of five seats on TelUSA Holdings' board of directors. Neither Telephone USA Investments nor TelUSA Holdings holds any Section 214 authority.⁴

Lumen, a publicly traded Louisiana corporation, provides broadband and communications services to residential and enterprise customers, including incumbent local exchange services (LEC) through its operating subsidiaries in 17 states,⁵ in addition to Licensee's operations as a rural incumbent LEC in Wisconsin, and as a competitive LEC in all 50 states,⁶ Lumen holds a 90% equity interest in

¹ See 47 U.S.C. § 214(a); 47 CFR §§ 63.03-04.

² Application for Transfer of Control of Domestic Section 214 Authorization held by Telephone USA of Wisconsin, LLC from Telephone USA Investments, Inc. to Lumen Technologies Inc., WC Docket No. 24-251 (filed August 16, 2024) (Application). Any action on this domestic section 214 application is without prejudice to Commission action on other related, pending applications.

³ Application at 1-2, 11, Exh. A.

⁴ *Id.* at 2.

⁵ These states are: Arizona, California, Colorado, Florida, Idaho, Iowa, Minnesota, Montana, Nebraska, New Mexico, Nevada, North Dakota, Oregon, South Dakota, Utah, Washington, and Wyoming. *Id.* at 3 & n.5.

⁶ *Id.* at 3.

TelUSA Holdings. Lumen also holds the rights to appoint two of the five seats on TelUSA Holdings' board of directors. The fifth director is appointed by the mutual consent of Transferor and Lumen.⁷

In 1999, Lumen (then known as CenturyTel, Inc.), Telephone USA Investments, and two individual investors purchased assets from affiliates of Verizon Communications, Inc.⁸ to form TelUSA Holdings and create the Licensee.⁹ The Licensee holds blanket domestic Section 214 authority¹⁰ and serves approximately 25,000-30,000 customers in 35 exchanges in rural Wisconsin.¹¹

On February 7, 2024, Telephone USA Investments commenced proceedings under chapter 11 of the Bankruptcy Code.¹² Following Telephone USA Investments' filing for chapter 11 bankruptcy protection, Lumen filed a proof of claim with the bankruptcy court arising from a preexisting commercial dispute related to their co-ownership of TelUSA Holdings and the Licensee.¹³ On June 5, 2024, Telephone USA Investments and Lumen participated in a successful mediation of their dispute and reached a settlement.¹⁴ The settlement provides, among other things, that: Telephone USA Investments will transfer to Lumen its shares in TelUSA Holdings; Telephone USA Investments will cause the members of the board of TelUSA Holdings appointed by or on behalf of Telephone USA Investments to resign from the board; and Lumen will pay Telephone USA Investments the sum of \$3,500,000 to be distributed pursuant to the terms of the bankruptcy plan.¹⁵ The settlement agreement further obligates Telephone USA Investments to cooperate with, and not interfere with or otherwise obstruct, this Application and other efforts to obtain Commission approval for the transfer of Telephone USA Investments' shares to Lumen, and thus, the transfer of Telephone USA Investments' control of TelUSA Holdings and the Licensee to Lumen.¹⁶

Applicants seek Commission approval for the transfer of the remaining ownership and control of the Licensee to Lumen, as part of the bankruptcy settlement.¹⁷ Applicants request streamlined treatment of the proposed transaction under the Commission's rules to enable Transferor to exit bankruptcy.¹⁸ Applicants assert that a grant of the application would serve the public interest, convenience, and necessity.¹⁹ We accept the Application for streamlined processing under section 63.03(b)(2)(ii) of the Commission's rules.²⁰

⁷ *Id.* at 1.

⁸ *Id.* at 4.

⁹ *Id.*

¹⁰ *Id.*

¹¹ *Id.*

¹² *Id.* at 3.

¹³ *Id.* at 4.

¹⁴ *Id.*

¹⁵ *Id.* at 4-5.

¹⁶ *Id.* at 5.

¹⁷ *Id.* at 2.

¹⁸ *Id.*

¹⁹ *Id.* at 5-6, 12-13.

²⁰ 47 CFR § 63.03(b)(2)(ii).

Application for Transfer of Control of Domestic Section 214 Authorization Held by Telephone USA of Wisconsin, LLC from Telephone USA Investments, Inc. to Lumen Technologies, Inc., WC Docket No. 24-251 (filed Aug. 16, 2024).

GENERAL INFORMATION

The transfer of control identified herein has been found, upon initial review, to be acceptable for filing as a streamlined application. The Commission reserves the right to return any transfer application if, upon further examination, it is determined to be defective and not in conformance with the Commission's rules and policies. Interested parties may file comments and reply comments on or before the dates indicated on the first page of this document. Pursuant to section 63.52 of the Commission's rules, 47 CFR § 63.52, commenters must serve a copy of comments on the Applicants no later than the above comment filing date. Unless otherwise notified by the Commission, the Applicants may transfer control on the 31st day after the date of this notice.

Pursuant to section 63.03 of the Commission's rules, 47 CFR § 63.03, interested parties must file comments using the Commission's Electronic Comment Filing System (ECFS): <https://www.fcc.gov/ecfs>.

People with Disabilities: To request materials in accessible formats for people with disabilities (braille, large print, electronic files, audio format), send an e-mail to fcc504@fcc.gov or call the Consumer & Governmental Affairs Bureau at 202-418-0530 (voice), 202-418-0432 (TTY).

In addition, e-mail one copy of each pleading to each of the following:

- 1) Myrva Charles, Competition Policy Division, Wireline Competition Bureau, myrva.charles@fcc.gov;
- 2) Megan Danner, Competition Policy Division, Wireline Competition Bureau, megan.danner@fcc.gov; and
- 3) Jim Bird, Office of General Counsel, jim.bird@fcc.gov.

The proceeding in this Notice shall be treated as a "permit-but-disclose" proceeding in accordance with the Commission's *ex parte* rules. Persons making *ex parte* presentations must file a copy of any written presentation or a memorandum summarizing any oral presentation within two business days after the presentation (unless a different deadline applicable to the Sunshine period applies). Persons making oral *ex parte* presentations are reminded that memoranda summarizing the presentation must (1) list all persons attending or otherwise participating in the meeting at which the *ex parte* presentation was made, and (2) summarize all data presented and arguments made during the presentation. If the presentation consisted in whole or in part of the presentation of data or arguments already reflected in the presenter's written comments, memoranda or other filings in the proceeding, the presenter may provide citations to such data or arguments in his or her prior comments, memoranda, or other filings (specifying the relevant page and/or paragraph numbers where such data or arguments can be found) in lieu of summarizing them in the memorandum. Documents shown or given to Commission staff during *ex parte* meetings are deemed to be written *ex parte* presentations and must be filed consistent with rule 1.1206(b), 47 CFR § 1.1206(b). Participants in this proceeding should familiarize themselves with the Commission's *ex parte* rules.

To allow the Commission to consider fully all substantive issues regarding the application in as timely and efficient a manner as possible, petitioners and commenters should raise all issues in their initial filings. New issues may not be raised in responses or replies.²¹ A party or interested person

²¹ See 47 CFR § 1.45(c).

seeking to raise a new issue after the pleading cycle has closed must show good cause why it was not possible for it to have raised the issue previously. Submissions after the pleading cycle has closed that seek to raise new issues based on new facts or newly discovered facts should be filed within 15 days after such facts are discovered. Absent such a showing of good cause, any issues not timely raised may be disregarded by the Commission.

For further information, please contact Megan Danner at (202) 418-1151.

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