



PUBLIC NOTICE

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

News Media Information 202 / 418-0500
Internet: <http://www.fcc.gov>

DA 24-1016
Released: September 30, 2024

DOMESTIC SECTION 214 APPLICATION FILED FOR THE TRANSFER OF CONTROL OF QUALSTAR COMMUNICATIONS, INC.

STREAMLINED PLEADING CYCLE ESTABLISHED

WC Docket No. 24-295

Comments Due: October 14, 2024
Reply Comments Due: October 21, 2024

By this Public Notice, the Wireline Competition Bureau seeks comment from interested parties on an application filed by QualStar Communications, Inc. (QualStar) (Licensee) and Defiance Holdings, LLC (Defiance) (together, 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 consent to transfer control to Ayersville Telephone Company (Ayersville) and Arthur Mutual Telephone Company (Arthur) of the indirect equity interest held by Sherwood Mutual Telephone Association, Inc. (Sherwood) in QualStar, the blanket domestic section 214 authorization holder.²

QualStar, an Ohio corporation operating as a competitive local exchange carrier (LEC), provides telecommunications services to small business and residential customers in Ohio.³ The sole owner of QualStar is Defiance.⁴

Defiance, an Ohio limited liability company, is currently owned by Ayersville, Arthur and Sherwood (collectively, the Affiliates), all Ohio corporations operating as incumbent LECs, each with a single exchange.⁵ Each Affiliate directly owns one-third (33.33%) of Defiance, and in turn, indirectly owns one-third (33%) of QualStar.⁶ Defiance, through the Affiliates, provides local exchange services

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

² Domestic Section 214 Application for the Transfer of Control of QualStar Communications, Inc. Filed by Defiance Holdings, LLC, WC Docket No. 24-295 (filed September 17, 2024) (Application). Applicants filed a supplement to the Application on September 25, 2024. Letter from Stephen E. Coran, Counsel to QualStar Communications, Inc. and Defiance Holdings, LLC, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 24-295 (filed Sept. 5, 2024) (Supplement). Defiance also filed an application for the transfer of control of authorizations associated with the provision of wireless services. Any action on this domestic section 214 application is without prejudice to Commission action on other related, pending applications.

³ Application at 2

⁴ *Id.*

⁵ *Id.* 2; Supplement at 2.

⁶ Application at 2.

to residential and small to medium size business customers contiguous to Ayersville, Ohio; Arthur, Ohio; and Sherwood, Ohio.⁷ Also through the Affiliates, Defiance wholly-owns MetaLINK, an Ohio corporation that holds wireless licenses to provide internet access, voice, and related services to residences and businesses.⁸

Applicants assert that pursuant to the terms of the proposed transaction, on September 16, 2024, Defiance and the Affiliates entered into a Membership Interest Redemption Agreement whereby Sherwood agreed to redeem its one-third membership interests in Defiance, resulting in Ayersville and Authur each owning fifty percent (50%) of Defiance and, indirectly, fifty percent (50%) of QualStar upon consummation of the transaction.⁹

Applicants assert that a grant of the application would serve the public interest, convenience, and necessity and request streamlined processing.¹⁰ We accept the Application for streamlined processing under section 63.03(b)(2)(ii) of the Commission's rules.¹¹

Domestic Section 214 Applications Filed for the
Transfer of Control of QualStar Communications, Inc., WC Docket No. 24-295 (filed
September 17, 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;

⁷ *Id.* at 2-3.

⁸ Supplement at 2.

⁹ Application at 3.

¹⁰ *Id.* at 1-2, 4-7.

¹¹ 47 CFR § 63.03(b)(2)(ii).

- 3) Nadja Sodos-Wallace, Broadband Division, Wireless Telecommunications Bureau, nadja.sodoswallace@fcc.gov;
- 4) Halie Peacher, Mobility Division, Wireless Telecommunications Bureau, halie.peacher@fcc.gov; and
- 5) 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.¹² A party or interested person 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.

-FCC-

¹² See 47 CFR § 1.45(c).