



PUBLIC NOTICE

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DOMESTIC SECTION 214 APPLICATION GRANTED FOR THE TRANSFER OF CONTROL OF UNION RIVER TELEPHONE COMPANY D/B/A RIVAH.NET TO DIRECT COMMUNICATIONS ROCKLAND, INC.

WC Docket No. 24-282

By this Public Notice, the Wireline Competition Bureau seeks comment from interested parties on an application filed by Union River Telephone Company d/b/a Rivah.Net (Union River) and Direct Communications Rockland, Inc. (DCR) (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 of Union River to DCR.²

On September 26, 2024, the Bureau released a public notice seeking comment on the Application.³ The Bureau did not receive comments or petitions in opposition to the Application.

Union River, a Maine corporation and rural incumbent local exchange carrier (LEC), provides service to 1,351 voice access line customers and 1,227 Internet access customers.⁴ Union River's territory includes the network exchanges that serve customers in and around the communities of Otis, Mariaville, Amherst, Aurora, Waltham, Great Pond, Osborn, Deblois, and Beddington.⁵ In addition to these communities, Union River serves 9 of the 35 unorganized territories and Passamaquoddy Tribal Land in Washington County and 5 of the 15 unorganized territories in Hancock County.⁶ Union River, a

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

² See Domestic Section 214 Application to Transfer Control of Union River Telephone Company d/b/a Rivah.Net to Direct Communications Rockland, Inc., WC Docket No. 24-282 (filed Sept. 9, 2024) (Application). Applicants filed supplements to the Application on September 18, 2024 and October 2, 2023. Letter from John Kuykendall, Consultant for Union River Telephone Company d/b/a/ Rivah.Net, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 24-282 (filed Sept. 18, 2024) (Sept. 18 Supplement); Letter from John Kuykendall, Consultant for Union River Telephone Company d/b/a/ Rivah.Net, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 24-282 (filed Oct. 2, 2024) (Oct. 2 Supplement). Any action on this domestic section 214 application is without prejudice to Commission action on other related, pending applications.

³ *Domestic Section 214 Application Filed for the Transfer of Control of Union River Telephone Company d/b/a Rivah.Net to Direct Communications Rockland, Inc.*, WC Docket No. 24-282, Public Notice, DA 24-1001 (WCB 2024).

⁴ Application at 2, 4, 6.

⁵ *Id.* at 6.

⁶ *Id.*

designated Eligible Telecommunications Carrier (ETC), currently receives model-based high-cost universal service fund support through the Alternative Connect America Cost Model (A-CAM) II support mechanism in the state of Maine.⁷

DCR,⁸ an Idaho corporation and incumbent LEC, provides telecommunications and broadband services in Idaho.⁹ DCR wholly owns the following entities: Star Telephone Company, Inc. (Star), a Louisiana corporation operating as a rural incumbent LEC in Louisiana; Direct Communications Cedar Valley, LLC (DCCV), a Utah limited liability company operating as a rural incumbent LEC in Utah that wholly-owns Rico Telephone Company (Rico), a Colorado corporation operating as a rural incumbent LEC in Colorado; and UniTek, Inc., a Maine corporation operating as a holding company, which wholly-owns UniTel, Inc. (UniTel) and UniCap, Inc. (UniCap), both Maine corporations.¹⁰ UniTel, a rural incumbent LEC, provides telecommunications services to approximately 2,855 access lines in Kennebec, Penobscot, and Waldo Counties in central Maine.¹¹ UniCap, a reseller of interexchange long distance services, provides services in the service area of UniTel.¹² DCR, Star, and UniTel, all ETCs, currently receive cost-based high-cost universal service fund support through the Connect America Fund Broadband Loop Support (CAF-BLS) and High-Cost Loop Support (HCLS) support mechanisms.¹³ Also, DCCV and Rico, both ETCs, currently receive model-based high-cost universal service fund support through the Enhanced A-CAM support mechanism.¹⁴

Pursuant to the terms of the proposed transaction, DCR proposes to acquire, through transfer of control, all the operations and assets of Union River.¹⁵ Upon consummation of the proposed transaction, Applicants state that Union River and DCR will continue to hold domestic Section 214 authority in their respective serving areas.¹⁶ Applicants also state that Union River will continue to exist and operate under

⁷ *Id.* at 11-12; *see* Wireline Competition Bureau, CAF - A-CAM 2.5.2 - Authorization Report 6.2 (2022), <https://docs.fcc.gov/public/attachments/DOC-359222A1.xlsx> (summarizing authorized A-CAM II support amounts and deployment obligations). Union River also participates in the Lifeline program and will continue to do so post-consummation of transaction. Application at 11.

⁸ DCR is wholly owned by Direct Management Company, LLC (DMC), an Idaho limited liability company, by means of common stock voting interest. *Id.* at 4. DMC's Members have an indirect interest in DCR by and through their DMC membership. *Id.* at 4-5; *see also* Application for Authorization Pursuant to Section 214 of the Communications Act of 1934 for Transfer of Control of UniTek, Inc. to Direct Communications Rockland, Inc., WC Docket 21-460, at 5 (filed Nov. 22, 2021), Attach. to Sept. 18 Supplement. The DMC Members are the following U.S. citizens: Timothy May, President/Manager of DCR's Board of Directors (41.50%); Scott Hendrickson, Secretary/VP of Operations of DCR's Board of Directors, (18.50%); Jeremy Smith (18.50%); and Kip Wilson (18.50%). Application at 4-5, Exh. B.

⁹ *Id.* at 2, 4.

¹⁰ *Id.* at 4, 7-8.

¹¹ *Id.* at 8; *see also* Domestic Section 214 Application Granted Subject to Condition, Public Notice, WC Docket No. 21-460, 37 FCC Rcd 408 (WCB 2022), Attach. to Sept. 18 Supplement.

¹² Application at 8.

¹³ *Id.* at 10-11; *see* High Cost Projected by State by Study Area, Q42024, <https://www.usac.org/about/reports-orders/fcc-filings/>, DCR, Star, and UniTel also participate in the Lifeline program. Application at 11.

¹⁴ *Id.* at 10-11; *see* Enhanced ACAM Authorization Report, Version 1 (2023), <https://www.fcc.gov/document/enhanced-cam-authorization-report> (summarizing authorized Enhanced ACAM support amounts and deployment obligations). DCCV and Rico also participate in the Lifeline program. Application at 11.

¹⁵ *Id.* at 6.

¹⁶ *Id.*

its existing corporate structure.¹⁷

Applicants submit that competition will not be substantially harmed by the proposed transactions in that competitors have a presence in the subject service areas.¹⁸ Applicants also assert that the efficiencies of scope and scale generated by the transaction will create public interest benefits.¹⁹ Further, Applicants aver that Union River’s customers will not experience any immediate change to rates, terms, or conditions of service, and in no event will the transaction result in the interruption, reduction, loss, or impairment of service to customers.²⁰ Indeed, Applicants state that “any future name change or service changes will be preceded by appropriate notices to customers and required regulatory filings.”²¹ Finally, Applicants contend that none of the foregoing direct and indirect interests held by DCR overlap with any service areas or fiber facilities of Union River.²² Applicants have acknowledged the continuing applicability of the mixed support condition first applied in the *Hargray/ComSouth Order*.²³ Accordingly, Applicants affirm that the proposed transaction is consistent with the public interest, convenience, and necessity.²⁴

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.²⁵ 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 subject to Hilliary’s compliance with the condition described above.²⁶

¹⁷ *Id.*

¹⁸ *Id.* at 9.

¹⁹ *Id.*

²⁰ *Id.*

²¹ *Id.*

²² *Id.* at 8, 10, 12.

²³ Oct. 2 Supplement at 2. 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. *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*); see *Domestic Section 214 Application Granted Subject to Condition*, Public Notice, WC Docket No. 21-460, 37 FCC Rcd 408, 409-11 (WCB 2022) (*DCR-UniTek Public Notice*) (granting the transfer of control of UniTek to DCR, subject to the condition in the *Hargray/ComSouth Order* because the transaction involved the transfer of UniTel, a cost-based support company, to DCR, a company that receives both fixed model-based and cost-based support). Following consummation of the proposed transaction, Union River, which is a recipient of model-based universal service support, will be owned by DCR and affiliated with other companies through DCR that receive universal service support under the different mechanisms of fixed model-based support and cost-based support. Application at 10, 12; Oct. 2 Supplement at 1-2. Similar to other transactions, including the DCR-UniTek transaction, involving affiliates that receive universal service 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 capping the combined operating expenses of the post-consummation company’s rate of return affiliates. See *DCR-UniTek Public Notice*, 37 FCC Rcd at 410.

²⁴ Application at 8-10.

²⁵ See 47 U.S.C. § 214(a); 47 CFR § 63.03.

²⁶ Within 30 days of closing the proposed transactions, Applicants must notify USAC so that it can make any appropriate changes to the High Cost Universal Broadband (HUBB) on-line location reporting portal for universal

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 applications 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 Megan Danner, Wireline Competition Bureau, Competition Policy Division, at megan.danner@fcc.gov.

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service recipients. In addition, we direct Applicants to submit, in the domestic section 214 docket, WC Docket No. 24-282, 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.