



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

01-73/

In the Matter of)
)
Chorus Communications Group, Ltd.,)
)
For Transfer of Control of Chorus)
Communications Group, Ltd., as the holder)
of Blanket Authorization under Section 214)
of the Communications Act of 1934, as)
Amended, to Resell the Provision of Switched,)
Private Line, Data, Television and Business)
Services to Domestic, Interstate Points)

File No. _____

APPLICATION FOR TRANSFER OF CONTROL OF
DOMESTIC BLANKET SECTION 214 AUTHORITY

Chorus Communications Group, Ltd. ("Chorus" or "Transferor") and Telephone and Data Systems, Inc. ("Transferee" or "TDS") hereby seek authorization to transfer control of the blanket Section 214 authorizations held by Chorus and its subsidiaries – which include Mid-Plains, Inc. (ILEC), The Farmers Telephone Company (ILEC), Dickeyville Telephone Corporation (ILEC), HBC Telecom, Inc. (CLEC), Chorus Networks, Inc. (CLEC and IXC) and Pioneer Communications, Inc. (IXC) -- pursuant to Section 63.01 of the Commission's Rules, to provide domestic switched, private line, data, television and business services to all interstate points through the resale of existing facilities of authorized U.S. common carriers. There will be no adverse effect upon competition in the provision of domestic, interstate telecommunications services as the result of the proposed transfer of control. The subject transfer of control is part of a transaction by which Singer Acquisition Corp. ("Singer"), a wholly owned subsidiary of TDS, will merge with and into Chorus, leaving Chorus a wholly owned subsidiary of TDS. The consideration for the merger will be the payment of cash by TDS to Chorus's shareholders in

exchange for their shares in Chorus. Thus, Chorus's subsidiaries will also become wholly owned indirect subsidiaries of TDS. In support of this request, the applicants submit the following information:

(a) Name and Address of Transferor:

Chorus Communications Group, Ltd.
8501 Excelsior Drive
Madison, WI 53717
Telephone: (608) 826-4200

Name and Address of Transferee:

Telephone and Data Systems, Inc.
30 North LaSalle Street, Suite 400
Chicago, IL 60602
Telephone: (312) 630-1900

(b) Transferor is a corporation organized under the laws of the State of Wisconsin. Transferee is a Delaware corporation.

(c) All correspondence on behalf of the Transferor should be sent to:

Grant Spellmeyer
Chorus Communications Group, Ltd.
8501 Excelsior Drive
Madison, WI 53717

Telephone: (608) 826-4440

with a copy to:

Warren G. Lavey
Skadden, Arps, Slate, Meagher & Flom (Illinois)
333 W. Wacker Drive
Chicago, IL 60606

Telephone: (312) 407-0700

All correspondence on behalf of the Transferee should be sent to:

Byron A. Wertz
Vice President
Telephone and Data Systems, Inc.
7900 International Drive, Suite 200
Minneapolis, MN 55425
Telephone: (952) 876-4038

with a copy to:

Peter M. Connolly
Holland & Knight LLP
2099 Pennsylvania Avenue, N.W.
Suite 100
Washington, DC 20006
Telephone: (202) 955-3000

(d) Statement of previously received Section 214 authority:

Chorus Networks, a wholly owned subsidiary of Chorus, then known as Mid-Plains Communications Systems, Inc., was granted effective on May 14, 1994 authority under Section 214 of the Act in FCC File No. ITC-94-239 to provide resold international switched services. An application for the transfer of that authority pursuant to Section 63.18(e) of the Commission's rules is simultaneously being filed with the Commission.

Dickeyville Telephone Corporation, then a wholly owned subsidiary of Pioneer Communications, Inc., was originally granted authority under Section 214 of the Act in FCC File No. ITC-90-145. Pursuant to a pro forma transfer of control (FCC File No. ITC-T/C-19961220-00002), Pioneer, a wholly owned subsidiary of Chorus, currently holds this Section 214 authority. An application for the transfer of that authority pursuant to Section 63.18(e) of the Commission's rules is simultaneously being filed with the Commission.

Transferee is engaged in the business of acquiring and operating, as a holding company, telephone and other companies primarily in the communications industry. Multiple subsidiary companies held by TDS currently hold Section 214 authority.

(e) Chorus owns and operates facilities in the states of Minnesota and Wisconsin.

(f) Transferee ownership: Please refer to the attached FCC Form 602 Ownership Disclosure filed with the Commission for TDS on October 20, 2000.

- (g) Transferee certifies that it is not itself a foreign carrier and is not affiliated with a foreign carrier.
- (h) Transferee certifies that, to the best of its knowledge, information and belief, neither Transferee nor any party to this application is subject to a denial of Federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988, 21 U.S.C. § 853a.
- (p) The purchase of Chorus by TDS will promote efficient, high-quality services and competition in local and long distance telephone services in Wisconsin and Minnesota. The U.S. Department of Justice on January 11, 2001 granted an "early termination" approval of the merger following its inquiry under the Hart-Scott-Rodino Antitrust Improvement Act. See Transaction No. 2001180.

TDS was founded in 1969 with the purchase of ten small telephone carriers in Wisconsin. Over the years, TDS has grown as a landline carrier in large part by acquiring many small ILECs and developing economies of scale in equipment procurements, operations, financing and other areas. TDS conducts its ILEC operations through 105 ILEC subsidiaries, ranging in size from about 500 to 64,000 access lines.

As in many other states, consolidation in the ILECs in Wisconsin is occurring, with the Chorus-TDS transaction part of this development. Other carriers acquiring ILECs in Wisconsin since August 1999 include other mid-sized ILEC holding companies (Century and Citizens Communications) as well as the Bell Companies (Ameritech's acquisition by SBC and GTE's acquisition by Bell Atlantic (Verizon)).

In addition to ILEC consolidation, Wisconsin has seen the growth of CLECs, especially in the Milwaukee and Madison areas served primarily by SBC/Ameritech. The CLECs operating in Wisconsin include national as well as regional companies, and cable television systems are being upgraded to offer two-way services in many areas.

Chorus's ILEC subsidiaries, Mid-Plains, Inc., ("Mid-Plains"), Farmers Telephone Company ("Farmers") and Dickeyville Telephone Corporation, ("DTC"), serve 36,202, 7,273 and 1,463 access lines, respectively.¹ Mid-Plains serves customers in portions of the west side of the city of Madison, and in the towns of Middleton and Cross Plains, which are near Madison. Farmers and DTC provide service to the following municipalities, towns and unincorporated areas,

¹ All figures in this section are as of December 31, 2000.

all of which are located in southwestern Wisconsin: Lancaster, Cassville, Potosi, Tennyson, Dickeyville, Glen Haven, Kieler, Bloomington, Little Grant, North Lancaster, Liberty, South Lancaster, Ellenboro, Waterloo, Harrison, Platteville, Paris, Smelser and Jamestown.

Chorus Networks, Inc., a CLEC owned by Chorus, serves 1,529 access lines in Wisconsin, 1,127 of which are resale lines. Chorus Networks is authorized to provide service throughout Wisconsin (except for areas subject to the rural telephone company exemption set forth at 47 U.S.C. §251(f)(1)). The other Chorus CLEC, HBC Telecom, serves 727 access lines in Minnesota.

Chorus Networks also serves 16,411 pre-subscribed long distance customers. Another Chorus subsidiary, Pioneer Communications, Inc., serves 2,918 long distance customers.

TDS is a holding company, which, through its wholly owned subsidiary TDS Telecommunications Corporation and operating subsidiaries, serves approximately 731,000 access lines and access line equivalents in 28 states. In Wisconsin, TDS serves approximately 107,000 access lines in 158 communities through its 16 ILECs, including some in the Madison area. Of those customers, approximately 9,000 also obtain long distance service from TDS's long distance subsidiary, TDS Long Distance Corporation. In addition, TDS's CLEC, TDS Metrocom, provides service in areas of Wisconsin, Illinois and Michigan. TDS Metrocom serves approximately 63,000 access lines in Wisconsin, with its focus on the areas served by SBC/Ameritech in the Milwaukee and Madison areas.

According to the Wisconsin State Telephone Association, there are approximately 3,454,000 access lines in the state of Wisconsin served by ILECs. TDS serves approximately 3.1% of these access lines through its ILECs. After the acquisition, TDS would serve approximately 4.5% of the access lines in Wisconsin served by ILECs. The applicants do not know the total number of access lines in Wisconsin served by CLECs.

Together, TDS's and Chorus's subsidiaries provide long distance service to approximately 0.8% of Wisconsin customers.

In Minnesota, TDS Telecom serves about 34,140 access lines through its ILEC subsidiaries, and 49,900 access lines through the CLEC called USLink. The proposed acquisition would increase TDS's access lines in Minnesota by only about 727.

Thus, this transaction will affect only a small percentage of each of Wisconsin's and Minnesota's access lines, and a de minimis percentage of each state's long distance customers. The resulting carrier will be in a stronger position to compete against the larger ILECs, CLECs and long distance carriers serving

Wisconsin and Minnesota. Among the major ILECs serving Wisconsin and parts of the Madison area are SBC/Ameritech, Verizon and Century. Numerous CLECs and long distance carriers serve Wisconsin and parts of the Madison area.

In addition to the Department of Justice's determination mentioned above, the Minnesota Department of Commerce staff has recommended approval of this transaction in a pending proceeding filed by the parties with the Minnesota Public Utilities commission ("MPUC"), Comments of the Minnesota Department of Commerce, Docket No. P5825/PA-01-0135 (Feb. 21, 2001). The MPUC has stated that its overarching concern in the case of ILEC acquisitions and mergers is the effect of such transactions on competition. See In re Joint Petition for Approval of Citizens Utilities Company's Acquisition of GTE Corporation Telephone Properties, 2000 Minn. PUC LEXIS 54, *9 (Minn. PUC Docket No. P-5316,407/PA-99-1239 July 24, 2000).

Chorus is required to notify the Wisconsin Public Utilities Commission of the merger within 10 days of the effective time of the merger, but no prior authorization is required.

The proposed transfer of control of Chorus will not adversely affect competition in the provision of domestic interstate telecommunications services in the state of Wisconsin or Minnesota. It will increase the efficiency in providing high-quality services in the communities served by Chorus as well as competition in the provision of telecommunications services.

For the foregoing reasons, the applicants respectfully request that the Commission grant the authority requested in this application.

Respectfully submitted,

Chorus Communications Group, Ltd.

By: 

Name: Grant B. Spellman

Title: V.P. + Secretary (officer)

Date: 3/2/01

Telephone and Data Systems, Inc.

By: _____

Name: _____

Title: _____ (officer)

Date: _____

For the foregoing reasons, the applicants respectfully request that the Commission grant the authority requested in this application.

Respectfully submitted,

Chorus Communications Group, Ltd.

By: _____

Name: _____

Title: _____ (officer)

Date: _____

Telephone and Data Systems, Inc.

By: Rudolph E. Hornacek

Name: RUDOLPH E. HORNACEK

Title: V.P. - ENGINEERING (officer)

Date: March 5, 2001

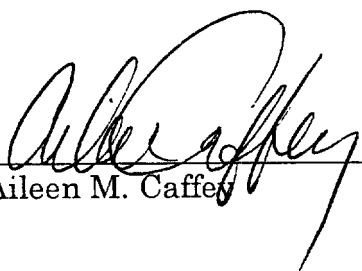
CERTIFICATE OF SERVICE

I, Aileen M. Caffey, a secretary in the offices of Holland & Knight, hereby certify that I have, on this 7th day of March, sent a copy of the foregoing application for transfer of control to the following:

Governor Scott McCallum
State of Wisconsin
115 East State Capitol
Madison, WI 53702

Secretary of Defense
Attention: Special Assistant for Telecommunications
Pentagon
Washington, DC 20301

Governor Jesse Ventura
State of Minnesota
130 State Capital
75 Constitution Avenue
Saint Paul, MN 55155


Aileen M. Caffey

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March 7, 2001

PETER M. CONNOLLY
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VIA CAPITAL FILING SPECIALIST

Federal Communications Commission
Common Carrier Network Services
P.O. Box 358145
Pittsburgh, PA 15251-5145

Re: Application to Transfer Domestic Blanket
 Section 214 Authority

Dear Ms Salas:

Herewith transmitted, on behalf of Chorus Communications, Ltd., the transferor, and Telephone and Data Systems, Inc., the transferee, is an application, filed pursuant to Section 63.01 of the FCC's Rules, to transfer control of the blanket Section 214 authority held by Chorus and its subsidiaries. Also transmitted is the required fee form and filing fee.

In the event there are questions pertaining to the transferee's portion of the application, please contact the undersigned. In the event there are questions about the transferor's portion, please contact Arthur Bresnahan, Skadden, Arps, Slate, Meagher & Flom, 333 West Wacker Drive, Chicago, Illinois, 60606-1285, (312-407-0700).

Very truly yours,


Peter M. Connolly

cc: (w/encl.): Arthur Bresnahan, Esq.