**DA 16-91**

**January 27, 2016**

**DOMESTIC SECTION 214 APPLICATION FILED FOR THE**

**TRANSFER OF CONTROL OF**

**WIDEOPEN WEST FINANCE, LLC AND ITS SUBSIDIARIES TO CRESTVIEW, L.L.C.**

**STREAMLINED PLEADING CYCLE ESTABLISHED**

**WC Docket No. 16-12**

**Comments Due: February 10, 2016**

**Reply Comments Due: February 17, 2016**

WideOpen West Finance, LLC (WOW) and Crestview, L.L.C. (Crestview) (together, Applicants) filed an application, pursuant to Section 214 of the Communications Act of 1934, as amended, and Section 63.03 of the Commission’s rules, requesting approval to transfer control of WOW telecommunications operating subsidiaries (the WOW Companies) to Crestview.[[1]](#footnote-1)

WOW, a Delaware limited liability company, is a communications service provider holding company. Through its operating subsidiaries, WOW provides telecommunications services in Alabama, Florida, Georgia, Illinois, Indiana, Kansas, Maryland, Michigan, Ohio, South Carolina and Tennessee.[[2]](#footnote-2) Three of the WOW Companies provide service as rural incumbent local exchange carriers (LECs) in Alabama and Georgia, while the other WOW Companies provide service as competitive LECs and/or hold Section 214 authority. WOW is a wholly-owned, indirect subsidiary of Racecar Acquisition, LLC, a Delaware limited liability company (Racecar Acquisition). Racecar Acquisition, in turn, is a direct, wholly-owned subsidiary of Racecar Holdings. Racecar Holdings is currently controlled by the Avista Capital Managing Member, LLC (Avista).

Crestview, a New York private equity firm, focuses primarily on sourcing and managing investments the energy, financial services, healthcare, industrials and media sectors. Applicants state that Crestview does not provide telecommunications services. Among the investment vehicles under Crestview’s umbrella are those that are acquiring an ownership interest in Racecar Holdings. After consummation of the proposed transaction, Crestview will indirectly hold interest in Racecar Holdings through a series of intermediate partnerships and holdings companies. Applicants state that the investment committee of Crestview Partners III GP will control the Crestview investment.[[3]](#footnote-3)

Pursuant to the terms of a Unit Purchase Agreement (Agreement), dated December 10, 2015, the Crestview entities purchased a minority, non-controlling number of units from certain existing unitholders and from Racecar Holdings, totaling approximately 35 percent of the equity of Racecar Holdings and, in connection, the Crestview entities have three out of nine board seats of Racecar Holdings (with Avista having the right to nominate five out of nine board seats and the chief executive officer (CEO) acting as the ninth board member). Applicants state that in connection with the Agreement, Crestview was granted a right, subject to certain terms and conditions, to cause entities controlled by it to acquire additional units from Racecar Holdings and certain of its unitholders resulting in, among other things, Crestview having an ownership interest in Racecar Holdings of approximately 50 percent.[[4]](#footnote-4) Following Crestview exercising this right, upon Commission approval, Avista will relinquish the power to elect a majority of the board of directors of Racecar Holdings. Specifically, Avista will have the power to elect four out of nine board members, Crestview will gain the power to elect four of nine board members, and the CEO of Racecar holdings will round out the nine-person board of directors. In addition, upon Commission approval, Crestview will obtain negative consent rights with respect to the hiring, firing or entering into employment agreements with senior management of Racecar Holdings.

 Applicants assert that the proposed transaction is entitled to presumptive streamlined treatment under Section 63.03(b)(1)(ii) of the Commission’s rules and that a grant of the application will serve the public interest, convenience, and necessity.[[5]](#footnote-5)

Domestic Section 214 Application Filed for the Transfer of Control of

WideOpen West Finance, LLC and its Subsidiaries to Crestview, L.L.C., WC Docket No. 16-12 (filed Jan. 12, 2016).

**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. Pursuant to Section 63.03(a) of the Commission’s rules, 47 CFR § 63.03(a), interested parties may file comments **on or before February 10, 2016**, and reply comments **on or before February 17, 2016**. Pursuant to Section 63.52 of the Commission’s rules, 47 C.F.R. § 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, parties to this proceeding should file any documents in this proceeding using the Commission’s Electronic Comment Filing System (ECFS): http://apps.fcc.gov/ecfs/.

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

1. Tracey Wilson, Competition Policy Division, Wireline Competition Bureau, tracey.wilson@fcc.gov;
2. Dennis Johnson, Competition Policy Division, Wireline Competition Bureau, dennis.johnson@fcc.gov;
3. Jim Bird, Office of General Counsel, jim.bird@fcc.gov;
4. David Krech, International Bureau, david.krech@fcc.gov;
5. Sumita Mukhoty, International Bureau, sumita.mukhoty@fcc.gov.

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), 1-888-835-5322 (tty).

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 C.F.R. § 1.1206(b). Participants in this proceeding should familiarize themselves with the Commission’s ex parte rules.

 For further information, please contact Tracey Wilson at (202) 418-1394 or Dennis Johnson at (202) 418-0809.

**- FCC -**

1. *See* 47 C.F.R § 63.03; 47 U.S.C. § 214. Applicants also filed applications for the transfer of authorizations associated with international services. Any action on this domestic section 214 application is without prejudice to Commission action on other related, pending applications. [↑](#footnote-ref-1)
2. The WOW operating companies include: Globe Telecommunications, Inc., the Knology family of telecommunications providers, Valley Telephone Company, LLC, Wiregrass Telecom, Inc., and Sigecom, LLC. [↑](#footnote-ref-2)
3. Applicants state that those members are: Barry S. Volpert, Thomas S. Murphy, Jr., Jeffrey A. Marcus, Robert J. Hurts, Richard M. DeMartini, Robert V. Delany, Jr., Brian P. Cassidy, Quentin Chu, Alexander M. Rose and Adam J. Klein, all of whom are U.S. citizens with the exception of Quentin Chu, a U.K. citizen. Applicants state that Barry S. Volpert will indirectly hold a ten percent or greater indirect ownership interest in Racecar Holdings. [↑](#footnote-ref-3)
4. Applicants state that Crestview’s ultimate ownership interest will not reach or exceed 50 percent, except in certain circumstances. Applicants state that even if Crestview’s interest were to reach 50 percent, it will not represent any additional voting or control, because all control of WOW is exercised through the board of directors of Racecar Holdings. A more complete description of the Applicants’ ownership interest and Crestview’s post-transaction rights are described in the Application. [↑](#footnote-ref-4)
5. 47 C.F.R. § 63.03(b)(1)(ii). [↑](#footnote-ref-5)