**DA 19-895**

**Released: September 9, 2019**

**DOMESTIC SECTION 214 APPLICATION FILED FOR THE TRANSFER OF CONTROL OF E. RITTER COMMUNICATIONS HOLDINGS INC. AND ITS SUBSIDIARIES TO RITTER COMMUNICATIONS ULTIMATE HOLDINGS LLC**

**STREAMLINED PLEADING CYCLE ESTABLISHED**

**WC Docket No. 19-239**

**Comment Date: September 23, 2019**

**Reply Comment Date: September 30, 2019**

By this Public Notice, the Wireline Competition Bureau seeks comment from interested parties on an application filed by E. Ritter & Company (E. Ritter) and Ritter Communications Ultimate Holdings LLC (Ritter Ultimate) (together, Applicants), pursuant to section 214 of the Communications Act of 1934, as amended, and sections 63.03-04 of the Commission’s rules, requesting consent to transfer control of E. Ritter’s direct subsidiary, E. Ritter Communications Holdings Inc. (Ritter Holdings), and the wholly owned subsidiaries of Ritter Holdings: E. Ritter Telephone Company (Ritter Telephone), Tri-County Telephone Company, Inc. (Tri-County), Millington Telephone Company, Inc. (Millington), E. Ritter Communications, Inc. (Ritter Communications), and MTel Long Distance, Inc. (MTel) (collectively, Ritter Holdings, Ritter Telephone, Tri-County, Millington, Ritter Communications, and MTel, the Ritter Companies) to Ritter Ultimate.[[1]](#footnote-3)

Ritter Holdings, through its operating subsidiaries, provides telecommunications services in Arkansas, Tennessee, and Texas. Ritter Holdings has three incumbent local exchange carrier (LEC) subsidiaries: Ritter Telephone serves approximately 2,093 access lines in Dyess, Etowah, Keiser, Lepanto, Marked Tree, Oak Acres, Payneway, and Tyronza, Arkansas; Tri-County serves approximately 5,173 access lines in Alpena, Compton, Deer, Jasper, Lurton, Mount Judea, Osage, Ponca, Saint Joe, and Western Grove, Arkansas; Millington serves approximately 12,615 access lines in Drummonds, Mason, Millington, Munford, Rosemark, Shelby Forest, and Stanton, Tennessee.

Ritter Holdings also provides competitive telecommunications to approximately 170 communities outside of its incumbent LEC service areas through Ritter Communications, its competitive LEC subsidiary, in the communities of Burlison, Cordova, Covington, Eads, Frayser, Germantown, Lauderdale County, and Somerville, Tennessee, and Allen and Texarkana, Texas. MTel provides long distance services to customers in Tennessee.[[2]](#footnote-4)

Ritter Ultimate, a Delaware limited liability company formed for the purposes of this transaction, will be owned by GCOF II (RC) LLC (GCOF II (RC)) (74.6%), a Delaware limited liability partnership, and E. Ritter (25%).[[3]](#footnote-5) Applicants state that, following the consummation of the proposed transaction, the following U.S. entities will hold a 10% or greater interest in GCOF II (RC): Grain Communications Opportunity Fund II, L.P. (GCO Fund II) (82.2%)[[4]](#footnote-6) and GCOF II Co-Invest (RC), L.P. (GCOF II Co-Invest (RC))(17.8%).[[5]](#footnote-7) The general partner of both the GCO Fund II and GCOF II Co-Invest GenPar is Grain GP IV, LLC, a Delaware limited partnership, which is ultimately controlled by David J. Grain, a U.S. citizen.[[6]](#footnote-8)

Pursuant to the terms of the proposed transaction, Ritter Ultimate will acquire control of the Ritter Companies. Applicants state that the service areas of the Ritter Companies do not overlap with, nor are they adjacent to, the service areas of the Grain entities. Applicants assert the proposed transaction is entitled to streamlined treatment under section 63.03(b)(2)(iii) of the Commission’s rules and that a grant of the application would serve the public interest, convenience, and necessity.[[7]](#footnote-9)

Domestic Section 214 Application Filed for the Transfer of Control of

E. Ritter Communications Holdings Inc. and its Subsidiaries to

Ritter Communications Ultimate Holdings LLC, WC Docket No. 19-239

(filed Aug. 23, 2019).

**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 September 23, 2019**, and reply comments **on or before September 30, 2019**. 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, parties to this proceeding should file any documents 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. Gregory Kwan, Competition Policy Division, Wireline Competition Bureau, gregory.kwan@fcc.gov;
3. David Krech, International Bureau, david.krech@fcc.gov;
4. Sumita Mukhoty, International Bureau, sumita.mukhoty@fcc.gov; and
5. Jim Bird, Office of General Counsel, jim.bird@fcc.gov.

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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.

For further information, please contact Tracey Wilson at (202) 418-1394 or Gregory Kwan at (202) 418-1191.

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1. *See* 47 U.S.C. § 214; 47 CFR §§ 63.03-04. Applicants are also filing applications for the transfer of control of international and wireless services. On September 6, 2019, Applicants filed a supplement to their domestic section 214 application. Any action on this domestic section 214 application is without prejudice to Commission action on other related, pending applications. [↑](#footnote-ref-3)
2. E. Ritter, Ritter Holdings, Ritter Telephone, Ritter Communications, and Tri-County are Arkansas corporations while Millington and MTel are Tennessee corporations. Tri-County also provides cable television services in its service areas. Ritter Holdings also provides cable and other telecommunications services through its wholly owned subsidiaries, Ritter Cable Corporation and Millington CATV, Inc. [↑](#footnote-ref-4)
3. Applicants state that the following U.S. citizens hold a 10% or greater interest in E. Ritter: Jane Ritter Clawson (14.2%) and Ann Ritter Johnston (18.46%). [↑](#footnote-ref-5)
4. The following U.S. entities hold a 10% or greater limited partner interest in the GCO Fund II: Board of Regents of the University of Texas System (11.1%) and the New York State Common Retirement Fund (16.7%). The GCO Fund II is ultimately managed and controlled by Grain Management, LLC (Grain Management), a U.S. private equity entity. Grain Management also manages and controls GP Communications LLC, an incumbent LEC in Nebraska and in certain areas in Colorado, Kansas, and South Dakota; Great Plains Broadband LLC, a competitive LEC in Nebraska; and Great Plains Long Distance LLC, a long distance services provider in Nebraska, each Delaware limited liability companies. Grain Management also manages and controls InterCarrier Networks, LLC, a Michigan limited liability company, authorized to provide competitive LEC services in Illinois, Indiana, and Kentucky and holds a controlling interest in WANRack, LLC (WANRack), a competitive telecommunications provider that builds private fiber networks for K-12 school districts. Grain Management is affiliated with, and ultimately manages, the buyer in two pending domestic 214 applications. *See* Application of Cable Bahamas Ltd. and Summit Ultimate Holdings LLC for Consent to Transfer Control of Summa Vista Inc. and Orlando Telephone Company, Inc. d/b/a Summit Broadband to Summit Ultimate Holdings, LLC, WC Docket No. 19-245 (filed Aug. 30, 2019); Application of Richard W. Ryan and Hunter Communications Holdings, LLC for Consent to Transfer Control of Hunter Communications, Inc., WC Docket No. 19-248 (filed Sept. 5, 2019). [↑](#footnote-ref-6)
5. The Board of Regents of the University of Texas System also holds a 17.8% interest in GCOF II Co-Invest (RC). The general partner of GCOF II Co-Invest (RC) is GCOF II Co-Invest GenPar, LLC (GCOF II Co-Invest GenPar), a Delaware entity. [↑](#footnote-ref-7)
6. Applicants state that no other individual or entity will hold a 10% or greater interest in GCOF II (RC), GCOF II Co-Invest (RC), GCO Fund II, or Ritter Holdings. [↑](#footnote-ref-8)
7. 47 CFR § 63.03(b)(2)(iii). [↑](#footnote-ref-9)