**DA 19-983**

**September 30, 2019**

**DOMESTIC SECTION 214 APPLICATION FILED FOR THE TRANSFER OF CONTROL OF U.S. TELEPACIFIC HOLDINGS CORP. AND ITS SUBSIDIARIES TO**

**TANGO PRIVATE HOLDINGS II, LLC**

**NON-STREAMLINED PLEADING CYCLE ESTABLISHED**

**WC Docket No. 19-248**

**Comments Due: October 14, 2019**

**Reply Comments Due: October 21, 2019**

By this Public Notice, the Wireline Competition Bureau seeks comment from interested parties on an application filed by U.S. TelePacific Holdings Corp. (TPx Holdings), Arrival Communications, Inc. (Arrival), DSCI, LLC (DSCI), Mpower Communications Corp. (Mpower), TPx Communications Co. (TCC), U.S. TelePacific Corp. (TelePacific, together with Arrival, DSCI, Mpower, and TCC, the Licensees), and Tango Private Holdings II, LLC (Tango) (collectively, 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 TPx Holdings and the Licensees to Tango.[[1]](#footnote-3)

TPx Holdings, a Delaware corporation, wholly owns the Licensees, which are all U.S.-based and provide facilities-based competitive telecommunications services to small-to-medium sized businesses in multiple states.[[2]](#footnote-4) Arrival provides services in California; DSCI provides services in California, Connecticut, District of Columbia, Florida, Georgia, Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Texas, and Vermont; Mpower provides services in California and Nevada; TCC provides services in Texas; and TelePacific provides services in California, Nevada, and New Mexico.

Tango, a Delaware limited liability company, was formed for the purpose of acquiring TPx Holdings and is an affiliate of Siris Capital Group, LLC, a U.S. based investment firm. Tango, through various intermediate holding companies, is indirectly wholly owned by Tango Private Investments, LLC (Tango Private Investments), a Delaware limited liability company. The following four general partners, each Delaware entities, hold interests in Tango Private Investments: Siris Partners III, L.P. (37.99%); Siris Partners III Parallel, L.P (8.25%); Siris Partners IV, L.P. (30.89%); and Siris Partners IV Parallel, L.P. (14.77%). The general partner for both Siris Partners III, L.P. and Siris Partners III Parallel, L.P is Siris Partners GP III, L.P., a Delaware limited partnership, which, in turn, is wholly owned by Siris GP Holdco III, LLC, a Delaware limited liability company. The general partner for both Siris Partners IV, L.P. and Siris Partners IV Parallel, L.P. is Siris Partners GP IV, L.P., a Delaware limited partnership, which, in turn, is wholly owned by Siris GP Holdco IV, LLC., a Delaware limited partnership. Tango is ultimately controlled on a day-to-day basis by Frank Baker, Peter Berger, and Jeffrey Hendren, each U.S. citizens.[[3]](#footnote-5)

Pursuant to the terms of the proposed transaction, Tango Private Merger Sub, Inc. (Merger Sub), a Delaware corporation and direct wholly owned subsidiary of Tango, will merge with and into TPx Holdings, at which point Merger Sub will cease to exist with TPx Holdings surviving the merger. TPx Holdings will therefore be a direct, wholly owned subsidiary of Tango, and the Licensees will be indirect, wholly owned subsidiaries of Tango. Because the transaction is more complex than usual, and in order to analyze whether the proposed transaction would serve the public interest, the application will not be streamlined.[[4]](#footnote-6)

Domestic Section 214 Application Filed for the Transfer of Control of

U.S. TelePacific Holdings Corp. and its Subsidiaries to Tango Private Holdings II, LLC, WC Docket No. 19-248 (filed Sept. 5, 2019).

**GENERAL INFORMATION**

The application identified herein has been found, upon initial review, to be acceptable for filing. The Commission reserves the right to return any 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 petitions **on or** **before October 14, 2019,** and reply comments or oppositions to petitions **on or before October 21, 2019**. Comments may be filed using the Commission’s Electronic Comment Filing System (ECFS) or by paper.  All filings must be addressed to the Commission’s Secretary, Office of the Secretary, Federal Communications Commission.

* Electronic Filers:  Comments may be filed electronically by accessing ECFS at <http://apps.fcc.gov/ecfs/>.
* Paper Filers:  Parties who choose to file by paper must file an original and one copy of each filing.  Paper filings can be sent by hand or messenger delivery, by commercial overnight courier, or by first-class or overnight U.S. Postal Service mail.
  + All hand-delivered or messenger-delivered paper filings for the Commission’s Secretary must be delivered to FCC Headquarters at 445 12th St., SW, Room TW-A325, Washington, DC, 20554.  The filing hours are 8:00 a.m. to 7:00 p.m.  All hand deliveries must be held together with rubber bands or fasteners.  All envelopes and boxes must be disposed of before entering the building.
  + Commercial overnight mail (other than U.S. Postal Service Express Mail and Priority Mail) must be sent to 9050 Junction Drive, Annapolis Junction, MD, 20701.
  + U.S. Postal Service first-class, Express, and Priority mail must be addressed to 445 12th Street, SW, Washington DC, 20554.

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 and Governmental Affairs Bureau at 202-418-0530 (voice), 1-888-835-5322 (tty).

**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](mailto:tracey.wilson@fcc.gov);
2. Gregory Kwan, Competition Policy Division, Wireline Competition Bureau, [gregory.kwan@fcc.gov](mailto:gregory.kwan@fcc.gov);
3. David Krech, International Bureau, [david.krech@fcc.gov](mailto:david.krech@fcc.gov);
4. Sumita Mukhoty, International Bureau, [sumita.mukhoty@fcc.gov](mailto:sumita.mukhoty@fcc.gov); and
5. Jim Bird, Office of General Counsel, [jim.bird@fcc.gov](mailto: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.

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.[[5]](#footnote-7) 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 Tracey Wilson at (202) 418-1394 or Gregory Kwan at (202) 418-1191.

**FCC**

1. *See* 47 U.S.C. § 214; 47 CFR §§ 63.03-04. Applicants also filed applications for the transfer of authorizations associated with international services and intend to file applications for the transfer of wireless authorizations. On September 24, 2019, Applicants filed a supplement to their domestic section 214 application. Any action on the domestic section 214 application is without prejudice to Commission action on other related, pending applications. [↑](#footnote-ref-3)
2. Applicants state that no foreign equity holder would individually own 10% or more of Licensees post-transaction. Currently, the following entities own or control 10% or more of TPx Holdings: Investcorp S.A. (41.7%), a Cayman Islands investment entity, and Clarity Partners, L.P., a U.S. based investment entity (23.97%). Investcorp S.A. is ultimately controlled by SIPCO Holdings Limited, a Cayman Islands entity, that is managed by six members with citizenships from the following countries: Qatar, Bahrain, Oman, Kuwait, and the United Kingdom. Applicants state that, upon closing, TPx Holdings’ current equity holders will collectively and indirectly hold a class of junior equity in an indirect parent company of Tango through Tango Qualified Stockholder Holdings, LLC, a Delaware limited liability company, with no right to a board seat, no special or redemption rights, and no individual or entity holding a 10% or greater indirect interest in TPx Holdings. In addition to Licensees, TPx Holdings indirectly wholly owns NextWeb, Inc., a California corporation, which holds FCC wireless authorizations, and ICG ChoiceCom L.P., a Delaware limited partnership, which provides competitive telecommunications services to its only customer, TCC, in Texas. Applicants provide in their application charts depicting the pre and post-transaction ownership structure of the proposed transaction. [↑](#footnote-ref-4)
3. Mr. Baker, Mr. Berger, and Mr. Hendren are the members who ultimately control Siris GP Holdco III, LLC and Siris GP Holdco IV, LLC. Applicants state that Tango and its 10% or greater owners upstream do not have any 10% or greater ownership interest in any other telecommunications provider. [↑](#footnote-ref-5)
4. 47 CFR § 63.03(c)(1)(v). [↑](#footnote-ref-6)
5. *See* 47 CFR § 1.45(c). [↑](#footnote-ref-7)