



PUBLIC NOTICE

Federal Communications Commission
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DA 20-1063
September 10, 2020

DOMESTIC SECTION 214 APPLICATION FILED FOR THE TRANSFER OF CONTROL OF OTELCO, INC. AND ITS SUBSIDIARIES TO FUTURE FIBER FINCO, INC.

NON-STREAMLINED PLEADING CYCLE ESTABLISHED

WC Docket No. 20-275

Comments Due: September 24, 2020
Reply Comments Due: October 1, 2020

By this Public Notice, the Wireline Competition Bureau seeks comment from interested parties on an application filed by Otelco Inc. (Otelco) and Future Fiber FinCo, Inc. (Future Fiber) (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 Otelco Inc. and its subsidiaries to Future Fiber.¹

Otelco, a publicly traded Delaware corporation and holding company, provides, through the following subsidiaries, telecommunications services in Alabama, Maine, Massachusetts, Missouri, New Hampshire, Vermont, and West Virginia (the following carriers, collectively, the Licensees): Blountsville Telephone LLC, Brindle Mountain Telephone LLC, Hopper Telecommunications LLC, and Otelco Telephone LLC, each rural incumbent local exchange carriers (LECs) serving Alabama; Mid-Maine Telecom LLC, Pine Tree Telephone LLC (Pine Tree), and Saco River Telephone LLC (Saco River), each rural incumbent LECs serving Maine; Granby Telephone LLC, a rural incumbent LEC and interexchange carrier serving Massachusetts; Otelco Mid-Missouri LLC (OMM), a rural incumbent LEC and interexchange carrier serving Missouri; Shoreham Telephone LLC, a rural incumbent LEC serving Vermont; War Telephone LLC, a rural incumbent LEC and interexchange carrier serving West Virginia; CRC Communications LLC, a competitive LEC and interexchange carrier serving Maine, Massachusetts, Missouri, New Hampshire, and Vermont; Mid-Maine Telplus LLC, a competitive LEC and interexchange carrier serving Maine; and Otelco

¹ See 47 U.S.C. § 214; 47 CFR §§ 63.03-04. Application to Transfer Indirect Control of the Subsidiaries of Otelco Inc. to Future Fiber FinCo, Inc., WC Docket No. 20-275 (filed Aug. 25, 2020) (Application). Applicants also filed applications for the transfer of authorizations associated with international and wireless authorizations. On September 3, 2020, Applicants filed a supplement to their domestic section 214 application. Letter from Brett P. Ferenchak, Counsel to Future Fiber FinCo, Inc., to Marlene H. Dortch, Secretary, FCC (Sept. 3, 2020) (on file in WC Docket No. 20-275) (Supplement). Any action on this domestic section 214 application is without prejudice to Commission action on other related, pending applications.

Telecommunications LLC, a toll reseller and cable provider in Alabama and interexchange carrier serving Missouri, Vermont, and West Virginia.²

Future Fiber, a newly formed Delaware corporation created for the purpose of completing the proposed transaction, is primarily owned and controlled by funds and entities affiliated with Oak Hill Capital Management (Oak Hill), a private equity fund based in the United States but whose funds are organized in the Cayman Islands.³ Future Fiber is indirectly wholly owned by Future Fiber Parent, L.P. (FF-Parent), a Delaware limited partnership, which in turn is owned by five different Oak Hill Capital Partners V limited partners (collectively, the Oak Hill V Entities), each Cayman Islands entities.⁴ The general partner for the Oak Hill V Entities is OHCP GenPar V, L.P. (GenPar V), a Cayman Islands entity which, in turn, has two limited partners, OHCP GenPar Holdco, L.P. (GenPar Holdco) (holding 82.9% of GenPar V) and Oak Hill Reserve V (Cayman), L.P. (Reserve V) (holding 10.62% of GenPar V), both Cayman Islands entities.⁵ The general partner for GenPar Holdco is OHCP GenPar Super Holdco, L.P. (GenPar Super Holdco) (holding 85.5% of

² Application at Exh. A (List of Licensees). Otelco Telephone LLC, Pine Tree, and Saco River also provide interexchange services. In addition, Internet Services LLC, a subsidiary of OMM, holds multiple wireless licenses.

³ Applicants state that the equity in the Oak Hill Capital Management funds are held through limited partnership interests held by numerous, primarily U.S.-based investors, including individuals, trusts, institutions, and business entities and that control of these funds ultimately rests in U.S. entities or citizens. Applicants further state that, through related Oak Hill funds, Future Fiber is affiliated with Clarity Telecom, LLC d/b/a Vast Broadband (Clarity) and its subsidiary NTS Communications, LLC d/b/a Vexus (NTS), Metro FiberNet, LLC (MetroNet), CMN-RUS, Inc. (CMNRUS), and Jaguar Communications (Jaguar). Clarity is an incumbent LEC providing service in South Dakota and a competitive LEC providing service in Minnesota and South Dakota. Clarity also currently holds a wireless license and also operates cable systems in certain communities of Minnesota and South Dakota. NTS is authorized to provide facilities-based and/or resold telecommunications services in Arizona (interexchange only), Louisiana, New Mexico, Oklahoma (interexchange only), and Texas and also operates cable systems in certain communities in Louisiana and Texas. MetroNet provides competitive telecommunications services in Florida, Illinois, Indiana, Iowa, Kentucky, Michigan, Minnesota, North Carolina, and Ohio. CMN-RUS provides competitive telecommunications services in Indiana and Kentucky. Jaguar provides competitive telecommunications services in certain areas of Minnesota. Applicants state that the service territories of the Licensees are not adjacent to and do not overlap with the service territories of Clarity, NTS, MetroNet, CMN-RUS, or Jaguar.

⁴ Specifically, the following Oak Hill V Entities hold interests in FF-Parent: Oak Hill Capital Partners V (Offshore 892), L.P. (16.3%); Oak Hill Capital Partners V (Onshore), L.P. (45.6%); Oak Hill Capital Partners V (Onshore Tax Exempt), L.P. (8.1%); Oak Hill Capital Partners V (Offshore), L.P. (26.7%); and Oak Hill Capital Partners V (Management), L.P. (3.4%). The general partner for FF-Parent is Future Fiber GenPar, LLC, a Delaware limited liability company. Applicants provide more detailed information in their application about these and other entities holding a 10% or greater direct or indirect interest in FF-Parent in their application, including pre and post-transaction ownership charts. Application at 9-13 and Exh. B (Current and Post Transaction Organizational Structure of Otelco).

⁵ Applicants state that the general partner for GenPar V and Reserve V is OHCP MGP V, Ltd. (MGP V), a Cayman Islands entity. Reserve V has the following three limited partners, each U.S. citizens: Brian Cherry, Steven G. Puccinelli, and Taylor Wolfram. Applicants further state that MGP V has twelve equal shareholders, each U.S. citizens, none of which has a 10% or greater ownership interest in MGP V, however, the following shareholders are attributed more than 10% indirect interest in Future Fiber through their ownership in MGP V and other entities as described in the Application and Supplement: Scott A. Baker, Brian Cherry, Benjamin Diesbach, Stratton R. Heath, III, John R. Monsky, Steven G. Puccinelli, and Tyler Wolfram (these seven individuals, collectively, the Seven Oak Hill V Shareholders).

GenPar Holdco), a Cayman Islands entity, and the sole limited partner is SR Warehouse LLC (SR Warehouse) (holding 14.5% of GenPar Holdco), a Delaware entity.⁶ GenPar Super Holdco is ultimately controlled by three shareholders, each U.S. citizens, and SR Warehouse is ultimately owned and controlled by Jefferies Financial Group, Inc. (Jefferies), a publicly traded Delaware corporation.⁷

Pursuant to the terms of the proposed transaction, Olympus Merger Sub, Inc. (Olympus), a Delaware corporation and direct, wholly owned subsidiary of Future Fiber created for this transaction, will merge with and into Otelco where upon the separate corporate existence of Olympus will cease, and Otelco will continue as the surviving entity. As a result, Otelco will be a direct wholly owned subsidiary of Future Fiber, and the Licensees will be indirect, wholly owned subsidiaries of Future Fiber. Applicants assert that a grant of the application would serve the public interest, convenience, and necessity. Because the transaction is more complex than usual, in order to analyze whether the proposed transaction would serve the public interest, this application will not be streamlined.⁸

Domestic Section 214 Application Filed for the Transfer of Control of
Otelco, Inc. and its Subsidiaries to Future Fiber FinCo, Inc., WC Docket No. 20-275
(filed Aug. 25, 2020).

Referral to Executive Branch Agencies. Through this Public Notice, pursuant to Commission practice, this application for transfer of domestic section 214 authority and the associated international section 214 applications, ITC-T/C-20200825-00161, ITC-T/C-20200825-00162, ITC-T/C-20200825-00160, ITC-T/C-20200825-00163, ITC-T/C-20200825-00164, are being referred to the relevant Executive Branch agencies for their views on any national security, law enforcement, foreign policy or trade policy concerns related to the foreign ownership of the Applicants.⁹

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.

⁶ Applicants state that GenPar Super Holdco has eight limited partners (a Delaware limited liability company that holds less than 1% of GenPar Super Holdco and the Seven Oak Hill V Shareholders).

⁷ Applicants state that the general partner for GenPar Super Holdco is OHCP GenPar Super Holdco GP, Ltd., a Cayman Islands entity, and that GenPar Super Holdco is owned and controlled by Brian Cherry, Steven G. Puccinelli, and Tyler Wolfram. Applicants further state that no shareholder in Jefferies is attributed a 10% or greater interest in Future Fiber through its ownership in Jefferies. Except for the domestic telecommunications carriers identified in the Application as being affiliated with Future Fiber, Applicants state that none of the individuals nor entities listed in the Supplement hold a 10% or greater interest in any other domestic telecommunications service provider, and that, to their knowledge, SR Warehouse, JFG Funding LLC, and Jefferies do not hold a 10% or greater interests in any other domestic telecommunications service provider.

⁸ 47 CFR § 63.03(c)(1)(v).

⁹ See *Rules and Policies on Foreign Participation in the U.S. Telecommunications Market; Market Entry and Regulation of Foreign-Affiliated Entities*, IB Docket Nos. 97-142 and 95-22, Report and Order and Order on Reconsideration, 12 FCC Rcd 23891, 23918-19, paras. 61-63 (1997) (*Foreign Participation Order*), recon. denied, 15 FCC Rcd 18158 (2000).

Interested parties may file comments and petitions **on or September 24, 2020** and reply comments or oppositions to petitions **on or before October 1, 2020**. 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. If more than one docket or rulemaking number appears in the caption of this proceeding, filers must submit two additional copies for each additional docket or rulemaking number.
 - Filings can be sent by commercial overnight courier or by first-class or overnight U.S. Postal Service mail.¹⁰ All filings must be addressed to the Commission's Secretary, Office of the Secretary, Federal Communications Commission.
 - 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;
- 2) Gregory Kwan, Competition Policy Division, Wireline Competition Bureau, gregory.kwan@fcc.gov;
- 3) Sumita Mukhoty, Policy Division, International Bureau, sumita.mukhoty@fcc.gov;
- 4) David Krech, Policy Division, International Bureau, david.krech@fcc.gov;

¹⁰ In response to the COVID-19 pandemic, the FCC has closed its current hand-delivery filing location at FCC Headquarters. We encourage outside parties to take full advantage of the Commission's electronic filing system. Any party that is unable to meet the filing deadline due to the building closure may request a waiver of the comment or reply comment deadline, to the extent permitted by law. *FCC Announces Closure of FCC Headquarters Open Window and Change in Hand-Delivery Filing*, Public Notice, DA 20-304 (rel. Mar. 19, 2020). <https://www.fcc.gov/document/fcc-closes-headquarters-open-window-and-changes-hand-delivery-policy>.

- 5) Linda Ray, Broadband Division, Wireless Telecommunications Bureau, linda.ray@fcc.gov; and
- 6) 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.

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.¹¹ 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.

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¹¹ See 47 CFR § 1.45(c).