



PUBLIC NOTICE

Federal Communications Commission
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DA 20-1380
November 20, 2020

DOMESTIC SECTION 214 APPLICATION FILED FOR THE TRANSFER OF CONTROL OF CLARITY TELECOM, LLC TO GI DI RUSHMORE TOPCO LLC

STREAMLINED PLEADING CYCLE ESTABLISHED

WC Docket No. 20-371

Comments Due: December 4, 2020

Reply Comments Due: December 11, 2020

By this Public Notice, the Wireline Competition Bureau seeks comment from interested parties on an application filed by Python Holdings, L.P. (Python Holdings), Clarity Telecom, LLC (Clarity), and GI DI Rushmore Topco LLC (GI DI) (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 Clarity to GI DI.¹

Clarity, a Delaware limited liability company doing business under the brand, Vast Broadband, provides service as an incumbent local exchange carrier (LEC) in South Dakota and is authorized to provide competitive LEC and/or interexchange services in Minnesota and South Dakota.²

GI DI, a Delaware limited liability company, does not itself provide telecommunications services but was created for the purpose of completing the proposed transaction. Applicants state that GI DI is affiliated with the following competitive providers, all Delaware entities: Flexential Corp., a reseller providing service in Florida, Georgia, Kentucky, North Carolina, Ohio, Tennessee, and Virginia; Single Digits, Inc., a provider of interconnected Voice over Internet Protocol (VoIP) services in all 50 states, the District of Columbia, and Puerto Rico; Blue Stream Communications LLC, a provider of interconnected VoIP services in Florida; and ITS Telecommunications Systems, Inc., a Delaware limited liability company, that provides communications, cable television, video, and broadband services in Florida.³ GI DI is wholly owned by GI DI Rushmore Parent (Rushmore

¹ See 47 U.S.C. § 214; 47 CFR §§ 63.03-04. Applicants also filed applications for the transfer of authorizations associated with international and wireless authorizations. On November 18, 2020 and November 19, 2020, Applicants filed supplements 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.

² Applicants state that Clarity also operates cable systems in certain communities in Minnesota and South Dakota.

Parent), which, in turn, is wholly owned by GI DI Rushmore Holdings LP (Rushmore Holdings).⁴ Rushmore Holdings is owned and is controlled by two private equity funds, GI Partners Data Infrastructure Fund LP (GI DI Fund) (28.3%) and GI Partners Data Infrastructure Fund-A LP (54%) (GI DI Fund-A) (together, GI Partners)⁵ and another limited partner, Rushmore Opportunity LP (Rushmore Opportunity) (17.7%).⁶ Applicants state that GI GP DI LP (GI GP) holds all the voting interests of GI DI Fund, GI DI Fund-A, and Rushmore Opportunity LP, as the general partner of each those entities. GI GP is indirectly held and ultimately managed by GI Manager LLC (GI Manager). GI Manager LLC is controlled by Rick Magnuson, a U.S. citizen, as Trustee of the Magnuson Living Trust, a California trust that is the Managing Member of GI Manager.⁷

Pursuant to the terms of the proposed transaction and a Securities Purchase Agreement dated October 13, 2020, between NTS Communications, LLC (NTS), GI DI, Python Holdings, and Python Intermediate I, LLC (Python Intermediate), GI DI will purchase the equity interests of Python Intermediate and its subsidiaries, except for NTS, which is currently a subsidiary of Clarity.⁸ As a result, Clarity will become a wholly owned, indirect subsidiary of GI DI. Applicants request streamlined treatment of the proposed transaction under the Commission's rules and assert that a grant of the application would serve the public interest, convenience, and necessity. We accept this application for filing under sections 63.03(b)(2)(ii) of the Commission's rules.⁹

Domestic Section 214 Application Filed for the Transfer of Control of
Clarity Telecom, LLC to GI DI Rushmore Topco LLC, WC Docket No. 20-371
(filed Nov. 9, 2020).

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

³ Applicants further state that other than what is disclosed in the application, no upstream entity sitting above GI DI holds a 10% or greater interest in any provider of domestic telecommunications services.

⁴ All entities sitting above GI DI, with the exception of the Magnuson Living Trust, are Delaware entities. Applicants state that, post consummation, no foreign entity will hold, directly or indirectly, a 10% or greater interest in Clarity.

⁵ Applicants state that the equity in GI Partners funds is held through passive limited (and insulated) partnership interests and include U.S.-based public and private pension plans, financial institutions, investments management firms and foundations. Control of these GI Partners funds ultimately rests in U.S. entities and citizens.

⁶ The California State Teachers' Retirement System, a California entity, holds all the equity of Rushmore Opportunity.

⁷ The sole beneficiaries of the Magnuson Living Trust are Richard Magnuson, Allison Magnuson, Taylor Magnuson, and Scott Magnuson, each a U.S. citizen.

⁸ Applicants state that, prior to closing, they will complete a pro forma transfer of control of NTS from Clarity to Python Holdings so that the NTS entity will be spun out from Clarity ownership and become a direct subsidiary of Python Holdings. NTS will not be transferred to GI DI.

⁹ 47 CFR § 63.03(b)(2)(ii).

Commission's rules, 47 CFR § 63.03(a), interested parties may file comments **on or before December 4, 2020**, and reply comments **on or before December 11, 2020**. 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) Sumita Mukhoty, Policy Division, International Bureau, sumita.mukhoty@fcc.gov;
- 4) David Krech, Policy Division, International Bureau, david.krech@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.

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.¹⁰ 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.

¹⁰ See 47 CFR § 1.45(c).

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

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