Federal Communications Commission 45 L St., N.E. Washington, D.C. 20554

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> DA 20-1493 December 16, 2020

# SECTION 214 APPLICATIONS FILED FOR THE TRANSFER OF CONTROL OF SUBSIDIARIES OF RADIATE HOLDINGS, L.P. TO STONEPEAK ASSOCIATES IV LLC

#### PLEADING CYCLE ESTABLISHED

WC Docket No. 20-407

Comments Due: December 30, 2020 Reply Comments Due: January 6, 2021

By this Public Notice, the Wireline Competition Bureau and International Bureau (together, Bureaus) seek comment from interested parties on an application filed by Radiate Holdings, L.P. (Radiate); RCN Telecom Services (Lehigh) LLC (RCN Lehigh); RCN Telecom Services of Philadelphia, LLC (RCN Philadelphia); RCN Telecom Services of New York, LP (RCN New York); RCN Telecom Services of Massachusetts, LLC (RCN Massachusetts); RCN Telecom Services of Illinois, LLC (RCN Illinois); Starpower Communications, LLC (Starpower, together with RCN Lehigh, RCN Philadelphia, RCN New York, RCN Massachusetts, and RCN Illinois, RCN); Grande Communications Networks, LLC (Grande); Astound Broadband LLC; Astound Phone Service, LLC (together with Astound Broadband LLC, Astound); ETS Telephone Company, Inc.; ETS Cablevision, Inc. (together, with ETS Telephone Company, Inc., En-Touch) (Authority Holders); and Stonepeak Associates IV LLC (Stonepeak) (collectively, Applicants), pursuant to section 214 of the Communications Act of 1934, as amended, and sections 63.03-04, 63.18, and 63.24 of the Commission's rules requesting approval to transfer control of the Authority Holders from Radiate to Stonepeak.<sup>1</sup>

Radiate Holdings, a Delaware limited partnership, serves as the common parent entity for the Authority Holders.<sup>2</sup> The Authority Holders provide cable, competitive telecommunications, and broadband services to over one million customers in multiple states and the District of Columbia.<sup>3</sup> Specifically, RCN Lehigh and RCN Philadelphia provide services in Pennsylvania; RCN New York

<sup>&</sup>lt;sup>1</sup> See 47 U.S.C. § 214; 47 CFR §§ 63.03-04, 63.18, 63.24. Consolidated Application for Consent to Transfer Control of Section 214 Authority, WC Docket No. 20-407 (filed Dec. 2, 2020) (Application). As referenced in Attachment A to this Public Notice, Applicants have filed domestic and international section 214 applications. Applicants also separately filed applications for the transfer of wireless, earth station and CARS licenses. *See* Application at 19. Any action on these section 214 applications is without prejudice to Commission action on other related, pending applications.

<sup>&</sup>lt;sup>2</sup> *Id*. at 4.

<sup>&</sup>lt;sup>3</sup> *Id.* at 5.

provides services in New York and New Jersey; RCN Massachusetts provides services in Massachusetts; RCN Illinois provides services in Illinois; Starpower, which operates under the RCN name, provides services in the District of Columbia, Maryland, and Virginia; Grande and En-Touch provide services in Texas; and Astound provides services in California, Oregon, and Washington.<sup>4</sup> Radiate Holdings GP, LLC (Radiate GP), a Delaware partnership, is the general partner of Radiate. The sole member of Radiate GP is TPG Advisors VII, Inc. (TPG Advisors), a Delaware investment fund owned and controlled by the principals of TPG Global, LLC (TPG), David Bonderman and James G. Coulter, both U.S. citizens.<sup>5</sup>

Stonepeak, a Delaware limited liability company, is affiliated with U.S.-based private equity funds managed by Stonepeak Infrastructure Partners (Stonepeak Partners), which owns ExteNet Systems, Inc. (ESI).<sup>6</sup> ESI and its subsidiaries (ExteNet) own and operate networks used by wireless service providers in North America.<sup>7</sup> ExteNet holds authorizations to provide intrastate services in the District of Columbia and every state except Alaska, Maine, North Dakota, Vermont, West Virginia, and Wyoming.<sup>8</sup> Stonepeak is indirectly held and controlled by Michael Dorrell, a U.S. and Australia citizen.<sup>9</sup>

Pursuant to the terms of the Agreement and Plan of Merger (Agreement), Applicants will undertake the proposed transaction through a set of substantially simultaneous mergers. First, control of the Authority Holders will continue to be exercised indirectly through Radiate GP, however, upon consummation of the proposed transaction, the sole member of Radiate GP will change from TPG Advisors to Stonepeak.<sup>10</sup> Stonepeak will have the right to appoint a majority of the directors of the Radiate GP Board and will control Radiate GP and, in turn, the Authority Holders.<sup>11</sup> Second, the current and indirect equity holders of Radiate Holdings will transfer their indirect interests in the Authority Holders, specifically, their limited partnership interests in Radiate Holdings, to two Stonepeak-affiliated entities: Stonepeak Tiger Holdings I LLC, a Delaware limited liability company (Tiger Holdings I), and

<sup>&</sup>lt;sup>4</sup> *Id.* at 5. The Bureaus have recently granted section 214 applications for the acquisition by Radiate Holdings of Digital West Holdings, Inc. and its wholly owned subsidiaries, Digital West Networks, Inc., Norcast Communications Corporation, and Blue Rooster Telecom, Inc. (collectively, Digital West), all of which provide competitive telecommunications services in California. Applicants expect that the transaction will close in the near future and also request approval to a transfer of control of Digital West to Stonepeak. *Id.* at n.3 (citing *International Authorizations Granted; Section 214 Applications (47 C.F.R. §§ 63.18, 63.24); Section 310(b) Petitions (47 C.F.R. § 1.5000)*, Public Notice, DA No. 20-1276 (IB, Oct. 29, 2020); *Notice of Domestic Section 214 Authorization Granted*, WC Docket. No. 20-325, Public Notice, DA 20-1328 (WCB, Nov. 9, 2020)).

<sup>&</sup>lt;sup>5</sup> Application at 4.

<sup>&</sup>lt;sup>6</sup> *Id*. at 5-7.

<sup>&</sup>lt;sup>7</sup> *Id.* at 6. ESI subsidiaries that are authorized to provide intrastate telecommunications services in one or more state are ExteNet Systems (California) LLC, ExteNet Systems (Virginia) LLC, ESI Advances Wireless Networks, LLC, ExteNet Systems (New York), Inc., Telecommunications Properties, Inc., and Hudson Fiber Networks, Inc. (Hudson Fiber). *Id.* at 6-7.

<sup>&</sup>lt;sup>8</sup> *Id*.

<sup>&</sup>lt;sup>9</sup> Applicants provided a description of the intervening Delaware entities holding equity or voting interests in Radiate Holdings. *Id.* at Attach. 2 (Transferees and Authority Holders Post-Close Ownership Interests).

<sup>&</sup>lt;sup>10</sup> *Id*. at 8.

<sup>&</sup>lt;sup>11</sup> *Id*.

Stonepeak Tiger Holdings II Sub LLC, a Delaware limited liability company (Tiger Holdings II), which, together with Stonepeak, will be under the common indirect control of Michael Dorrell. 12

Applicants assert that a grant of the application would serve the public interest, convenience, and necessity. They state that Stonepeak's investment will allow the Authority Holders to expand their network and services while continuing to serve existing customers under the same rates, terms, and conditions. According to Applicants, the proposed transaction will not adversely affect telecommunications competition in any domestic or U.S. international market. 15

## **GENERAL INFORMATION**

The applications 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 December 30, 2020 and reply comments or oppositions to petitions on or before January 6, 2021. 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 one additional copy 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.<sup>16</sup> All filings must be addressed to the Commission's Secretary, Office of the Secretary, Federal Communications Commission.

<sup>&</sup>lt;sup>12</sup> *Id.* at 8. For a period of up to 75 days after the signing of the Agreement, TPG has the right to elect to make, at the consummation of the proposed transaction, an investment in Tiger Holding I and Stonepeak Tiger Holdings II LP (the parent entity of Tiger Holdings II) of up to \$750 million through one or more investment funds controlled by TPG (TPG Investment Right). *Id.* at 9. Applicants state that if TPG exercises the TPG Investment Right and an investment is made through the TPG Fund up to the limit, the controlling entity of Radiate GP and the ownership structure of Stonepeak will not change. *Id.* Applicants state that Stonepeak is also exploring further syndicating a portion of its equity interest in Radiate Holding to other co-investors. *Id.* at 10. Applicants state that no such co-investment will change the proposed controlling entity of Radiate GP or affect the ownership structure of Stonepeak. *Id.* 

<sup>&</sup>lt;sup>13</sup> *Id.* at 3, 12-14.

<sup>&</sup>lt;sup>14</sup> *Id*.

<sup>&</sup>lt;sup>15</sup> *Id.* at 3, 14.

<sup>&</sup>lt;sup>16</sup> 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

• 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.

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) Dennis Johnson, Competition Policy Division, Wireline Competition Bureau, dennis.johnson@fcc.gov;
- 2) Sumita Mukhoty, Telecommunications & Analysis Division, International Bureau, <a href="mailto:sumita.mukhoty@fcc.gov">sumita.mukhoty@fcc.gov</a>; and
- 3) Jim Bird, Office of General Counsel, jim.bird@fcc.gov.

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.<sup>17</sup> 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.

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.

<sup>&</sup>lt;sup>17</sup> See 47 CFR § 1.45(c).

For further information, please contact Dennis Johnson, Wireline Competition Bureau, (202) 418-0809; Sumita Mukhoty, International Bureau, (202) 418-7165.

## **ATTACHMENT A**

## **SECTION 214 AUTHORIZATIONS**

## A. International

The applications for consent to the transfer of control of certain international section 214 authorizations have been assigned the file numbers listed below.

<u>File Number</u>	Authorization Holder	<u>Authorization Number</u>
ITC-T/C-20201202-00196 ITC-T/C-20201202-00197 ITC-T/C-20201202-00198	ETS Telephone Company Astound Broadband, LLC RCN Telecom Services of Illinois, LLC	ITC-214-19960311-00007 ITC-214-20050701-00565 ITC-214-19980731-00532
ITC-T/C-20201202-00199 ITC-T/C-20201202-00200 ITC-T/C-20201202-00201	Starpower Communications, LLC Grande Communications Networks, LLC RCN Telecom Services (Lehigh) LLC	ITC-214-19980116-00024 ITC-214-20001108-00651 ITC-214-19961004-00490 ITC-214-19970717-00411 ITC-214-19970723-00430 ITC-214-19981002-00679
ITC-T/C-20121202-00202	RCN Telecom Services of Philadelphia, LLC	ITC-214-19970707-00379
ITC-T/C-20201212-00203 ITC-T/C-20201212-00205 ITC-T/C-20201202-00206	RCN Telecom Services of New York, LP Astound Phone Services, LLC RCN Telecom Services of Massachusetts, Inc.	ITC-214-19970707-00384 ITC-214-20171016-00172 ITC-214-19971027-00661

## B. Domestic

Applicants filed an application to transfer control of domestic section 214 authority in connection with the proposed transaction. In light of the multiple applications pending before the Commission with respect to this transaction and the public interest review associated with them, the domestic transfer of control application is not subject to streamlined treatment.<sup>18</sup>

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<sup>&</sup>lt;sup>18</sup> 47 CFR § 63.03.