



PUBLIC NOTICE

Federal Communications Commission
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DA 20-198
February 27, 2020

DOMESTIC SECTION 214 APPLICATION FILED FOR THE TRANSFER OF CONTROL OF JAGUAR COMMUNICATIONS, INC. TO METRONET HOLDINGS, LLC

STREAMLINED PLEADING CYCLE ESTABLISHED

WC Docket No. 20-37

Comments Due: March 12, 2020
Reply Comments Due: March 19, 2020

By this Public Notice, the Wireline Competition Bureau seeks comment from interested parties on an application filed by James T. Ward, as the representative of all of the interest holders of Provincial Real Estate Holdings, LLC (Provincial), and MetroNet Holdings, LLC (MetroNet Holdings) (collectively Applicants), pursuant to section 214 of the Communications Act of 1934, as amended, and sections 63.03-04 of the Commission's rules,¹ requesting approval to transfer control of Jaguar Communications, Inc. (Jaguar) to MetroNet Holdings.²

James T. Ward, a U.S. citizen, individually holds a 39% equity interest and a 75% voting interest in Provincial, a Minnesota limited liability company. Provincial is a holding company that wholly owns Jaguar, a competitive local exchange carrier (LEC) that provides telecommunications services in Minnesota.³ Jaguar constructed facilities that pass end user premises in the following

¹ See 47 U.S.C. § 214; 47 CFR §§ 63.03-04. Applicants also filed an application for the transfer of authorizations associated with international services. Any action on this domestic section 214 application is without prejudice to Commission action on other related, pending applications.

² Jaguar subsequently filed three applications for prior unauthorized transactions. Jaguar Communications, Inc. and Provincial Real Estate Holdings, LLC, Application to Transfer Control, WC Docket No. 20-47 (filed Feb. 19, 2020); Joint Application to Transfer Control of Jaguar Communications, Inc. from Provincial Real Estate Holdings, LLC to James T. Ward, WC Docket No. 20-48 (filed Feb. 19, 2020); Application for Assignment of Assets of St. Olaf College to Jaguar Communications, Inc., WC Docket No. 20-49 (filed Feb. 19, 2020). On February 25, 2020, WCB granted requests for Special Temporary Authority for a period of 60 days to allow Jaguar to provide uninterrupted service to customers during the pendency of those applications. A grant of the applications would be without prejudice to any enforcement action by the Commission for non-compliance with the Act or the Commission's rules.

³ Jaguar is an Eligible Telecommunications Carrier that is authorized to provide lifeline-support residential telephone services to qualifying low-income residential consumers in Minnesota.

counties in Minnesota: Blue Earth, Carver, Dakota, Dodge, Freeborn, Goodhue, Hennepin, Le Sueur, McLeod, Mower, Nicollet, Olmsted, Rice, Scott, Sibley, Steele, and Waseca.

MetroNet Holdings, a Delaware holding company, provides, through its subsidiaries, domestic telecommunications services in Indiana, Illinois, Iowa, Kentucky, Michigan, Minnesota, and Ohio. In Minnesota, MetroNet Holdings' subsidiaries have constructed facilities that pass end users premises in Olmsted County. Applicants state that the networks of Jaguar and MetroNet Holdings' subsidiaries overlap to a limited extent in Minnesota where both provide competitive telecommunications services.⁴ MetroNet Holdings is held by the following U.S. entities: Albert E. Cinelli and Sharon A. Cinelli 2012 Revocable Trust, dated January 20, 2014 (Cinelli Revocable Trust) (19.6%);⁵ OH Metro Holdings, LLC (OH-MH) (32.7%);⁶ and OH Metro Holdings 2, LLC (OH-MH2) (16.7%).⁷

Pursuant to the terms of the equity purchase agreement, MetroNet Holdings will acquire all of the outstanding equity interests of Provincial. As a result, Jaguar will become an indirect subsidiary of MetroNet Holdings. Applicants assert that the proposed transaction is entitled to streamlined treatment under the Commission's rules and that a grant of the application would serve the public interest, convenience, and necessity. We accept this application for filing under section 63.03(b)(2)(ii) of the Commission's rules.⁸

⁴ MetroNet Holdings is affiliated with Clarity Telecom, LLC (Clarity) and its subsidiary, NTS Communications, LLC (NTS-Comm). Clarity provides competitive LEC service in Minnesota and incumbent LEC and competitive LEC service in South Dakota. Clarity also operates cable systems in Minnesota and South Dakota. NTS-Comm is authorized to provide competitive telecommunications service in Louisiana, Mississippi, New Mexico, Oklahoma, and Texas, and operates cable systems in Louisiana and Texas.

⁵ The Cinelli Revocable Trust, a U.S. based entity, is controlled by its trustees, Albert E. Cinelli and Sharon A. Cinelli, both U.S. citizens. The "Cinelli Investors" include the Cinelli Revocable Trust, Albert E. Cinelli, John Cinelli, and other family members, all U.S. citizens. Applicants state that the Cinelli Investors have control of the day-to-day management of MetroNet Holdings.

⁶ Oak Hill Capital Partners III, L.P. (OHCP III), a Cayman Islands entity, holds a 95.9% interest in OH-MH. OHCP III's general partner is OHCP GenPar III, L.P., a Cayman Islands entity that is ultimately held by OHCP MGP III, Ltd. (MGP III), a Cayman Islands entity. MGP III holds a 42% indirect interest in MetroNet Holdings and is held by seven shareholders, all U.S. citizens, and none holding a 10% or greater interest. MGP III is controlled by a Board comprised of Tyler Wolfram, a U.S. citizen; Brian N. Cherry, a U.S. citizen, and Steven G. Puccinelli, a U.S. citizen. Applicants further describe limited partnership interests in OHCP III and related funds in the Application at 9-10.

⁷ Oak Hill Capital Partners IV (Onshore), L.P. (OHCP IV Onshore), a Cayman Islands entity, holds a 60.15% interest in OH-MH2. OH-MH2's managing member is OHCP GenPar IV, L.P. (GenPar IV), a Cayman Islands entity. GenPar IV is also the general partner of OHCP IV Onshore. GenPar IV's general partner is OHCP MGP IV, Ltd. (MGP IV), a Cayman Islands entity. The shares of MGP IV are distributed equally among 12 individuals, all U.S. citizens, and none holding a 10% or greater interest in MetroNet Holdings. Applicants further describe limited partnership interests in OHCP IV and related funds in the Application at 11-12. They state that the following individuals each holds interests in one or more Oak Hill entities that, when aggregated, may exceed a 10% attributable interest in MetroNet Holdings: Tyler J. Wolfram, Brian N. Cherry, Steven G. Puccinelli, and Steven B. Gruber.

⁸ 47 CFR § 63.03(b)(2)(ii).

Domestic Section 214 Application Filed for the Transfer of Control of Jaguar Communications, Inc. to MetroNet Holdings, LLC, WC Docket No. 20-37 (filed Feb. 7, 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 Commission's rules, 47 CFR § 63.03(a), interested parties may file comments **on or before March 12, 2020**, and reply comments **on or before March 19, 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) Dennis Johnson, Competition Policy Division, Wireline Competition Bureau, dennis.johnson@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.

For further information, please contact Tracey Wilson at (202) 418-1394 or Dennis Johnson at (202) 418-0809.

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