



PUBLIC NOTICE

Federal Communications Commission
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Washington, DC 20554

News Media Information 202 / 418-0500
Internet: <https://www.fcc.gov>
TTY: 1-888-835-5322

DA 21-107

Released: February 2, 2021

**DOMESTIC SECTION 214 APPLICATION FILED FOR THE TRANSFER OF CONTROL OF
CLEAR RATE COMMUNICATIONS, INC. AND CLEAR RATE TELECOM, LLC TO
CLEAR RATE HOLDINGS, INC.**

STREAMLINED PLEADING CYCLE ESTABLISHED

WC Docket No. 21-24

Comments Due: February 16, 2021

Reply Comments Due: February 23, 2021

By this Public Notice, the Wireline Competition Bureau seeks comment from interested parties on an application filed by Clear Rate Communications, Inc. (Clear Rate), Clear Rate Telecom, LLC (Clear Rate Telecom), and Clear Rate Holdings, Inc. (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, requesting consent to transfer control of Clear Rate and Clear Rate Telecom to Holdings.¹

Clear Rate, and its wholly owned subsidiary, Clear Rate Telecom, both Michigan entities, currently provide competitive local exchange carrier (LEC) service to approximately 27,000 customers in multiple states.² Following the consummation of the proposed transaction, Clear Rate will be wholly owned by Holdings, a Delaware corporation that does not currently provide telecommunications service. Holdings will be majority owned (79.1%) by L4-CR Co-Invest, LLC (L4-CR), a Delaware limited liability company.³

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 Clear Rate is licensed as a competitive LEC in California, Colorado, Florida, Idaho, Illinois, Indiana, Iowa, Massachusetts, Michigan, Minnesota, Nebraska, New York, Ohio, Oregon, Pennsylvania, South Carolina, Texas, Utah, Washington, and West Virginia, and has applications pending for authorization to provide intrastate telecommunications services in New Mexico, North Carolina, and South Dakota. Clear Rate Telecom is licensed as a competitive LEC in Arizona and Virginia.

³ Applicants state that Holdings will also be owned by Thane Namy and Sam Namy, both U.S. citizens each holding 10% of Holdings. L4-CR is managed by L. Four, LLC (L. Four), a Delaware limited liability company, that is co-owned by Barbara Henagan and Giny Mullins, both U.S. citizens each holding 50% of L. Four. Applicants state that neither Holdings, nor any of this affiliates, hold a 10% or greater interest in any other provider of telecommunications services.

Pursuant to the terms of the proposed transaction, Holdings will become the parent company of Clear Rate and the indirect parent of Clear Rate Telecom.⁴ 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 section 63.03(b)(1)(ii) of the Commission's rules.⁵

Domestic Section 214 Application Filed for the Transfer of Control of
Clear Rate Communications, Inc. and Clear Rate Telecom, LLC to Clear Rate Holdings, Inc.,
WC Docket No. 21-24 (filed Jan. 21, 2021)

GENERAL INFORMATION

The application 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 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 **on or before February 16, 2021**, and reply comments **on or before February 23, 2021**. 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) Myrva Charles, Competition Policy Division, Wireline Competition Bureau, myrva.charles@fcc.gov;
- 2) Gregory Kwan, Competition Policy Division, Wireline Competition Bureau, gregory.kwan@fcc.gov;
- 3) David Krech, Policy Division, International Bureau, david.krech@fcc.gov; and
- 4) Jim Bird, Office of General Counsel, jim.bird@fcc.gov.

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

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

⁴ Applicants state that a *pro forma* restructuring of Clear Rate will occur prior to closing and that Clear Rate will be converted from a Michigan corporation to Clear Rate Communications, LLC (CR LLC), a to be formed Delaware limited liability company. Following the completion of the *pro forma* restructuring, Holdings will acquire 100% of the outstanding equity interests of CR LLC.

⁵ 47 CFR § 63.03(b)(1)(ii).

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.⁶ 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 Myrva Charles at (202) 418-1506 or Gregory Kwan (202) 418-1191.

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⁶ See 47 CFR § 1.45(c).