**DA 21-1094**

**September 2, 2021**

**DOMESTIC SECTION 214 APPLICATION FILED FOR THE TRANSFER OF CONTROL OF ALL POINTS NORTHERN NECK, LLC TO SEARCHLIGHT TYP HOLDCO, LLC**

**NON-STREAMLINED PLEADING CYCLE ESTABLISHED**

**WC Docket No. 21-335**

**Comments Due: September 16, 2021**

**Reply Comments Due: September 23, 2021**

By this Public Notice, the Wireline Competition Bureau (Bureau) seeks comment from interested parties on an application,[[1]](#footnote-3) filed pursuant to section 214 of the Communications Act of 1934, as amended, and sections 63.03-04 of the Commission’s rules, to transfer control of the domestic section 214 authorization of All Points Northern Neck, LLC (All Points Northern Neck), a wholly owned subsidiary of Virginia Everywhere, LLC d/b/a All Points Broadband (APB), to Searchlight TYP Holdco, LLC (SCP Holdco, together with APB, Applicants).[[2]](#footnote-4)

APB, a limited liability company organized under the laws of Delaware, is a rural Internet service provider that serves approximately 25,000 end users in Virginia, Kentucky, Maryland, and West Virginia using a combination of fiber-to-the-home (FTTH) and fixed wireless technologies.[[3]](#footnote-5) All Points Northern Neck is designated as an eligible telecommunications carrier (ETC) [[4]](#footnote-6) and participated in and won the rights to provide service to 7,670 locations in the Northern Neck area of Virginia through Phase I of the Rural Digital Opportunity Fund (RDOF) Auction.[[5]](#footnote-7)

SCP Holdco is a limited liability company organized under the laws of Delaware.[[6]](#footnote-8) SCP Holdco will be predominantly owned and controlled (equal to or more than 85%) by entities affiliated with Searchlight Capital Partners, L.P., a Delaware limited partnership (collectively, Searchlight).[[7]](#footnote-9) Searchlight is ultimately controlled by Eric Zinterhofer (a U.S. citizen), Erol Uzumeri (a Canadian citizen), and Oliver Haarmann (a German citizen).[[8]](#footnote-10) Simple Broadband, LLC (Simple Broadband), a Delaware limited liability company, will be a minority investor in APB, holding an equal to or less than 15% interest in SCP Holdco.[[9]](#footnote-11) Simple Broadband is a platform established by Simple Networks LLC and Armavir Partners LLC to invest in broadband-related opportunities.[[10]](#footnote-12)

Pursuant to the terms of the proposed transaction, APB, SCP Holdco, Searchlight TYP Merger Sub, LLC, a Delaware limited liability company and a direct wholly owned subsidiary of SCP Holdco (SCP Merger Sub), and Shareholder Representative Services LLC (as the securityholder representative) entered into an agreement pursuant to which SCP Merger Sub will merge with and into APB, with APB surviving the merger as a wholly owned subsidiary of SCP Holdco.[[11]](#footnote-13)

Applicants assert that a grant of the Application would serve the public interest, convenience, and necessity.[[12]](#footnote-14) Applicants claim that the proposed transaction will provide APB and its subsidiaries, including All Points Northern Neck, with access to capital from new funding sources by bringing in new equity investors.[[13]](#footnote-15) The financial resources of these investors “will enable APB to continue to provide high-quality broadband services to its customers, who will suffer no loss or impairment of service as a result of the Proposed Transaction.”[[14]](#footnote-16) Moreover, Applicants argue that the strong financial position of SCP Holdco’s owners will strengthen APB’s ability to enhance and expand its infrastructure, geographical reach, and service offerings, in particular by positioning APB to “accelerate the network construction and deployment of FTTH and VoIP services that All Points Northern has described in its long-form RDOF application.”[[15]](#footnote-17) In all other respects, Applicants pledge that APB’s deployment plans “will remain unchanged,” and that the proposed transaction will thus “not result in any harms to APB’s existing customers and will enhance the company’s ongoing efforts to bridge the digital divide.”[[16]](#footnote-18) Applicants further assert that APB’s existing management team will not change as a result of the proposed transaction,[[17]](#footnote-19) and that APB will continue to satisfy all applicable requirements associated with its receipt of federal high-cost support.[[18]](#footnote-20)

Because the proposed transaction would involve the exchange and assumption of Universal Service Fund high-cost mechanism obligations, in order to sufficiently analyze whether the proposed transaction would serve the public interest, we accept the Application for non-streamlined processing.[[19]](#footnote-21)

**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.

Interested parties may file comments **on or before September 16, 2021**, and reply comments **on or before September 23, 2021**. Comments may be filed using the Commission’s Electronic Comment Filing System (ECFS) or by paper.

* 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.[[20]](#footnote-22) 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 45 L Street, NE, Washington, DC 20554.

People with Disabilities:  We ask that requests for accommodations be made as soon as possible in order to allow the agency to satisfy such requests whenever possible.  Send an email to fcc504@fcc.gov or call the Consumer and Governmental Affairs Bureau at (202) 418-0530.

**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. John Visclosky, Competition Policy Division, Wireline Competition Bureau, john.visclosky@fcc.gov;
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.[[21]](#footnote-23) 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 John Visclosky at (202) 418-0825, Wireline Competition Bureau.

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1. *See* Joint Application of Virginia Everywhere, LLC, Transferor, and Searchlight TYP Holdco, LLC, Transferee, For Consent to Transfer of Control of All Points Northern Neck, LLC Pursuant to Section 214 of the Communications Act of 1934, as Amended, WC Docket No. 21-335 (filed Aug. 18, 2021), <https://ecfsapi.fcc.gov/file/1081831726366/SCP-APB%20Sec%20214%20Application.pdf> (Application). [↑](#footnote-ref-3)
2. *See* 47 U.S.C. § 214; 47 CFR §§ 63.03-04. On September 1, 2021, Applicants filed a supplement to their domestic section 214 application. *See* Letter from Matthew A. Brill, Counsel to SCP Holdco, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 21-335 (filed Sept. 1, 2021) (Supplement). Applicants are also filing applications for the transfer of authorizations associated with wireless services. *See* Application at 4-5. Any action on this domestic section 214 application is without prejudice to Commission action on other related, pending applications. [↑](#footnote-ref-4)
3. *See* Application at 2. Applicants state that the following U.S. citizen and U.S. entities hold a 10% or greater interest in APB: James G. Carr (11.96%), Braddock Partners, LP (32.9%), and Plains Acquisition Group LLC (22.6%). *Id.* at 8-9. [↑](#footnote-ref-5)
4. *See* Application at 2, 11; *Telecommunications Carriers Eligible for Universal Service Support; Connect America Fund*, WC Docket Nos. 09-197, 10-90, Order, DA 21-663 at 14 (WCB 2021) (*RDOF ETC Order*). As the Bureau stated in the *RDOF ETC Order*, ETCs seeking to transfer control of their domestic authorizations to operate pursuant to section 214 of the Act or to engage in the sale of assets under section 214 (including any authorization to receive RDOF support) must first receive approval from the Commission in accordance with sections 63.03 and 63.04 of the Commission’s rules governing the procedures for domestic transfer of control/asset applications. *See RDOF ETC Order*, DA 21-663 at 10-11, para. 30; 47 U.S.C. § 214; 47 CFR §§ 63.03-04. [↑](#footnote-ref-6)
5. Application at 2-3. *See Rural Digital Opportunity Fund Phase I Auction (Auction 904) Closes; Winning Bidders Announced,* AU Docket No. 20-34, WC Docket No. 19-126, WC Docket No. 10-90, Public Notice, 35 FCC Rcd 13888, 13921, Attach. A (Winning Bidder Summary) (2020). [↑](#footnote-ref-7)
6. *See* Application at 3. [↑](#footnote-ref-8)
7. *See id*. at 3; Supplement at 2. Applicants state that Searchlight has investment interests in other broadband providers operating in multiple states, including a 13.9% interest in Consolidated Communications Holdings, Inc., a 22.6% interest in Northwest Fiber, LLC d/b/a Ziply Fiber, and a 2.9% interest in Uniti Group Inc., all of which do or have received Universal Service Fund support. *See* Application at 3-4 and n.6; Supplement at 2-3. According to the Applicants, Searchlight also has investment interests in GCI Communications, Inc. and Electric Lightwave. *See* Application at 3-4 and n.6. [↑](#footnote-ref-9)
8. *See* Application at 3-4. [↑](#footnote-ref-10)
9. *See id*. at 4; Supplement at 4. Searchlight and Simple Broadband have not yet determined the precise allocation of their respective equity interests in SCP Holdco, but Applicants assert that Simple Broadband’s interest will not exceed 15%. Application at 4 n.7. Although Applicants admit that “additional investors in SCP Holdco are being contemplated,” they also pledge that, “to the extent that any such additional investment represents 10% or greater direct or indirect equity or voting interest in SCP Holdco, Applicants will supplement this Joint Application.” *Id*. at 9 n.9. As it stands, “Applicants have disclosed any and all individuals and entities that they presently anticipate holding a direct or indirect equity interest in [SCP Holdco] of at least 10 percent at the closing of the Proposed Transaction.” Supplement at 2. [↑](#footnote-ref-11)
10. *See* Application at 4. According to the Applicants, Simple Networks LLC, a New York limited liability company, and Armavir Partners LLC, a Delaware limited liability company, each hold a 50% interest in Simple Broadband. *See* Supplement at 4. In turn, Evan Grayer and Jason Markham, both U.S. citizens, each hold a 50% interest in Simple Networks. *See* Supplement at 4. Jeff Libshutz, Lee Chaikin, and Chris Gioia, each a U.S. citizen, hold a 40% interest, a 40% interest, and a 20% interest in Armavir Partners, respectively. *See* *id*. [↑](#footnote-ref-12)
11. *See* Application at 4. [↑](#footnote-ref-13)
12. *See id*. at 5; Supplement at 1. [↑](#footnote-ref-14)
13. *See* Application at 5. [↑](#footnote-ref-15)
14. *Id*. at 5. [↑](#footnote-ref-16)
15. *Id*. at 5-6. [↑](#footnote-ref-17)
16. *Id*. at 6; *see also* Supplement at 2 (“Following the Proposed Transaction, there will be no immediate changes with respect to the obligations of [APB] to [its] customers.”). [↑](#footnote-ref-18)
17. *See* Application at 6. [↑](#footnote-ref-19)
18. *See* Supplement at 2. [↑](#footnote-ref-20)
19. 47 CFR § 63.03(c)(1)(v). [↑](#footnote-ref-21)
20. Effective March 19, 2020, and until further notice, the Commission no longer accepts any hand or messenger delivered filings. This is a temporary measure taken to help protect the health and safety of individuals, and to mitigate the transmission of COVID-19.  *See FCC Announces Closure of FCC Headquarters Open Window and Change in Hand-Delivery Policy*, Public Notice, 35 FCC Rcd 2788 (Mar. 19, 2020), <https://www.fcc.gov/document/fcc-closes-headquarters-open-window-and-changes-hand-delivery-policy>. [↑](#footnote-ref-22)
21. *See* 47 CFR § 1.45(c). [↑](#footnote-ref-23)