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

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> DA 21-115 February 4, 2021

DOMESTIC SECTION 214 APPLICATION FILED THE TRANSFER OF CONTROL OF ACCIPITER COMMUNICATIONS, INC. D/B/A ZONA COMMUNICATIONS TO WYYERD GROUP HOLDINGS, LLC

STREAMLINED PLEADING CYCLE ESTABLISHED

WC Docket No. 21-25

Comments Due: February 18, 2021

Reply Comments Due: February 25, 2021

By this Public Notice, the Wireline Competition Bureau seeks comment from interested parties on an application filed by Esu Zona LLC (Esu Zona), Accipiter Communications, Inc. d/b/a Zona Communications (Zona), and Wyyerd Group Holdings, LLC (Wyyerd Group 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 approval to transfer control of Zona to Wyyerd Group Holdings.¹

Zona, a Nevada corporation, provides service as an incumbent local exchange carrier (LEC) in portions of Maricopa County and Yavapai County, Arizona.² Zona is wholly owned by Wyyerd Group, LLC (Wyyerd Group), a Delaware limited liability company, which, in turn, is majority owned (78.83%) by Esu Zona, a Delaware limited liability and investment company that does not itself provide telecommunications services.³

Wyyerd Group Holdings, a newly formed Delaware limited liability company created for the purposes of this transaction, will, post-consummation, be majority owned and controlled by CGI Zoom Holdings, L.P. (Zoom Holdings) (66.47%), a Delaware limited partnership that is wholly owned by Carlyle CGI Zoom Aggregator, L.P. (Zoom Aggregator), a Delaware limited partnership.⁴

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 authorizations. On February 4, 2021, Applicants filed a supplement 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 Zona's service area in Arizona includes 700 square miles surrounding Lake Pleasant and Castle Hot Springs, as well as a 400 square mile area northwest of White Tank Mountains along the Sun Valley Parkway corridor.

³ Applicants state that Wyyerd Select Investors, LLC (WSI), a Delaware limited liability company, currently holds a 21.17% interest in Wyyerd Group. Mr. John Scarano, a U.S, citizen, currently owns 30.74% of WSI and wholly owns Esu Zona. Pinpoint Holdings, Inc., a Nebraska corporation, holds 61.73% of WSI.

Zoom Aggregator is ultimately owned and controlled by private equity funds and entities associated with Carlyle Investment Management, L.L.C. (the Carlyle Group), a U.S.-based private equity firm with certain intermediate funds and entities organized in the Cayman Islands.⁵

Pursuant to the terms of the proposed transaction, Wyyerd Group Merger Sub, LLC (Merger Sub)⁶ will merge with and into Wyyerd Group with Wyyerd Group continuing as the surviving entity. Wyyerd Group will therefore be a direct, wholly owned subsidiary of Wyyerd Group Holdings, and Zona will be an indirect, wholly owned subsidiary of Wyyerd Group Holdings. 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)(2)(ii) of the Commission's rules.⁷

Domestic Section 214 Application Filed for the Transfer of Control of Accipiter Communications, Inc. d/b/a Zona Communications to Wyyerd Group Holdings, LLC, WC Docket No. 21-25 (filed Jan. 26, 2021).

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 February 18, 2021**, and reply comments **on or before February 25, 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:

⁴ Applicants provide ownership information and pre and post-consummation charts in their application. Applicants state that two other Delaware entities will hold a 10% or greater direct or indirect interest in Wyyerd Group Holdings: 1) Columbia Capital Equity Partners VI (QP), L.P. (direct 10.79%), which is ultimately controlled by James B. Fleming, Jr. and John T. Siegel, Jr., both U.S. citizens; and 2) ESU Investments, LLC (direct 6.8% and indirect 8.5%), which is wholly owned by John Scarano.

⁵ The Carlyle Group is a U.S. publicly traded stock and, according to the Applicants, no individual stockholder will be attributed a 10% or greater indirect interest in Wyyerd Group Holdings. Applicants state that Carlyle CGI AIV, L.P. (CGI AIV), a Cayman Islands entity, is a 59% limited partner of Zoom Aggregator, and that certain limited partners of CGI AIV may be attributed a greater than 10% direct or indirect interest in several entities that provide competitive telecommunications services in the United States, and with Great Plains Communications, Inc. and its affiliates, which provide incumbent LEC services in Nebraska, Colorado, Kansas, South Dakota, and Indiana.

⁶ Merger Sub, a Delaware limited liability company created for purposes of the proposed transaction, is a direct, wholly owned subsidiary of Wyyerd Group Holdings.

⁷ 47 CFR § 63.03(b)(2)(ii).

- 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) David Krech, Policy Division, International Bureau, david.krech@fcc.gov; and
- 4) 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.⁸ 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 Gregory Kwan at (202) 418-1191.

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⁸ See 47 CFR § 1.45(c).