



PUBLIC NOTICE

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DOMESTIC SECTION 214 APPLICATION GRANTED FOR THE TRANSFER OF CONTROL OF SUBSIDIARIES OF POINT BROADBAND, LLC TO POINT BROADBAND ACQUISITION, LLC

WC Docket No. 21-236

By this Public Notice, the Wireline Competition Bureau (Bureau) grants an application¹ filed by Point Broadband, LLC (Transferor) and Point Broadband Acquisition, LLC (Point Acquisition) (together, Applicants) to transfer control of Transferor's wholly owned subsidiary, Point Broadband Fiber Holding, LLC (Point Fiber), and Point Fiber's subsidiaries: Point Broadband of Opelika, LLC, Sunset Digital Communications LLC, and Sunset Fiber, LLC (the Licensees), to Point Acquisition.²

On June 23, 2021, the Bureau released a public notice seeking comment on the Application.³ The Bureau did not receive comments or petitions in opposition to the Application.

Applicants and Description of Transaction

Transferor is a holding company registered as a limited liability company in Georgia.⁴ Through a separate holding company, Point Broadband Capital, LLC, Transferor holds a 100% interest in Point Fiber.⁵ Applicants state that Point Fiber holds a 100% interest in all three Licensees.⁶ The Licensees are all Delaware limited liability companies and offer competitive telecommunications services in Tennessee and Virginia, in addition to VoIP service in several other states.⁷

¹ Joint Domestic and International Application of Point Broadband, LLC and Point Broadband Acquisition, LLC for Grant of Authority Pursuant to Section 214 of the Communications Act of 1934, as Amended, and Section 63 of the Commission's Rules to Complete a Transfer of Control, WC Docket No. 21-236 (filed Jun. 2, 2021), <https://ecfsapi.fcc.gov/file/10602226363779/Final%206-2-2021%20-%20Point%20-%20GTCR%20Domestic%20214%20Application.pdf> (Application).

² See 47 U.S.C. § 214; 47 CFR §§ 63.03-04. Applicants also filed applications for the transfer of control of international and wireless services. On June 11, 2021, Applicants filed a supplement to their domestic section 214 application. Letter from Matthew S. DelNero and Thomas G. Parisi, Counsel for Point Acquisition, and Stephen E. Coran, Counsel for Transferor, to Marlene Dortch, Secretary, FCC, WC Docket No. 21-236 (filed June 11, 2021) (Supplement). Any action on the domestic section 214 application is without prejudice to Commission action on other related, pending applications.

³ *Application Filed for the Transfer of Control of Subsidiaries of Point Broadband, LLC to Point Broadband Acquisition, LLC*, WC Docket No. 21-236, Public Notice, DA 21-737 (WCB/IB 2021).

⁴ Application at 3.

⁵ *Id.* at 10.

⁶ *Id.*

⁷ *Id.* at 3.

Point Acquisition is a Delaware limited liability company created specifically for the purposes of this proposed transaction to become the new parent company of the Licensees.⁸ Post-transaction, Applicants state that Point Fiber would continue to hold a 100% ownership interest in all three Licensees.⁹ Point Fiber would then be entirely owned by Point Acquisition.¹⁰ Point Acquisition is managed by GTCR, LLC (GTCR), a U.S.-based private equity firm, with the following Delaware entities having specified ownership interests in Point Acquisition, GTCR Fund XIII/B LP (Fund XIII/B) (51.7%) and GTCR Fund XIII/C LP (Fund XIII/C) (20%).¹¹

Applicants entered into a Purchase Agreement (Agreement) on March 12, 2021.¹² Pursuant to this Agreement, Point Acquisition will acquire direct control of Point Fiber and indirect control over Licensees.¹³ Point Fiber was authorized to receive Rural Digital Opportunity Fund (Auction 904) support and receives Universal Service Funding (USF) through the Connect America Fund Phase II auction (CAF-II).¹⁴ Applicants state that this transaction will not adversely impact any buildout obligations associated with this funding.¹⁵

Applicants assert that a grant of the Application would serve the public interest, convenience, and necessity.¹⁶ On September 15, 2021, Point Fiber was authorized to receive Auction 904 support, and Applicants “seek to consummate the proposed transaction promptly after Point Fiber is authorized for support by the Commission.”¹⁷ The Applicants state, after consummation of the proposed transaction, the Licensees will continue to exist and operate under the same names, and will continue to provide service pursuant to “then-existing rates, terms, and conditions for the near term.”¹⁸ The Applicants further state that certain key personnel of the Licensees, including existing management, will continue to work with the Licensees, which will also facilitate the transition to the new ownership structure.¹⁹

⁸ *Id.* at 3.

⁹ *Id.* at 11.

¹⁰ *Id.* at 11.

¹¹ *Id.* at 3, 11-12. The general partner of Fund XIII/B is GTCR Partners XIII/B LP (Partners XIII/B), and the general partner of Fund XIII/C is GTCR Partners XIII/A&C LP (Partners XIII/A&C). *Id.* at 11-12. The general partner of Partners XIII/B and Partners XIII/A&C is GTCR Investment XIII LLC, control of which is held by Mark M. Anderson, Craig A. Bondy, Aaron D. Cohen, Sean L. Cunningham, Benjamin J. Daverman, David A. Donnini, Dean S. Mihas, and Collin E. Roche, all U.S. citizens. *Id.* All entities are U.S.-based. *Id.* Applicants state that GTCR has a controlling interest in Onvoy Holdings, Inc. and its subsidiaries, which provide competitive telecommunications services in all 50 states, the District of Columbia, Puerto Rico, and the U.S. Virgin Islands. *Id.* at 12-13. GTCR has filed pending applications to transfer control of these entities to Sinch US Holding Inc. *Applications Filed for the Transfer of Control of Onvoy Holdings, Inc. to Sinch US Holding Inc.*, WC Docket No. 21-131, Public Notice, DA 21-575 (WCB/IB/WTB 2021).

¹² Application at 4.

¹³ *Id.*

¹⁴ *Id.* at 5-6; *RDOF Support Authorized for 466 Winning Bids*, AU Docket No. 20-34, WC Docket No. 19-126, WC Docket No. 10-90, Public Notice, Attach. A (Authorized Recipients Summary) (WCB/OEA 2021) (*RDOF 1st Authorization PN*).

¹⁵ Application at 7.

¹⁶ *Id.* at 5-7.

¹⁷ *Id.* at 4; *RDOF 1st Authorization PN*, Attach. A.

¹⁸ Application at 4.

¹⁹ *Id.*

Discussion

We find, upon consideration of the record, that grant of the Application will serve the public interest, convenience, and necessity.²⁰ The Commission has authorized Point Fiber to receive both RDOF and CAF II support.²¹ Applicants state that Point Fiber's buildout to meet its CAF-II deployment obligations is already underway.²² We emphasize that Point Fiber remains financially and technically obligated to meet all public interest and performance obligations associated with the receipt of CAF-II and RDOF funding in accordance with the Commission's pre-transaction approval of its qualifications, and we expect that the proposed transaction will not negatively impact these obligations. To that end, Applicants have confirmed that the "management team that demonstrated the necessary industry experience to qualify to obtain CAF-II Auction and RDOF funding will remain in place."²³ They have also confirmed that the transaction "will not result in any alteration to the buildout plans submitted to the Commission in order to qualify for CAF-II Auction and RDOF Auction funding."²⁴ We recognize that Point Acquisition may offer Point Fiber the benefit of certain industry experience, as a result of GTCR's prior investment in other telecommunications providers, as well as additional financial resources to accelerate Point Fiber's network construction and service deployment.²⁵ In light of Applicants' commitments to meet Point Fiber's funding obligations, the possible benefits that are likely to result from the proposed transaction, and the absence of competitive or other harms raised in the record, we find this transaction to be in the public interest.

Therefore, pursuant to section 214 of the Act, 47 U.S.C. § 214, and sections 0.91, 0.291, 63.03, and 63.04 of the Commission's rules, 47 C.F.R. §§ 0.91, 0.291, 63.03, and 63.04, the Bureau hereby grants the Application discussed in this Public Notice.

Pursuant to section 1.103 of the Commission's rules, 47 C.F.R. § 1.103, the grant is effective upon release of this Public Notice.²⁶ Petitions for reconsideration under section 1.106 or applications for

²⁰ 47 U.S.C. § 214(a); 47 C.F.R. § 63.03. *See Telecommunications Carriers Eligible for Universal Service Support*, WC Docket No. 09-197, *Connect America Fund*, WC Docket No. 10-90, Order, DA 21-663, para. 30 (WCB 2021) ("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.").

²¹ Application at 5-6. *see RDOF 1st Authorization PN* at 1-9 and Attach. A (listing authorized Auction 904 long-form applicants and describing their required service milestones and other obligations); *Connect America Fund Phase II Auction Support Authorized for 387 Winning Bids*, AU Docket No. 17-182, WC Docket No. 10-90, Public Notice, 34 FCC Rcd 9406, 9407-11, Attach. A (Authorized Long-Form Applicants and Winning Bids) (WCB 2019) (listing authorized Auction 903 long-form applicants and describing their required service milestones and other obligations).

²² Application at 6-7.

²³ Supplement at 1.

²⁴ *Id.*

²⁵ Application at 3-4 (referencing GTCR's prior investments since 2000 in 125 technology, media, and telecommunications entities with a combined purchase price of over \$25 billion). As stated above, GTCR-managed funds have a current controlling interest in Onvoy Holdings Inc. for which GTCR has entered into a proposed transaction to transfer that carrier and its affiliates operating in 50 states. *Id.* at 12-13.

²⁶ We direct Applicants to submit, within 30 days of closing the proposed transaction, a notice in WC Docket No. 21-236 that the proposed transaction has closed with the consummation date, and also provide a courtesy copy of the notice to hcinfo@usac.org.

review under section 1.115 of the Commission's rules, 47 C.F.R. §§ 1.106, 1.115, may be filed within 30 days of the date of this Public Notice.

For further information, please contact Jodie May, Wireline Competition Bureau, Competition Policy Division, (202) 418-0913.

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