



PUBLIC NOTICE

Federal Communications Commission
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Washington, D.C. 20554

News Media Information 202 / 418-0500
Internet: <http://www.fcc.gov>

DA 21-1445
November 17, 2021

**DOMESTIC SECTION 214 APPLICATION FILED FOR THE
TRANSFER OF CONTROL OF HARGRAY OF FLORIDA, INC., HARGRAY OF
GEORGIA, INC., AND DELTA COMMUNICATIONS, L.L.C. TO NEWCO**

STREAMLINED PLEADING CYCLE ESTABLISHED

WC Docket No. 21-431

Comments Due: December 1, 2021
Reply Comment Due: December 8, 2021

By this Public Notice, the Wireline Competition Bureau (Bureau) seeks comment from interested parties on an application filed by Cable One, Inc. (Cable One), Hargray of Florida, Inc. (HF), Hargray of Georgia, Inc. (HG), Delta Communications, L.L.C. d/b/a Clearwave Communications (Clearwave) (HF, HG, and Clearwave collectively, the Licensees), and NewCo (Transferee) (together, 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 the Licensees to NewCo.¹

Cable One, a Delaware corporation, and its subsidiaries² provide telecommunications services and other services in 24 states.³ Applicants state that Cable One, a cable operator, is registered with the Commission as an interconnected VoIP service provider. HF, a Georgia corporation and wholly-owned subsidiary of Cable One, is a cable operator and a competitive local exchange carrier (LEC) in Florida. HG, a South Carolina corporation and wholly-owned subsidiary of Cable One, is a cable operator and a competitive LEC in Georgia. Clearwave, an Illinois limited liability company and wholly-owned subsidiary of Cable One, is a competitive LEC in Illinois, Indiana, and Missouri. Clearwave has been designated as an eligible telecommunications carrier (ETC) in Illinois.⁴ The following U.S. entities and U.S. citizen hold a 10% or greater interest holder

¹ See 47 U.S.C. § 214; 47 CFR §§ 63.03-04; Joint Application of Cable One, Inc., Hargray of Florida, Inc., Hargray of Georgia, Inc., and Delta Communications, L.L.C., and NewCo for Authority to Transfer Control of Licensees to NewCo Pursuant to Section 214 of the Communications Act of 1934, as Amended, WC Docket No. 21-431 (filed Nov. 2, 2021) (Application). Applicants also filed applications 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 pending applications or petitions.

² In addition to the Licensees, these subsidiaries are: Cable One VoIP, LLC; Fidelity Telephone, LLC; Fidelity Cablevision, LLC; CoBridge Communications LLC; CoBridge Broadband, LLC; Valu-Net, LLC; Low Country Carriers, Inc.; Hargray Telephone Company, Inc.; Bluffton Telephone Company, Inc.; Hargray, Inc.; Hargray of Alabama, Inc.; ComSouth Telecommunications, Inc.; ComSouth Telenet, Inc.; and ComSouth Teleservices, Inc.

³ These states are: Alabama, Arizona, Arkansas, Florida, Georgia, Idaho, Illinois, Indiana, Iowa, Kansas, Louisiana, Minnesota, Mississippi, Missouri, Nebraska, New Mexico, North Dakota, Oklahoma, Oregon, South Carolina, South Dakota, Tennessee, Texas, and Washington.

in Cable One: T. Rowe Price Associates, Inc. (12.5%); BlackRock, Inc. (10.4%); and Daniel L. Mosley (10%).⁵

NewCo will be a newly formed Delaware limited liability company. It will be a joint venture between Cable One, GTCR Strategic Growth Investment I LLC (GTCR), an affiliate of Stephens Capital Partners LLC (Stephens), an affiliate of The Pritzker Organization, L.L.C. (TPO), and a limited number of other accredited investors (Other Investors). Cable One, GTCR, Stephens, and TPO are all U.S.-based entities. NewCo will be governed by a Board of Directors, and each of Cable One, GTCR, Stephens, and TPO will have the right to designate a certain number of directors. Additionally, the Executive Chairman of NewCo will serve as a director. NewCo's business affairs, development of NewCo's business, and all other business activities of the joint venture will be carried out by a management team that will be designated by the Board of Directors, subject to certain veto rights to be granted to GTCR, Stephens, and TPO. Cable One (58.28%) and GTCR (21.19%) will be the only owners of the joint venture that will hold 10% or more of the equity in NewCo. GTCR is controlled by the following managing directors of GTCR LLC, a U.S. entity, and the initial member of GTCR: 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). According to Applicants, certain entities affiliated with GTCR LLC also hold 10% or greater direct or indirect equity interests in several other competitive telecommunications entities.

Pursuant to the terms of the proposed transaction, Cable One, GTCR, Stephens, TPO, and the Other Investors intend to enter into definitive agreements creating NewCo as a joint venture. Cable One will contribute the Licensees to the joint venture, and in exchange, will receive certain common equity units and certain senior fixed-return preferred equity units in NewCo. GTCR, Stephens, TPO, and the Other Investors will commit to collectively purchase a certain amount of newly issued non-participating convertible preferred equity units in NewCo, which will result in a cash investment in the joint venture.⁶ As a result of the proposed transaction, the Licensees will become subsidiaries of NewCo.

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 the Application for filing under section 63.03(b)(2)(i) of the Commission's rules.⁷

Domestic Section 214 Application Filed for the Transfer of Control of

⁴ Clearwave participated in and won the rights to provide service through Phase I of the Rural Digital Opportunity Fund (RDOF) Auction but states that it has "informed the Commission that it will no longer pursue RDOF support for all of the census blocks in which it was a winning bidder." Application at 4 (citing Delta Communications, L.L.C. d/b/a Clearwave Communications Amended Petition for Waiver, AU Docket No. 20-34, WC Docket Nos. 19-126, 10-90 (filed Nov. 2, 2021)).

⁵ Applicants provided additional information regarding Cable One's ownership in the Application.

⁶ Applicants provided a list of GTCR-controlled entities that will hold, directly, or indirectly, a 10% or greater interest in NewCo. Cable One may hold its interest in NewCo through one or more wholly-owned or controlled entities. Applicants further state that shortly before closing of the proposed transaction, HF and HG will be converted to limited liability companies, and that GTCR will only acquire one-third of its equity interests in NewCo at closing and will acquire the remaining interests at a subsequent date.

⁷ 47 CFR § 63.03(b)(2)(i).

Hargray of Florida, Inc., Hargray of Georgia, Inc., and
Delta Communications, L.L.C. to NewCo, WC Docket No. 21-431 (filed Nov. 2, 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 December 1, 2021**, and reply comments **on or before December 8, 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) 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) David Krech, Telecommunications and Analysis Division, International Bureau, david.krech@fcc.gov; and
- 4) Jim Bird, Office of General Counsel, jim.bird@fcc.gov.

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.

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 Dennis Johnson at (202) 418-0809.

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⁸ See 47 CFR § 1.45(c).