



PUBLIC NOTICE

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DA 21-1563

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DOMESTIC 214 APPLICATION GRANTED FOR THE TRANSFER OF CONTROL OF BROADBAND VI, LLC TO LIBERTY MOBILE USVI, INC.

WC Docket No. 21-386

By this Public Notice, the Wireline Competition Bureau (Bureau) grants an application filed by Broadband VI, LLC (BBVI) and Liberty Mobile USVI, Inc. (Liberty) (collectively, Applicants), pursuant to section 214 of the Communications Act of 1934, as amended (Act), and sections 63.03-04 of the Commission's rules, requesting approval for the transfer of control of BBVI, an eligible telecommunications carrier (ETC) authorized to receive Connect USVI Fund universal service support, to Liberty.¹

On October 22, 2021, the Bureau released a public notice seeking comment on the Application.² The Bureau did not receive comments or petitions in opposition to the Application.

Applicants and Description of Transaction

BBVI, a limited liability company (LLC) organized under the laws of the U.S. Virgin Islands, provides fixed wireless broadband and voice services to approximately 9,000 consumers, businesses, educational institutions, and government facilities throughout the U.S. Virgin Islands.³ BBVI was designated as an ETC in September 2021.⁴ The members of BBVI are Broadband Investments LLLP (Investments), a U.S. Virgin Islands limited liability limited partnership, and Michael J. Meluskey, an individual who is also the Chief Technology Officer of BBVI.⁵ Investments holds 63.87% of the

¹ See 47 U.S.C. § 214; 47 CFR § 63.03-04; Application of Members of Broadband VI, LLC, and Liberty Mobile USVI Inc. for Consent to Transfer of Control of Broadband VI, LLC Pursuant to Section 214 of the Communications Act of 1934, as Amended, WC Docket No. 21-386 (filed Oct. 5, 2021) (Application); *Connect USVI Fund Stage 2 Support Authorized for Broadband VI*, WC Docket Nos. 18-143, 10-90, Public Notice, DA 21-666 (WCB June 8, 2021) (*BBVI Authorization Notice*) at 6 (authorizing BBVI to receive \$84,456,870 in support for the deployment of voice and fixed broadband service to 46,039 locations throughout the U.S. Virgin Islands at speeds of 1 Gbps download and 500 Mbps upload). Any action on this domestic section 214 application is without prejudice to Commission action on other related, pending applications.

² *Domestic Section 214 Application Filed for the Transfer of Control of Broadband VI, LLC To Liberty Mobile USVI, Inc.*, WC Docket No. 21-386, Public Notice, DA 21-1329 (WCB 2021).

³ Application at 2.

⁴ *Id.* at 2 (citing U.S. Virgin Islands Public Service Commission, Order, Docket No. 669, Order No. 49/2018 (Sept. 5, 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 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. *BBVI Authorization Notice* at 6.

⁵ Application at 3.

membership units in BBVI.⁶ Investments is ultimately controlled by William V. Neville, who is also the CEO of BBVI, and his wife, Connie Jones Neville, both of whom are U.S. citizens.⁷ Mr. Meluskey, also a U.S. citizen, holds 31.93% of the membership units in BBVI.⁸ If the proposed transaction is consummated, Liberty will own approximately 96% of BBVI.⁹

Liberty, a Delaware corporation, provides commercial mobile services in the U.S. Virgin Islands.¹⁰ Liberty Latin America Ltd. (LLA), a publicly traded Bermuda corporation, is the ultimate corporate parent to multiple wireline and wireless telecommunications, broadband, and video services' companies operating in the U.S. Virgin Islands, Puerto Rico, and other areas of Latin America and the Caribbean.¹¹ LLA holds a 100% indirect interest in Liberty through Liberty Mobile Inc. (f/k/a Beach Holding Corporation), LLA Holdco LLC, LCPR Ventures LLC, and Liberty Communications PR Holding LP (f/k/a Leo Cable LP)—each of which is a Delaware holding company, holding a 100% direct equity and voting interest in the company below it in the corporate structure.¹² Leo Cable LLC, a Delaware LLC, holds a 100% voting (general partner interest) in Liberty Communications PR Holding LP.¹³ LiLAC Ventures Ltd. of the Cayman Islands holds a 66.39% limited partnership/economic interest in Liberty Communications PR Holding LP and a 66.39% voting/equity interest in Leo Cable LLC.¹⁴ LiLAC Communications Inc., a Delaware corporation, holds a 33.61% limited partnership/economic interest in Liberty Communications PR Holding LP and a 33.61% voting/equity interest in Leo Cable LLC.¹⁵ LGI International Holdings, LLC, a Colorado limited liability company, holds a direct 100% equity/voting interest in LiLAC Communications, Inc.¹⁶ LiLAC Services Ltd. of Bermuda holds a direct 100% equity/voting interest in LGI International Holdings, LLC.¹⁷ LLA holds a direct 100% equity/voting interest in LiLAC Services Ltd.¹⁸ John C. Malone, a U.S. Citizen, holds a direct 10% or

⁶ *Id.*

⁷ *Id.* at 3, Exh. A (Pre-Transaction Ownership of BBVI).

⁸ *Id.*

⁹ *Id.*

¹⁰ Application at 3, 9. The Bureau authorized Liberty Communications of Puerto Rico LLC, an affiliate of Liberty, to receive universal service support through the Bringing Puerto Rico Together Fund to serve 914,000 locations in Puerto Rico. *Id.* at 4 (citing *Wireline Competition Bureau Authorizes Stage 2 Support for Puerto Rico Telephone Company and Liberty Communications of Puerto Rico*, WC Docket Nos. 18-143, 10-90, Public Notice, DA 21-718 (WCB 2021)). An application for review filed by Puerto Rico Telephone Company, Inc. challenging the selection of Liberty Communications of Puerto Rico as the winning applicant of certain areas remains pending. Application for Review filed by Puerto Rico Telephone Company, Inc. d/b/a Claro, WC Docket Nos. 18-143, 10-90 (Dec. 2, 2020).

¹¹ Application at 3, 13, Exh. B (Post-Transaction Ownership of BBVI).

¹² *Id.* at 11, Exh. B.

¹³ *Id.* at 12.

¹⁴ *Id.*

¹⁵ *Id.*

¹⁶ Application at 12.

¹⁷ *Id.* at 12-13, Exh. B.

¹⁸ *Id.* at 13, Exh. B.

greater interest in Liberty Latin America Ltd.¹⁹ As a result, Mr. Malone holds a 25.40% indirect voting and 5.40% indirect equity interest in Liberty.²⁰

Pursuant to the terms of the proposed transaction, Liberty would acquire a controlling interest of approximately 96% of BBVI from Broadband Investments LLLP, Michael J. Meluskey, and two other individuals who hold a total of 0.20% of BBVI.²¹ Applicants explain that, upon consummation of the proposed transaction, Liberty's experienced management team would assume the operations of BBVI, including BBVI's Connect USVI Fund obligations.²²

Applicants assert that a grant of the Application would serve the public interest, convenience, and necessity. They state that the proposed transaction "will promote the public interest by providing BBVI with additional financial resources, operational capability and management expertise that will allow the company to accelerate its efforts to deploy resilient fiber-based voice and broadband services in the U.S. Virgin Islands and thereby help bridge the digital divide."²³ Specifically, Applicants state that the proposed transaction will provide BBVI access to capital from Liberty's substantial financial resources, and that "as a result of this infusion of capital, BBVI will be well positioned to accelerate the network construction and deployment of the [Connect] USVI Fund fiber network that will make voice and Gigabit broadband available to all 46,039 locations in the U.S. Virgin Islands by the end of 2027, as required by Stage 2 of the [Connect] USVI Fund program."²⁴ Applicants further contend that Liberty "has extensive operational experience and managerial capabilities and resources, which will help steer BBVI's service enhancements and expansion, including in connection with BBVI's existing fixed wireless broadband network and deployment of the planned fiber network."²⁵ Finally, Applicants assert that the proposed transaction will not adversely affect competition and will be seamless with respect to BBVI's existing customers.²⁶

Discussion

We find, upon consideration of the record, that grant of the Application will serve the public interest, convenience, and necessity.²⁷ To make this determination under Commission precedent, we consider whether the proposed transaction could result in public interest harms by substantially frustrating or impairing the objectives or implementation of the Act or related statutes.²⁸ We then employ a

¹⁹ *Id.* at 13.

²⁰ *Id.*

²¹ *Id.* at 3-4.

²² Application at 5.

²³ *Id.* at 2.

²⁴ *Id.* at 7.

²⁵ *Id.* at 8.

²⁶ *Id.*

²⁷ 47 U.S.C. § 214(a); 47 C.F.R. § 63.03; *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).

²⁸ See, e.g., *Application of Verizon Communications Inc. and América Móvil S.A.B. de C.V. for Consent to Transfer Control of International Section 214 Authorization*, GN Docket No. 21-112; IBFS File No. ITC-T/C-20200930-00173, Memorandum Opinion and Order, FCC 21-121, at para. 21 (rel. Nov. 22, 2021) (*Verizon-TracFone Order*) (citing *China Mobile International (USA) Inc., Application for Global Facilities-Based and Global Resale International Telecommunications Authority Pursuant to Section 214 of the Communications Act of 1934, as Amended*, Memorandum Opinion and Order, 34 FCC Rcd 3361, 3366, para. 9 (2019); *Applications for Consent to the Assignment and/or Transfer of Control of Licenses, Adelphia Communications Corporation (and subsidiaries, debtors-in-possession), Assignors, to Time Warner Cable Inc. (subsidiaries), Assignees; Adelphia Communications*

(continued....)

balancing test weighing any potential public interest harms of the proposed transaction against any potential public interest benefits.²⁹ The Applicants bear the burden of proving, by a preponderance of the evidence, that the proposed transaction, on balance, serves the public interest.³⁰

We find that there are no potential public interest harms identified in the record. First, the proposed transaction likely will not adversely affect competition, and no commenter has raised other potential harms. Liberty provides commercial mobile services in the USVI.³¹ As the Commission has found, the combination of competitive providers can result in a stronger and more effective competitor against incumbent LEC providers.³² As proposed, Applicants state that because the proposed change in ownership will occur at the investor level, the transaction will be seamless with respect to BBVI's existing customers, and therefore, we expect no harm to existing customers to result from the transaction.³³

Second, BBVI remains financially and technically obligated to meet all public interest and performance obligations associated with the receipt of Connect USVI Fund 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. Indeed, Applicants have confirmed that, following the proposed transaction, BBVI's deployment plans "will remain unchanged," and that the proposed transaction will thus "not result in any harms to BBVI's existing customers and will accelerate the company's ongoing efforts to deploy its Gigabit network."³⁴ They have also confirmed that following consummation of the proposed transaction, BBVI will have the necessary managerial and operational expertise to meet the company's Connect USVI Fund commitments and will retain key BBVI employees,³⁵ and that BBVI will meet all applicable obligations associated with its receipt of Connect USVI Fund support.³⁶ Applicants further state that the proposed transaction will not compromise BBVI's support obligations through the assumption of debt.³⁷ In addition, BBVI will be subject to ongoing oversight, must comply with annual reporting and certification requirements, and must submit an updated

Corporation, (and subsidiaries, debtors-in-possession), Assignors and Transferors et al., MB Docket No. 05-192, Memorandum Opinion and Order, 21 FCC Rcd 8203, 8219-21, paras. 27-28 (2006) (*Adelphia-TWC Order*)).

²⁹ See *Verizon-TracFone Order* at para. 21 (citing *Applications of AT&T Inc. and DIRECTV for Consent to Assign or Transfer Control of Licenses and Authorizations*, MB Docket No. 14-90, Memorandum Opinion and Order, 30 FCC Rcd 9131, 9140, para. 18 (2015) (*AT&T-DIRECTV Order*) (further internal citations omitted)).

³⁰ See *Verizon-TracFone Order* at para. 21 (citing *AT&T-DIRECTV Order*, 30 FCC Rcd at 9140, para. 18; *Adelphia-TWC Order*, 21 FCC Rcd at 8217, para. 23; *Application of EchoStar Communications Corp., General Motors Corp., and Hughes Electronics Corp., Transferors, and EchoStar Communications Corp., Transferee*, CS Docket No. 01-348, Hearing Designation Order, 17 FCC Rcd 20559, 20574, para. 25 (2002) (*EchoStar-DIRECTV HDO*) (further internal citations omitted)).

³¹ Application at 3.

³² See, e.g., *Applications of Level 3 Communications, Inc. and CenturyLink, Inc. for Consent to Transfer Control of Licenses and Authorizations*, Memorandum Opinion and Order, 32 FCC Rcd 9581, 9594, 9605, paras. 26 and 52 (2017) (finding no harm to competition where applicants operate as competitive LECs, and further finding that the transaction "will expand the on-net reach of the newly combined firm resulting in a more effective and stronger competitor against larger cable and incumbent LEC competitors, among others, particularly outside of Century Link's incumbent LEC region, where it, like Level 3, operates as a competitive LEC.").

³³ Application at 8.

³⁴ See *id.* at 7.

³⁵ See *id.* at 8, Attach. (Certification of Carla Framil Ferran).

³⁶ See *id.*

³⁷ *Id.* at 7.

Disaster Preparation and Response Plan for our consideration within 10 business days of the completed transfer, and comply with the Disaster Information Reporting System (DIRS) requirements.³⁸

We next consider whether the proposed transaction is likely to generate verifiable, transaction-specific public interest benefits.³⁹ Applicants must provide evidence of a claimed benefit to allow the Commission to verify its likelihood and magnitude.⁴⁰ Where potential harms appear unlikely, as is the case with the Application before us here, the Commission accepts a lesser degree of magnitude and likelihood than when harms are present.⁴¹

Applicants claim that the proposed transaction “will promote the public interest by providing BBVI with additional financial resources, operational capability and management expertise that will allow the company to accelerate its efforts to deploy resilient fiber-based voice and broadband services in the U.S. Virgin Islands and thereby help bridge the digital divide.”⁴² The Commission has specified that ensuring consumers receive new or additional services is an important public interest factor⁴³ and accelerating private sector deployment of advanced services is one of the aims of the Communications Act.⁴⁴ Liberty is already a recipient of universal service funding in Puerto Rico, has experience upgrading island-based voice and broadband telecommunications networks,⁴⁵ and intends to retain BBVI employees who are knowledgeable about the company’s existing operations in the USVI.⁴⁶ Based on the record of this proceeding, we find it likely that the proposed transaction would result in some public interest benefits, including increased resources for BBVI to expand service offerings and better compete. Absent

³⁸ See, e.g., 47 CFR §§ 54.313(n)-(o), 54.316(b), 54.1509-1515; *Uniendo a Puerto Rico Fund and the Connect USVI Fund, Connect America Fund, ETC Annual Reports and Certifications*, WC Docket Nos. 18-143, 10-90, 14-58, Memorandum Opinion and Order and Order on Reconsideration, 34 FCC Rcd 9109, 174-77, paras. 133-40 (2019) (*2019 Bringing Puerto Rico Together and Connect USVI Stage 2 Order*) and App. B (Disaster Preparation and Response Plan) (requiring all support recipients to comply with Disaster Preparation and Response Plan and DIRS requirements). Section 54.1515 of the Commission’s rules requires Bringing Puerto Rico Together and Connect USVI Fund recipients to amend their Disaster Preparation and Response Plan submitted to WCB following “any material change(s) to internal processes and responsibilities and provide the updated Disaster Preparation and Response Plan to the Bureau within 10 business days following the material change(s).” 47 CFR § 54.1515(c).

³⁹ See *AT&T-DIRECTV Order*, 30 FCC Rcd at 9237, para. 273-74.

⁴⁰ See *id.* at 9237-38, paras. 275-76.

⁴¹ See *id.*

⁴² Application at 2; see *id.* at 7 (stating that the proposed transaction will provide BBVI access to capital from Liberty’s substantial financial resources, and that “as a result of this infusion of capital, BBVI will be well positioned to accelerate the network construction and deployment of the [Connect] USVI Fund fiber network that will make voice and Gigabit broadband available to all 46,039 locations in the U.S. Virgin Islands by the end of 2027, as required by Stage 2 of the [Connect] USVI Fund program.”), 8 (stating that Liberty “has extensive operational experience and managerial capabilities and resources, which will help steer BBVI’s service enhancements and expansion, including in connection with BBVI’s existing fixed wireless broadband network and deployment of the planned fiber network.”).

⁴³ See, e.g., *AT&T-DIRECTV Order*, 30 FCC Rcd at 9140, para. 19.

⁴⁴ See *Verizon-TracFone Order* at para. 22 (citing 47 U.S.C. §§ 254, 332(c)(7), 1302; Telecommunications Act of 1996, Preamble, Pub. L. No. 104-104, 110 Stat. 56 (1996) (one purpose of the Act is to “accelerate rapidly private sector deployment of advanced telecommunications and information technologies and services”)). The Commission has stated that it expects universal service funding, combined with private investment by providers, to help ensure that broadband is deployed on a reasonable and timely basis for residents of the U.S. Virgin Islands and that it remains deployed following future dangerous storms. *2019 Bringing Puerto Rico Together and Connect USVI Stage 2 Order*, 34 FCC Rcd at 9110, para. 3.

⁴⁵ Application at 7 (listing fiber upgrades Liberty has undertaken in the Caribbean).

⁴⁶ *Id.* at 6, 8.

any potential harms, and considering that the proposed transaction is likely to yield some benefits, we find, on balance, that the proposed transaction serves 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 CFR §§ 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 CFR § 1.103, the grant is effective upon release of this Public Notice.⁴⁷ Petitions for reconsideration under section 1.106 or applications for review under section 1.115 of the Commission's rules, 47 CFR §§ 1.106, 1.115, may be filed within 30 days of the date of this Public Notice.

For further information, please contact Christi Shewman, Wireline Competition Bureau, Competition Policy Division, (202) 418-0646.

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⁴⁷ We direct Applicants to submit, within 30 days of closing the proposed transaction, a notice in WC Docket No. 21-386 that the proposed transaction has closed with the consummation date, and also provide a courtesy copy of the notice to hcinfo@usac.org.