



# PUBLIC NOTICE

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

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

DA 21-1580  
Released: December 15, 2021

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

### WC Docket No. 21-335

By this Public Notice, the Wireline Competition Bureau (Bureau) grants an application<sup>1</sup> filed by Virginia Everywhere, LLC d/b/a All Points Broadband (APB) and Searchlight TYP Holdco, LLC (SCP Holdco and, together with APB, Applicants), pursuant to section 214 of the Communications Act of 1934, as amended (Act), and sections 63.03-04 of the Commission's rules, to transfer control of the domestic section 214 authorization of APB's wholly-owned subsidiary, All Points Northern Neck, LLC (All Points Northern Neck), to SCP Holdco.<sup>2</sup>

On September 2, 2021, the Bureau released a Public Notice seeking comment on the Application.<sup>3</sup> The Bureau did not receive comments or petitions in opposition to the Application.

### Applicants and Description of Transaction

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.<sup>4</sup> All Points Northern Neck is designated as an eligible telecommunications carrier (ETC)<sup>5</sup> and participated in and was awarded

---

<sup>1</sup> 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).

<sup>2</sup> See 47 U.S.C. § 214; 47 CFR §§ 63.03-04. On September 1, 2021 and December 8, 2021, Applicants filed supplements to their domestic section 214 application. 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); Letter from Matthew A. Brill, Counsel to SCP Holdco, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 21-335 (filed Dec. 8, 2021) (December Supplement). Applicants also filed applications for the transfer of authorizations associated with wireless services. Any action on this domestic section 214 application is without prejudice to Commission action on other related, pending applications.

<sup>3</sup> See *Domestic Section 214 Application Filed for the Transfer of Control of All Points Northern Neck, LLC to Searchlight TYP Holdco, LLC*, WC Docket No. 21-335, Public Notice, DA 21-1094 (WCB 2021).

<sup>4</sup> See Application at 2.

<sup>5</sup> 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

(continued....)

support 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.<sup>6</sup> On December 14, 2021, All Points Northern Neck was authorized to receive Auction 904 support.<sup>7</sup> Applicants state that they “seek to consummate the Proposed Transaction promptly after All Points Northern Neck is authorized by the Commission to receive RDOF support, which authorization is a condition to closing the Proposed Transaction.”<sup>8</sup> They maintain that this transaction will not adversely impact any buildout or performance obligations associated with this funding.<sup>9</sup>

SCP Holdco is a limited liability company organized under the laws of Delaware.<sup>10</sup> 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).<sup>11</sup> Searchlight is ultimately controlled by Eric Zinterhofer (a U.S. citizen), Erol Uzumeri (a Canadian citizen), and Oliver Haarmann (a German citizen).<sup>12</sup> 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.<sup>13</sup> Simple Broadband was established by Simple Networks LLC and Armavir Partners LLC to invest in broadband-related opportunities.<sup>14</sup>

Pursuant to the terms of the proposed transaction, APB, SCP Holdco, Searchlight TYP Merger

(Continued from previous page) \_\_\_\_\_

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.

<sup>6</sup> Application at 2-3; *Rural Digital Opportunity Fund Phase I Auction (Auction 904) Closes; Winning Bidders Announced*, AU Docket No. 20-34, WC Docket Nos. 19-126, 10-90, Public Notice, 35 FCC Rcd 13888, 13921, Attach. A (Winning Bidder Summary) (2020).

<sup>7</sup> *See Rural Digital Opportunity Fund Support Authorized for 2,008 Winning Bids*, AU Docket No. 20-34, WC Docket Nos. 19-126, 10-90, Public Notice, DA 21-1560, Attach. A (Authorized Long-Form Applicants and Winning Bids) (WCB/OEA 2021).

<sup>8</sup> Application at 5.

<sup>9</sup> *Id.* at 6.

<sup>10</sup> *Id.* at 3.

<sup>11</sup> *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 Ziplly 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.

<sup>12</sup> Application at 3-4.

<sup>13</sup> *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.

<sup>14</sup> 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. 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.*

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.<sup>15</sup>

## **Discussion**

We find, upon consideration of the record, that a grant of the Application will serve the public interest, convenience, and necessity. 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.<sup>16</sup> We then employ a balancing test weighing any potential public interest harms of the proposed transaction against any potential public interest benefits.<sup>17</sup> The Applicants bear the burden of proving, by a preponderance of the evidence, that the proposed transaction, on balance, serves the public interest.<sup>18</sup>

We find that there are no potential public interest harms identified in the record. First, the proposed transaction will not result in a significant reduction of competition because SCP Holdco and its owners do not have attributable interests in any entity that provides telecommunications services in the areas APB serves.<sup>19</sup>

Second, All Points Northern Neck remains financially, managerially, and technically obligated to meet all public interest and performance obligations associated with the receipt of 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. Indeed, Applicants assert that the infusion of capital resulting from the proposed transaction will enable APB to "accelerate the network construction and deployment of FTTH and VoIP services that All Points Northern Neck has described in its long-form RDOF application."<sup>20</sup> Applicants have confirmed that, following the proposed transaction, 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."<sup>21</sup> They have stated on the record that the proposed transaction will not result in an

---

<sup>15</sup> Application at 4.

<sup>16</sup> 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 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*))

<sup>17</sup> 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).

<sup>18</sup> 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).

<sup>19</sup> Application at 6

<sup>20</sup> *Id.* at 5-6.

increase to the debt load of All Points Northern Neck post-transaction.<sup>22</sup> They have also confirmed that APB's existing management team will not change as a result of the proposed transaction,<sup>23</sup> and that APB will continue to satisfy all applicable requirements associated with its receipt of federal high-cost support.<sup>24</sup>

We next consider whether the proposed transaction is likely to generate verifiable, transaction-specific public interest benefits.<sup>25</sup> Applicants must provide evidence of a claimed benefit to allow the Commission to verify its likelihood and magnitude.<sup>26</sup> 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.<sup>27</sup>

Applicants claim that the proposed transaction will provide APB and its subsidiaries, including All Points Northern Neck, with access to capital and "substantial financial resources" from new funding sources by bringing in new equity investors,<sup>28</sup> and 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 [Neck] has described in its long-form RDOF application."<sup>29</sup>

The Commission has specified that ensuring consumers receive new or additional services is an important public interest factor,<sup>30</sup> and accelerating private sector deployment of advanced services is one of the aims of the Communications Act.<sup>31</sup> In light of the Applicants' commitments to meet All Points Northern Neck's federal high cost funding obligations and the fact that SCP Holdco is prepared to increase capital and other resources for All Points Northern Neck to accelerate and expand facilities-based service offerings, we find it likely that the proposed transaction would result in some public interest benefits. In addition, as the Commission has found, the combination of competitive providers can result in a stronger and more effective competitor against larger cable and incumbent LEC providers.<sup>32</sup> Absent

<sup>21</sup> *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.").

<sup>22</sup> December Supplement at 1.

<sup>23</sup> Application at 6.

<sup>24</sup> *See* Supplement at Declaration of Nadir Nurmohamed, General Counsel and Chief Compliance Officer, Searchlight Capital Partners, L.P., at para. 5.

<sup>25</sup> *See AT&T/DIRECTV Order*, 30 FCC Rcd at 9237, para. 273-274.

<sup>26</sup> *See id.* at 9237-38, paras. 275-76.

<sup>27</sup> *See id.*

<sup>28</sup> Application at 5.

<sup>29</sup> *Id.* at 5-6.

<sup>30</sup> *See, e.g., AT&T-DIRECTV Order*, 30 FCC Rcd at 9140, para. 19.

<sup>31</sup> *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")).

<sup>32</sup> *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.").

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 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.<sup>33</sup> Petitions for reconsideration under section 1.106 or applications for 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 John Visclosky, Wireline Competition Bureau, Competition Policy Division, (202) 418-0825.

**-FCC-**

---

<sup>33</sup> We direct Applicants to submit, within 30 days of closing the proposed transaction, a notice in WC Docket No. 21-335 that the proposed transaction has closed with the consummation date, and also provide a courtesy copy of the notice to [hcinfo@usac.org](mailto:hcinfo@usac.org).