



PUBLIC NOTICE

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APPLICATIONS GRANTED FOR THE TRANSFER OF CONTROL OF SUBSIDIARIES OF RADIATE HOLDINGS, L.P. TO STONEPEAK ASSOCIATES IV LLC

WC Docket Nos. 20-407, 21-122

By this Public Notice, the Wireline Competition Bureau and the International Bureau (together, Bureaus) grant applications filed by Radiate Holdings, L.P. (Radiate Holdings); RCN Telecom Services (Lehigh) LLC (RCN Lehigh); RCN Telecom Services of Philadelphia, LLC (RCN Philadelphia); RCN Telecom Services of New York, LP (RCN New York); RCN Telecom Services of Massachusetts, LLC (RCN Massachusetts); RCN Telecom Services of Illinois, LLC (RCN Illinois); Starpower Communications, LLC (Starpower, together with RCN Lehigh, RCN Philadelphia, RCN New York, RCN Massachusetts, and RCN Illinois, RCN); Grande Communications Networks, LLC (Grande); Astound Broadband LLC; Astound Phone Service, LLC (together with Astound Broadband LLC, Astound); ETS Telephone Company, Inc.; ETS Cablevision, Inc. (together, with ETS Telephone Company, Inc., En-Touch); Digital West Networks, Inc. (Digital West), Norcast Communications Corporation (Norcast), and Blue Rooster Telecom, Inc. (Blue Rooster) (Digital West, Norcast, and Blue Rooster, together, the Digital West Companies) (all together, Authorization Holders) and Stonepeak Associates IV LLC (Stonepeak or Transferee) (collectively, Applicants), pursuant to section 214 of the Communications Act of 1934, as amended (Act), and sections 63.03-04, 63.18, and 63.24 of the Commission's rules¹ to transfer control of the Authorization Holders from Radiate Holdings to Stonepeak (the Transaction).²

¹ See 47 U.S.C. § 214; 47 CFR §§ 63.03-04, 63.18, 63.24.

² See Section 214 Applications Filed for the Transfer of Control of Subsidiaries of Radiate Holdings, L.P. to Stonepeak Associates IV LLC, WC Docket No. 20-407, Public Notice, 35 FCC Rcd 14604 (WCB/IB 2020) (Radiate/Stonepeak Accepted-for-Filing Public Notice); Section 214 Applications Filed for the Transfer of Control of Digital West Subsidiaries of Radiate Holdings, L.P. to Stonepeak Associates IV LLC, WC Docket No. 21-122, Public Notice, 36 FCC Rcd 1393 (WCB/IB 2021). See also Section 214 Applications Filed for the Transfer of Control of Subsidiaries of Radiate Holdings, L.P. to Stonepeak Associates IV LLC, WC Docket No. 20-407, File Nos. ITC-T/C-20201202-00196 through 00206 (filed Dec. 2, 2020) (Radiate-Stonepeak Application); Radiate Holdings, L.P., Transferor, Stonepeak Associates IV LLC, Transferee, Digital West Networks, Inc., Norcast Communications Corporation, and Blue Rooster Telecom, Inc., Licensees, Consolidated Application for Consent to Transfer Control of Section 214 Authority Holders, WC Docket No. 21-122, File Nos. ITC-T/C-20210401-00065 and ITC-T/C-20210401-00066 (filed Apr. 1, 2021) (Digital West-Stonepeak Application) (together, Applications). Applicants filed supplements to the Radiate-Stonepeak Application on December 23, 2020 and March 11, 2021. Letter from William M. Wiltshire, Counsel for Stonepeak, and Edward A. Yorkgitis, Jr., Counsel to Radiate Holdings and Authority Holders, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 20-407, File Nos. ITC-T/C-20201202-00196 through 00206 (filed Dec. 23, 2020) (December 23 Supplemental Letter); Letter from William M. Wiltshire, Counsel for Stonepeak, and Edward A. Yorkgitis, Jr., Counsel to Radiate Holdings and Authority Holders, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 20-407, File Nos. ITC-T/C-20201202-00196 through 00206 (filed Mar. 11, 2021) (March 11 Supplemental Letter). As referenced in Attachment A to this Public Notice, Applicants have filed domestic and international section 214 applications. Applicants also separately filed applications for the transfer of wireless, earth station, and CARS licenses. See Radiate-Stonepeak Application at 19. (continued....)

Radiate Holdings, a Delaware limited partnership, serves as the common parent entity for the Authorization Holders.³ The Authorization Holders provide cable, competitive telecommunications, and broadband services to over one million customers in multiple states and the District of Columbia.⁴ Specifically, RCN Lehigh and RCN Philadelphia provide services in Pennsylvania; RCN New York provides services in New York and New Jersey; RCN Massachusetts provides services in Massachusetts; RCN Illinois provides services in Illinois; Starpower, which operates under the RCN name, provides services in the District of Columbia, Maryland, and Virginia; Grande and En-Touch provide services in Texas; and Astound provides services in California, Oregon, and Washington.⁵ On January 22, 2021, Radiate Holdings acquired the Digital West Companies, which provide telecommunications services and other services in California.⁶

Radiate Holdings GP, LLC (Radiate GP), a Delaware partnership, is the general partner of Radiate Holdings.⁷ The sole member of Radiate GP is TPG Advisors VII, Inc. (TPG Advisors), a Delaware investment fund owned and controlled by the principals of TPG Global, LLC (TPG), David Bonderman and James G. Coulter, both U.S. citizens.⁸

Stonepeak, a Delaware limited liability company, is affiliated with U.S.-based private equity funds managed by Stonepeak Infrastructure Partners (Stonepeak Partners), which owns ExteNet Systems, Inc. (ESI).⁹ ESI and its subsidiaries (ExteNet) own and operate networks used by wireless service providers in North America and primarily provide wholesale telecommunications services.¹⁰ ExteNet

Any action on these section 214 applications is without prejudice to Commission action on other related, pending applications.

³ Radiate-Stonepeak Application at 4.

⁴ *Id.* at 5.

⁵ *Id.*

⁶ Digital West-Stonepeak Application at 6. On October 29 and November 9, 2020, the Bureaus granted the section 214 applications for the acquisition by Radiate Holdings of the Digital West Companies. *International Authorizations Granted; Section 214 Applications (47 C.F.R. §§ 63.18, 63.24); Section 310(b) Petitions (47 C.F.R. § 1.5000)*, ITC-T/C-20201005-00177 and ITC-T/C-20201005-00178, Public Notice, 35 FCC Rcd 12007, 12008-09 (IB 2020); *Notice of Domestic Section 214 Authorization Granted*, WC Docket No. 20-325, Public Notice, 35 FCC Rcd 12806 (WCB 2020). On January 20, 2021, Digital West and Radiate Holdings filed a letter updating a pro forma change in ownership structure for the transfer of Digital West to Radiate Holdings. Letter from John L. Clark, Counsel for Digital West, and Edward A. Yorkgitis, Jr., Counsel for Radiate Holdings, to Marlene Dortch, Secretary, FCC, WC Docket No. 20-325, File Nos. ITC-T/C-20201005-00177; ITC-T/C-20201005-00178 (filed Feb. 1, 2021). The Digital West transaction in WC Docket No. 20-325 closed on January 22, 2021. Letter from Winafred Brantl, Counsel to Radiate Holdings, to Marlene Dortch, Secretary, FCC, WC Docket No. 20-325, File Nos. ITC-T/C-20201005-00177; ITC-T/C-20201005-00178 (filed Feb. 1, 2021); March 11 Supplemental Letter at 1-2. The current Applicants have requested approval to transfer control of Digital West to Stonepeak as part of the Transaction, in order to “allow a comprehensive close” of the two proposed transactions. Radiate-Stonepeak Application at 2, n.3.

⁷ Radiate-Stonepeak Application at 4 and Attach. 1 (Pre-Close Ownership of Authority Holders).

⁸ *Id.*

⁹ *Id.* at 5-7.

¹⁰ *Id.* at 6. ESI subsidiaries that are authorized to provide telecommunications services in one or more states are ExteNet Systems (California) LLC, ExteNet Systems (Virginia) LLC, ESI Advanced Wireless Networks, LLC, ExteNet Systems (New York), Inc., Telecommunications Properties, Inc., and Hudson Fiber Networks, Inc. (Hudson Fiber). *Id.* at 6-7. Applicants state that ExteNet does not serve retail residential customers and its retail service for business customers is a very small percentage of revenues. December 23 Supplemental Letter at 1-2. The Authority Holders provide some wholesale transport and dark fiber services, although that is not their core market in any area. December 23 Supplemental Letter at 2. Applicants identified several metropolitan markets in which the Authority

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holds authorizations to provide telecommunications services in the District of Columbia and every state except Alaska, Maine, North Dakota, Vermont, West Virginia, and Wyoming.¹¹ Stonepeak is indirectly held and controlled by Michael Dorrell, a dual citizen of the United States and Australia.¹²

According to the Applicants, pursuant to the terms of the Agreement and Plan of Merger (Agreement), Applicants will undertake the proposed transaction through a set of substantially simultaneous mergers. First, control of the Authorization Holders will continue to be exercised indirectly through Radiate GP, however, upon consummation of the proposed transaction, the sole member of Radiate GP will change from TPG Advisors to Stonepeak.¹³ Stonepeak will have the right to appoint a majority of the directors of the Radiate GP Board and will control Radiate GP and, in turn, the Authorization Holders.¹⁴ Second, the current and indirect equity holders of Radiate Holdings will transfer their indirect interests in the Authorization Holders, specifically, their limited partnership interests in Radiate Holdings, to two Stonepeak-affiliated entities: Stonepeak Tiger Holdings I LLC, a Delaware limited liability company (Tiger Holdings I), and Stonepeak Tiger Holdings II Sub LLC, a Delaware limited liability company (Tiger Holdings II), which, together with Stonepeak, will be under the common indirect control of Michael Dorrell.¹⁵

Applicants assert that a grant of the Applications would serve the public interest, convenience, and necessity.¹⁶ They state that Stonepeak's investment will allow the Authorization Holders to expand their networks and services while continuing to serve existing customers under the same rates, terms, and conditions.¹⁷ According to Applicants, the proposed transaction will not adversely affect telecommunications competition in any domestic or U.S. international market.¹⁸

Discussion

The Bureaus' received one comment from Newsmax Media, Inc. (Newsmax), a cable news organization, on the Radiate-Stonepeak Application. No comments or oppositions were filed on the Digital West-Stonepeak Application.¹⁹ Newsmax does not oppose Stonepeak's acquisition of the Authorization Holders but asserts that Applicants have provided incomplete information and urges that the Commission "defer action on this [Radiate-Stonepeak] Application until the comment periods have expired for all of the relevant applications" and "request further ownership information from the Applicants in the interim."²⁰ Newsmax primarily contends that the Applicants (1) did not identify

_____ Holders have fiber facilities and ExteNet provides wholesale facilities-based service on a wholesale basis. December 23 Supplemental Letter at 2-3. Applicants state that there is a *de minimis* competitive overlap in California where the Digital West Companies have fiber facilities and ESI owns dark fiber leased to an unaffiliated third party. Digital West-Stonepeak Application at n.8.

¹¹ Radiate-Stonepeak Application at 7.

¹² Applicants provided a description of the intervening Delaware entities holding equity or voting interests in Radiate Holdings. *Id.* at Attach. 2 (Transferees and Authority Holders Post-Close Ownership Interests); Digital West-Stonepeak Application at Attach. 2 (Transferees and Authority Holders Post-Close Ownership Interests).

¹³ Radiate-Stonepeak Application at 8; Digital West-Stonepeak Application at 9.

¹⁴ Radiate-Stonepeak Application at 8; Digital West-Stonepeak Application at 9.

¹⁵ Radiate-Stonepeak Application at 8; Digital West-Stonepeak Application at 9.

¹⁶ Radiate-Stonepeak Application at 3, 12-14; Digital West-Stonepeak Application at 3, 12-14.

¹⁷ Radiate-Stonepeak Application at 3, 12-14; Digital West-Stonepeak Application at 3, 12-14.

¹⁸ Radiate-Stonepeak Application at 3, 14; Digital West-Stonepeak Application at n.8 and 14.

¹⁹ Newsmax Media, Inc. Comments (Newsmax), WC Docket No. 20-407 (filed Dec. 30, 2020).

²⁰ *Id.* at 1, 10.

ExteNet, an affiliate of Stonepeak, as a provider of telecommunications services, thereby making the Radiate-Stonepeak Application ineligible for streamlined processing under the Commission rules;²¹ and (2) failed to identify the post-consummation final equity interests or new co-investors that could potentially hold a 10% or greater equity interest in Radiate Holdings and the Authorization Holders.²²

We are not persuaded by Newsmax's comments that we should delay our public interest review and action on the Applications. First, Applicants clearly identified ExteNet in their Radiate-Stonepeak Application as a telecommunications provider affiliated with Stonepeak.²³ After reviewing the Radiate-Stonepeak Application, the Bureaus accepted it for non-streamlined filing.²⁴ We agree with Applicants that Newsmax's argument that the Radiate-Stonepeak Application does not qualify for streamlined processing is therefore moot.²⁵ Second, with respect to Newsmax's concerns about incomplete information and changes in ownership, Applicants have affirmed, as stated in the Radiate-Stonepeak Application, that no further potential investment right or co-investment "will change the ultimate controlling ownership of the Authorization Holders, the controlling entity of the general partner of Radiate Holdings, or the ownership structure of the Transferee. Rather, such investment may change the percentages held by certain existing reportable interest holders or result in new reportable, but non-controlling interest holders."²⁶ As the Bureaus noted in the *Radiate/Stonepeak Accepted-for-Filing Public Notice*, Applicants disclosed in the verified Radiate-Stonepeak Application, in accordance with Commission rules, the entities and individuals, all with U.S. citizenship, that are expected to hold, directly or indirectly, a 10% or greater equity or voting interest in the Authorization Holders and disclosed the controlling interest holders.²⁷

Applicants remain obligated to disclose any updated changes to the proposed post-consummation ownership holders or structure of Stonepeak.²⁸ Applicants affirmed that they will do so.²⁹ On March 11,

²¹ *Id.* at 5-6 (citing 47 CFR § 63.03(b)(2)(ii)).

²² *Id.* at 8.

²³ Radiate-Stonepeak Application at 6-7.

²⁴ See 47 CFR § 63.03 (describing the public notice, presumptive streamlining procedures, and non-streamlining circumstances for domestic transfer of control applications).

²⁵ Reply Comments of Radiate Holdings, L.P., Stonepeak Associates IV, LLC, and the Authority Holders (Reply) at 6.

²⁶ *Id.* at 5. For a period of up to 75 days after the signing of the Agreement, TPG had the right to elect to make, at the consummation of the proposed transaction, an investment in Tiger Holding I and Stonepeak Tiger Holdings II LP (the parent entity of Tiger Holdings II) of up to \$750 million through one or more investment funds controlled by TPG (TPG Investment Right). Radiate-Stonepeak Application at 9. The exercise of the TPG Investment Right and the investment in Tiger Holdings I and Stonepeak Tiger Holdings II LP by the TPG Fund had not been expected to result in any entity (other than the TPG Fund) holding a 10% or greater equity interest in Radiate Holdings. *Id.* Applicants stated that Stonepeak Partners was also exploring further syndicating a portion of its equity interest in Radiate Holdings to other co-investors. *Id.* at 10. Applicants state that no such co-investment would change the proposed controlling entity of Radiate GP or affect the ownership structure of Stonepeak. *Id.*

²⁷ *Radiate/Stonepeak Accepted-for-Filing Public Notice* at 1-2. See Radiate-Stonepeak Application at 17, 21 and Attachs. 1-2 (citing 47 CFR §§ 63.04(a)(4); 63.18(h)).

²⁸ See 47 CFR §§ 1.65(a) (requiring Applicants to ensure continued accuracy of their applications and completeness of information); 63.51 (requiring Applicants to provide all additional information requested by the Commission).

²⁹ Radiate-Stonepeak Application at Attach. 2, n.1 ("The Applicants will, in a timely fashion, notify the Commission of any material changes to these percentage equity interests (including as a result of the exercise of the TPG Investment Right and any co-investment). No change is expected to the control of Radiate GP and in turn the Authority Holders from that set forth herein."). In their Reply, Applicants further affirmed to disclose any changes to Radiate Holdings, as well as Radiate GP. Reply at 5 ("...Applicants here have committed to notify the

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2021,³⁰ in compliance with their commitment, the Applicants filed an additional supplement to their Application stating that while the co-investment contemplated by Stonepeak Partners has yet to be finalized, Stonepeak and Stonepeak Partners continue to expect that regardless of any such co-investment, no other party will hold a 10% or greater equity interest in Radiate Holdings at closing.³¹ In the March 11 Supplemental Letter, Stonepeak again committed to promptly notify the Commission of any change to the aforementioned expectations and to also notify the Commission of final ownership percentages once they are finalized prior to closing.³² Additionally, Radiate Holdings informed the Commission that TPG had exercised the TPG Investment Right in the amount of \$207 million, and despite this investment, no new party will hold a 10% or greater equity interest in Radiate Holdings post-closing.³³ We further agree with Applicants that the record in this proceeding is consistent with Commission precedent regarding the clear disclosure of reportable interest holders in the Applications.³⁴ Finally, the comment periods have expired for all related applications for the Transaction.

We find, upon consideration of the record, that the Transaction will serve the public interest, convenience, and necessity and therefore grant the Applications.³⁵ Accordingly, pursuant to sections

Commission if either results in changes in the ownership percentages for reportable interest holders provided in this application or a new, unidentified entity holding a 10-percent-or-greater equity interest in Radiate Holdings.”); Digital West-Stonepeak Application at 9-10; March 11 Supplemental Letter (updating the record on the co-investment rights and stating that any future co-investment will not result in new vehicles that will hold a 10% or greater equity interest in Radiate Holdings at the time of the Stonepeak closing).

³⁰ March 11 Supplemental Letter at 2.

³¹ *Id.* (“Transferee and Stonepeak continue to expect that the Stonepeak-affiliated vehicles reflected in the organizational charts provided in Attachment 2 and listed in Attachment 3 of the applications identify all reportable Stonepeak-affiliated investors, direct or indirect, in Radiate Holdings.”).

³² *Id.*

³³ *Id.*

³⁴ Reply at 3-4 (citing Joint Application of Tech Valley Holdings, LLC, et al. For Grant of Authority, WC Docket No. 16-107, at 8 n.7 (filed Mar. 29, 2016) (explaining that since certain funds had not closed and additional investors could still participate, the equity interests of investors had not been finalized, but any substantial changes in ownership would be updated by the applicants); Letter from Patrick S. Campbell, Counsel, Transferee, and Brett P. Ferenchak, Counsel, Transferor and Licensees, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 16-107 (July 6, 2016) (providing updated ownership information as contemplated in the original joint application); *Domestic Section 214 Application Granted for the Transfer of Control of TVC Albany, Inc. and Segtel, Inc. to OHCP Northeastern Fiber Buyer, Inc.*, WC Docket No. 16-107, Public Notice, 31 FCC Rcd 9594 (WCB 2016)); *See Process Reform for Executive Branch Review of Certain FCC Applications and Petitions Involving Foreign Ownership*, Report and Order, 35 FCC Rcd 10927, 10953, para. 70 (2020) (requiring applicants with foreign ownership “to certify that they will maintain the accuracy and completeness of all information while the application is pending, as required by § 1.65 of the Commission’s rules. Thereafter, the authorization holders and licensees must update the Commission ... as to any changes to the authorization holder(s) or the licensee’s contact information. While the application is pending, the certification requires applicants to affirm that all information submitted to the Commission ... is complete and accurate, including applicant and contact information, and that the applicant agrees to inform the Commission ... of any substantial and significant changes as required under § 1.65 of the Commission rules.”).

³⁵ *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.”). The proposed transfer is not likely to reduce competition and may result in additional resources that will allow Applicants to invest in their networks and services and to scale their platforms and ultimately improve connectivity and services. *See id.*

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214(a) and 214(c) of the Communications Act of 1934, as amended, 47 U.S.C. §§ 214(a), 214(c), and sections 63.03-04, 63.18 and 63.24 of the Commission's rules, 47 CFR §§ 63.03-04, 63.18 and 63.24, and pursuant to the authority delegated under sections 0.51, 0.91, 0.261 and 0.291 of the Commission's rules, 47 CFR §§ 0.51, 0.91, 0.261 and 0.291, we grant the Applications listed in Attachment A to this Public Notice.

Pursuant to section 1.103 of the Commission's rules, 47 CFR § 1.103, the consent granted herein is effective upon the release of this Public Notice. 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 Dennis Johnson, Wireline Competition Bureau, dennis.johnson@fcc.gov, or at (202) 418-0809 or David Krech, International Bureau, david.krech@fcc.gov, or at (202) 418-7443.

at 9605, para. 53 (finding that a larger, better capitalized combined company is more likely to expand or improve fiber network); Applicant's December 23 Supplement at 2-3 (stating that the Applicants primarily provide non-competing retail services and, post-transaction, will face a significant number of competitors for wholesale services).

Attachment A

SECTION 214 AUTHORIZATIONS

A. International

The International Bureau grants the following Applications to transfer control of international section 214 authority:

<u>File Number</u>	<u>Authorization Holder</u>	<u>Authorization Number</u>
ITC-T/C-20201202-00196	ETS Telephone Company	ITC-214-19960311-00007
ITC-T/C-20201202-00197	Astound Broadband, LLC	ITC-214-20050701-00565
ITC-T/C-20201202-00198	RCN Telecom Services of Illinois, LLC	ITC-214-19980731-00532
ITC-T/C-20201202-00199	Starpower Communications, LLC	ITC-214-19980116-00024
ITC-T/C-20201202-00200	Grande Communications Networks, LLC	ITC-214-20001108-00651
ITC-T/C-20201202-00201	RCN Telecom Services (Lehigh) LLC	ITC-214-19961004-00490
		ITC-214-19970717-00411
		ITC-214-19970723-00430
		ITC-214-19981002-00679
ITC-T/C-20121202-00202	RCN Telecom Services of Philadelphia, LLC	ITC-214-19970707-00379
ITC-T/C-20201212-00203	RCN Telecom Services of New York, LP	ITC-214-19970707-00384
ITC-T/C-20201212-00205	Astound Phone Services, LLC	ITC-214-20171016-00172
ITC-T/C-20201202-00206	RCN Telecom Services of Massachusetts, Inc.	ITC-214-19971027-00661
ITC-T/C-20210401-00065	Norcast Communications Corporation	ITC-214-20030410-00183
ITC-T/C-20210401-00066	Blue Rooster Telecom, Inc.	ITC-214-20100317-00112

B. Domestic

The Wireline Competition Bureau grants the Applications to transfer control of domestic section 214 authority in connection with the Transaction – WC Docket Nos. 20-407, 21-122.³⁶

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³⁶ 47 CFR § 63.03.