



PUBLIC NOTICE

Federal Communications Commission
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Washington, D.C. 20554

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DA 21-746
June 24, 2021

**DOMESTIC SECTION 214 APPLICATION FILED FOR THE TRANSFER OF CONTROL
OF USCONNECT HOLDINGS, INC. AND SUBSIDIARIES
TO ITC BROADBAND HOLDINGS, LLC**

STREAMLINED PLEADING CYCLE ESTABLISHED

WC Docket No. 21-229

Comments Due: July 8, 2021
Reply Comment Due: July 15, 2021

By this Public Notice, the Wireline Competition Bureau seeks comment from interested parties on an application filed by USConnect Holdings, Inc. (USConnect Holdings), together with its direct and indirect subsidiaries, including the Licensees,¹ and ITC Broadband Holdings, LLC (ITC) (collectively, Applicants), pursuant to section 214 of the Communications Act of 1934, as amended, and sections 63.03-04 of the Commission's rules, requesting authority to transfer control of USConnect Holdings and the Licensees to ITC.²

USConnect Holdings, a Delaware corporation and holding company, through its direct and indirect operating subsidiaries, the Licensees, provides telecommunications services and other services in Texas, Georgia, Kansas, Colorado, and Nebraska. The Licensees are all U.S.-based and provide services as follows: Livingston, an incumbent local exchange carrier (LEC), serves the Livingston exchange in Polk County, Texas; Telecom Supply provides interstate services in the local exchange areas of Livingston; Waverly Hall Telephone, an incumbent LEC, serves the Waverly Hall

¹ The Licensees are: (1) The Livingston Telephone Company (Livingston); (2) Telecom Supply, Inc. (Telecom Supply); (3) Waverly Hall Communications, Inc. (Waverly Hall Comm); (4) Waverly Hall Telephone LLC (Waverly Hall Telephone); (5) S&A Telephone Company, Inc. (S&A Telephone); (6) S&A Communications, Inc. (S&A Communications); (7) South Park LLC d/b/a South Park Telephone Company (South Park); (8) The Rye Telephone Company (Rye); (9) CableCo, LLC (CableCo); (10) Dalton Telephone Company, Inc. (Dalton Telephone); (11) Dalton Communications, Inc. (DTI); (12) Elsie Communications, Inc. (Elsie); and (13) USConnect Acquisitions V, LLC dba CMS IP Technologies (Acquisitions V). Applicants state that Acquisition V does not currently provide telecommunications services.

² See 47 U.S.C. § 214; 47 CFR §§ 63.03-04. Applicants filed a supplement on June 22, 2021, that revises and clarifies certain information in the domestic section 214 application. Letter from Walt Sapronov, Counsel for Applicant, to Marlene H. Dortch, Secretary, FCC (June 22, 2021) (on file in WC Docket No. 21-229). Applicants are also filing applications for the transfer of authorizations associated with international and wireless services. Any action on this domestic section 214 application is without prejudice to Commission action on other related, pending applications.

exchange in Harris and Talbot counties in Georgia; Waverly Hall Comm provides interstate services in the local exchange areas of Waverly Hall Telephone; S&A Telephone, an incumbent LEC, serves the Allen-Admire and Scranton exchanges in Lyon and Osage Counties in Kansas; S&A Communications provides interstate services in the local exchange areas of S&A Telephone; South Park, an incumbent LEC, serves the South Park exchange in Park County, Colorado; Rye, an incumbent LEC, serves the Rye, Kim, and Colorado City exchanges in south central Colorado; CableCo provides interstate services in the local exchange areas of Rye and South Park; Dalton Telephone, an incumbent LEC, serves the Dalton, Gurley, Lodgepole, Dix, and Bushnell exchanges in southwestern Nebraska; DTI provides interstate services in the local exchange areas of Dalton Telephone and Elsie; Elsie, an incumbent LEC, serves the Elsie exchange in Perkins County in southwestern Nebraska.

ITC, a Delaware holding company, does not provide telecommunications services. ITC wholly owns the equity interests in ITC Broadband Capital, LLC (ITC Broadband Capital), a Delaware limited liability company and holding company. ITC Broadband Capital wholly owns the equity interests in ITC Fiber Holdings, LLC (ITC Fiber), a Delaware limited liability company and holding company that will receive the proceeds of the transaction financing. ITC Fiber wholly owns the equity interests of ITC Broadband Operating, LLC (ITC Broadband Operating), a Delaware corporation. ITC Fiber also wholly owns ITC Rural Connect, Inc. (ITC Rural), a Delaware corporation and holding company. According to Applicants, the following U.S.-based investment entities will own a 10% or greater share of ITC's membership interest and indirectly an equal interest in each of the Licensees upon consummation of the proposed transaction: HF Direct Investments Pool LLC (18%); 4612-Broadband Holdco, LLC (18%); ITC Broadband Investments, LLC (25%); Kinetic-ITC Broadband Investments, LLC (18%); and ITC Broadband Management, L.P. (15%). Applicants state that no other entity or individual owns a 10% or greater interest in ITC. Applicants further state that neither ITC nor any of its affiliates or subsidiaries holds a direct or indirect ownership interest in any other provider of telecommunications services.

Pursuant to the terms of the proposed transaction, through a two-step process, ITC would acquire USConnect Holdings. First, prior to closing, ITC would assign its rights to purchase the stock of USConnect Holdings to ITC Rural, and ITC Rural would purchase the stock of USConnect Holdings at closing. Following closing, ITC Rural would convert USConnect Holdings and its subsidiaries that are corporations, including the Licensees, to limited liability companies. Second and following such conversions, ITC Rural would contribute the equity interests of USConnect Holdings to ITC Broadband Operating as a capital contribution in exchange for 100% of the preferred membership interests of ITC Broadband Operating. ITC Fiber would also contribute certain assets and capital to ITC Broadband Operating in exchange for the common membership interests in ITC Broadband Operating. Ultimately, ITC, through ITC Broadband Operating and ITC Rural, will indirectly own 100% of the equity interests and control USConnect Holdings, which in turn will still own 100% of the equity interests of each of the Licensees.

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)(1)(ii) of the Commission's rules.³

³ 47 CFR § 63.03(b)(1)(ii).

Domestic Section 214 Application Filed for the Transfer of Control of USConnect Holdings, Inc. to ITC Broadband Holdings, LLC, WC Docket No. 21-229 (filed May 21, 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 July 8, 2021**, and reply comments **on or before July 15, 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) Myrva Charles, Competition Policy Division, Wireline Competition Bureau, myrva.charles@fcc.gov;
- 2) Dennis Johnson, Competition Policy Division, Wireline Competition Bureau, dennis.johnson@fcc.gov;
- 3) David Krech, Telecommunications & 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.⁴ 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 Myrva Charles at (202) 418-1506 or Dennis Johnson at (202) 418-0809.

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⁴ See 47 CFR § 1.45(c).