



PUBLIC NOTICE

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DOMESTIC SECTION 214 APPLICATION GRANTED SUBJECT TO CONDITION

WC Docket No. 22-110

By this Public Notice, the Wireline Competition Bureau (Bureau) grants, as conditioned, an application¹ filed by Dobson CC Limited Partnership (DLP) and Mesa Telecoms Investments, LLC (Mesa Telecoms or 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 for the indirect transfer of control of Dobson Technologies, Inc. d/b/a Dobson Fiber (Dobson Fiber) and its wholly-owned subsidiaries, Dobson Telephone Company, Inc., (DTC), Dobson Technologies – Transport and Telecom Solutions, LLC (DTTTS), Lavaca Telephone Company, Inc. (Lavaca), Pinnacle Telecom L.L.C. (Pinnacle), and Vantage Telecom, LLC (Vantage) (DTC, DTTTS, Lavaca, Pinnacle, and Vantage, collectively, the Licensees) from DLP to Mesa Telecoms.²

On March 21, 2022, the Bureau released a public notice seeking comment on the Application.³ We did not receive comments or petitions in opposition to the Application.

Dobson Fiber, an Oklahoma corporation and holding company, provides, through the Licensees, both incumbent local exchange services (LEC) and competitive LEC services in Oklahoma, Arkansas, and Texas.⁴ DTC, an Oklahoma corporation, provides service as an incumbent LEC and Eligible

¹ See Joint Application of Dobson CC Limited Partnership and Mesa Telecoms Investments, LLC for Grant of Authority Pursuant to Section 214 of the Communications Act of 1934, as amended, and Section 63.03 and 63.24 of the Commission's Rules to Transfer Indirect Control of Domestic and International Section 214 Holders to Mesa Telecoms Investments, LLC, WC Docket No 22-110 (filed Mar. 4, 2022), <https://ecfsapi.fcc.gov/file/10304084120074/Dobson%20FCC%20214%20Transfer%20Application.pdf> (Application).

² See 47 U.S.C. § 214; 47 CFR §§ 63.03-04. Applicants also filed an application for the transfer of an authorization associated with international service and applications for the transfer of authorizations associated with wireless services. On March 15, 2022, April 27, 2022, September 14, 2022, and September 23, 2022, Applicants filed supplements to their domestic section 214 application. Letter from Patrick S. Campbell, Counsel for Mesa Telecoms Investments, LLC, and Joshua M. Bobeck, Counsel for Dobson Technologies, Inc., to Marlene Dortch, Secretary, FCC (Mar. 15, 2022) (on file in WC Docket No. 22-110) (March Supplement); Letter from Patrick S. Campbell, Counsel for Mesa Telecoms Investments, LLC, to Marlene Dortch, Secretary, FCC (Apr. 27, 2022) (on file in WC Docket No. 22-110) (April Supplement); Letter from Patrick S. Campbell, Counsel for Mesa Telecoms Investments, LLC, to Marlene Dortch, Secretary, FCC (Sept. 14, 2022) (on file in WC Docket No. 22-110) (First September Supplement); Letter from Joshua M. Bobeck, Counsel for Dobson Technologies, Inc., and Patrick S. Campbell, Counsel for Mesa Telecoms Investments, LLC, to Marlene Dortch, Secretary, FCC (Sept. 23, 2022) (on file in WC Docket No. 22-110) (Second September Supplement). Any action on this domestic section 214 application is without prejudice to Commission action on other related, pending applications.

³ *Domestic Section 214 Application Filed for the Transfer of Control of Dobson Technologies, Inc. d/b/a Dobson Fiber and its Subsidiaries to Mesa Telecoms Investments, LLC*, WC Docket No. 22-110, Public Notice, DA 22-299 (WCB 2022) (2022 Public Notice).

Telecommunications Carrier (ETC) to approximately 5,200 access lines in western and eastern Oklahoma.⁵ DTTTS, an Oklahoma limited liability company, provides service as a competitive LEC in Oklahoma.⁶ Lavaca, an Arkansas corporation, provides service as an incumbent LEC and ETC to about 1,800 access lines in rural western Arkansas and rural eastern Oklahoma.⁷ Pinnacle, an Arkansas limited liability company, is authorized to provide competitive telecommunications services throughout Arkansas.⁸ Vantage, an Arkansas limited liability company, provides competitive LEC services in Arkansas and Oklahoma.⁹ DLP, an Oklahoma limited partnership, is currently the controlling shareholder (holding 77.12%) of Dobson Fiber.¹⁰ Applicants state that, following the consummation of this transaction, DLP plans to continue to participate in the ownership of Dobson Fiber through an indirect minority interest in Mesa Telecoms.¹¹

Mesa Telecoms, a newly formed Delaware limited liability company that does not provide telecommunications services, is an indirect subsidiary of Mesa Telecoms Holdings, L.P. (Mesa L.P.), a Delaware limited partnership.¹² Following the consummation of the proposed transaction, Mesa L.P. will

⁴ Application at 4. Applicants state that Dobson Fiber and its subsidiaries participate, in the aggregate, in the following Universal Service Fund (USF) programs: Alternative Connect America Model (A-CAM), Connect America Fund–Broadband Loop Support, Emergency Broadband Benefit/Affordable Connectivity Program, E-Rate, Rural Health Care, Lifeline, and the CAF Inter-carrier Compensation Recovery. Application at Exh. A (Licensees’ Universal Service Fund Summary) at 1; March Supplement at 2. A grant of the Application is subject to Dobson Fiber, its affiliates, and Mesa Telecoms complying with all applicable universal service obligations. Affiliates of Dobson Fiber receive universal service support under the different mechanisms of fixed model-based support and cost-based support; specifically, DTC elected to receive universal service support under the A-CAM, and Lavaca did not elect to receive model-based support and receives cost-based universal service support for voice and broadband services. See *Domestic Section 214 Applications Granted Subject to Condition*, WC Docket Nos. 20-388 and 20-389, Public Notice, 36 FCC Rcd 320 (WCB 2021) (*Dobson/Lavaca 214 Grant*); Order on Reconsideration, 36 FCC Rcd 8859 (2021) (*Dobson/Lavaca 214 Grant Reconsideration Order*). To mitigate the potential for cost shifting when Dobson Fiber acquired Lavaca the Bureau applied the condition that the Commission first adopted in the *Hargray/ComSouth Order* (mixed support condition) such that the combined operating expenses of Dobson Fiber’s rate-of-return affiliates that receive cost-based support are capped for seven years from the date of the consummation of the transaction under which Dobson Fiber acquired Lavaca. *Dobson/Lavaca 214 Grant*, 36 FCC Rcd at 322-24; *Dobson/Lavaca 214 Grant Reconsideration Order*, 36 FCC Rcd at 8861, 8863-64, paras. 6, 13 (both citing *Joint Application of W. Mansfield Jennings Limited Partnership and Hargray Communications Group, Inc. for Consent to the Transfer of Control of ComSouth Corporation Pursuant to Section 214 of the Communications Act of 1934*, WC Docket 18-52, Memorandum Opinion and Order, 33 FCC Rcd 4780, 4784, para. 19 (2018) (*Hargray/ComSouth Order*)). We grant the instant Application subject to the continued application of the *Hargray/ComSouth* mixed support condition to Dobson Fiber.

⁵ Application at 4-5. DTC provides service as an incumbent LEC in portions of the following Oklahoma counties: Roger Mills, Dewey, Custer, Beckham, Oklahoma, Lincoln, Pottawatomie and Cleveland. *Id.* at 10-11.

⁶ *Id.* at 5, 11-12. Applicants state that DTTTS also provides competitive LEC services to less than a thousand customers primarily around the state of Oklahoma and northern Texas. Application at 10; Supplement at 2.

⁷ Application at 5, 12. Lavaca serves the Lavaca exchange in rural western Arkansas and the Panama/Shady Point exchange in rural eastern Oklahoma. *Id.* at Exh. A and March Supplement at 2.

⁸ Application at 5.

⁹ *Id.*

¹⁰ *Id.* at 2, 6-7. The general partner of DLP is RLD, Inc., an Oklahoma corporation, which, in turn, is wholly-owned and controlled by Everett Dobson, a U.S. citizen. *Id.* at 6-7 and 19-20. The other current direct shareholder of Dobson Fiber is Eight Bar Financial Partners I, LP, (Eight Bar), an entity of the Cayman Islands, that holds a 22.88% equity interest. *Id.* at n. 16.

¹¹ *Id.* at 2. Post consummation, Everett Dobson will indirectly hold a 20.2% interest in Mesa Telecoms and Stephen Dobson, also a U.S. citizen, will hold 15.44% of Mesa Telecoms. *Id.* at 20.

¹² Application at 18 and Exh. B (Post-Transaction Structure).

be majority held (57.35%) by iCON Mesa Telecoms Holdings L.P. (iCON Mesa), a Delaware limited partnership.¹³ iCON Mesa, in turn, is an indirect subsidiary of iCON Infrastructure Partners V, L.P. (iCON Partners V), a United Kingdom entity, and iCON Infrastructure Investments V-B, L.P. Inc. (iCON Investments V-B), a Guernsey entity (together iCon V Fund).¹⁴ All investment decision-making of the iCON V Fund is controlled by its managing general partner, iCON Infrastructure Management V Limited, a Guernsey limited company (iCON V GP), a wholly-owned subsidiary of iCON Infrastructure LLP (iCON Parent), a United Kingdom entity.¹⁵ iCON Parent's funds currently control TruVista Communications, Inc. (TruVista) and its subsidiaries, which provide incumbent LEC and competitive LEC services in multiple states.¹⁶ Applicants state that, other than what is disclosed in the Application, neither Mesa Telecoms nor iCON Parent hold a 10% or greater ownership interest in any other provider of telecommunications services, nor do they have an interest in any carrier within or adjacent to the areas served by Dobson Fiber.¹⁷

¹³ *Id.* at 19.

¹⁴ *Id.* at 20-21.

¹⁵ *Id.* at 3; 23-25 and Exh. B (Post-Transaction Structure); Second September Supplement at Attach. (iCON Infrastructure LLP Combined Structure Chart). See 2022 Public Notice at 2-3. iCon Parent is owned by the following citizens of the United Kingdom: Daniel Michael Agostino (dual-citizen of the United Kingdom and Australia); Paul Richard Malan; Iain Ross Macleod. Application at 24-25. Applicants had stated that either pre- or post-closing, the iCON funds will accept co-investments from certain investors that have already invested but wish to invest additional capital through separate fund vehicles also managed by iCON V GP. *Id.* at 23. Applicants filed a supplement disclosing that OPTrust Infrastructure Europe XII Inc., a Canadian entity, would potentially hold up to an approximately 10.5% indirect interest in Mesa Telecoms as a non-controlling and passive limited partner. April Supplement at 1-2. Applicants have now stated that the co-investment process described in the initial application has been completed. First September Supplement at Attach. at 3.

¹⁶ March Supplement at 3-4 and App. A; see also *Domestic Section 214 Application Granted for the Transfer of Control of the Chester Telephone Company D/B/A TruVista Communications to York Telecoms Holdings US L.P.*, WC Docket No. 19-139, Public Notice, 34 FCC Rcd 7906 (WCB 2019).

¹⁷ Application at 9, March Supplement at 1. On June 24, 2022, the Bureau granted a domestic section 214 application for Worth Telecoms Holdings, LLC, an indirect subsidiary of iCon Parent, to acquire Plant Telephone Company and its wholly-owned subsidiaries, Plant TiftNet, Inc., Plant Long Distance Company, and Plant Telenet, Inc. (Plant Entities), subject to the *Hargray/ComSouth* condition. See *Domestic Section 214 Applications Granted Subject to Condition*, WC Docket No. 21-432, Public Notice, DA-22-674, at 4 (WCB 2022) (Worth Telecoms Transaction) (stating that Plant Telephone Company receives universal service support under the A-CAM, and “if TruVista, or one of its affiliates, converts to a non-average schedule cost company, that conversion will trigger application of the condition established in the *Hargray/ComSouth Order* . . .”). Although the Dobson and Plant Entities will ultimately have the same controlling parent entity, iCon Parent, Applicants state that the parent will not have the ability to engage in improper cost shifting as a result of its affiliates receiving universal service support under different mechanisms. They affirm that the Dobson Fiber and Plant Entities do not have common control, shared or common costs, or consolidation of corporate books. Application at 6; First September Supplement at 2-4; Second September Supplement at 1-4 (stating that iCON Parent has a “fiduciary duty to each investor group pursuant to the management contracts to keep each iCON fund and its portfolio companies independent from one another. iCON Parent cannot shift costs between portfolio companies of separate iCON investment funds and will therefore not have the type of common control that will implicate a mixed-support condition as envisioned in the *Hargray/ComSouth Order*.”). See *Dobson/Lavaca 214 Grant Reconsideration Order*, 36 FCC Rcd at 8864, para. 14 (stating that the Bureau should continue to apply the *Hargray/ComSouth* condition to remedy a potential public interest harm caused by a mixed support transaction, including in transactions in which post-merger affiliates have common control, common costs, cost sharing, or consolidation of corporate books). In light of the separate operations of the Dobson Fiber and Plant Entities as demonstrated on this record, we do not find a potential public interest harm that needs to be addressed between the current transaction and the Worth Telecoms Transaction, and therefore exercise our authority to exclude specific affiliates in a mixed support transaction from the *Hargray/ComSouth* condition. We therefore grant the Application without applying the mixed support condition specifically applicable to Dobson Fiber and its subsidiaries to the affiliated Plant Entities.

Pursuant to the terms of the proposed transaction, Mesa Telecoms will acquire, from DLP and Eight Bar, all of the ownership interests in Dobson Fiber and, indirectly, the Licensees.¹⁸ Applicants state that, post-consummation: a) the iCON V Fund and its passive limited partner investors will indirectly, through intermediate partnerships, hold 57.35% of the ownership interest in Mesa Telecoms; and b) DLP will hold 40% of the ownership interests in Mesa Telecoms.¹⁹

On March 25, 2022, pursuant to Commission practice, the Application and the associated international section 214 transfer application, IB File No. ITC-T/C-20220304-00035, were referred to the relevant Executive Branch agencies for their views on any national security, law enforcement, foreign policy or trade policy concerns related to the foreign ownership of the Applicants.²⁰ On March 25, 2022, the Committee for the Assessment of Foreign Participation in the United States Telecommunications Services Sector (Committee) requested that the Commission defer action on the applications while the Committee reviewed them.²¹ On October 5, 2022, the National Telecommunications and Information Administration notified the Commission that the Committee has no objection to the Commission granting the applications.²² Further, the Committee reserves the right to review any resulting authorizations in the future to identify any additional or new risks to U.S. national security or law enforcement interests.²³

We find that grant of the Application, subject to Applicants' continuing compliance with the *Hargray/ComSouth* condition, will serve the public interest, convenience, and necessity.²⁴ Pursuant to section 1.103 of the Commission's rules, 47 CFR § 1.103, the grant is effective upon 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 Gregory Kwan, Wireline Competition Bureau, Competition Policy Division, (202) 418-1191.

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¹⁸ Application at 7.

¹⁹ The remaining less than 5% interests in the partnerships owning Mesa Telecoms will be held by certain members of Dobson Fiber management. *Id.* at n. 11.

²⁰ See 2022 Public Notice at 3-4 (and citations therein).

²¹ Letter from Megan K. Fluckiger, Department of Justice, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 22-110; ITC-T/C-20220304-00035, and Attach. (March 2022 Notification from Chair) (filed Mar. 25, 2022).

²² Letter from Stephanie Weiner, Deputy Chief Counsel, National Telecommunications and Information Administration, to Tom Sullivan, Chief, FCC International Bureau, WC Docket No. 22-110, ITC-T/C-20220304-00035 (filed Oct. 5, 2022).

²³ *Id.*

²⁴ See 47 U.S.C. § 214(a); 47 CFR § 63.03; *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").