



PUBLIC NOTICE

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

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

DA 22-1104
Released: October 19, 2022

**DOMESTIC SECTION 214 APPLICATION FILED FOR THE TRANSFER OF CONTROL
OF SPECTROTEL, INC. TO SPECTROTEL ULTIMATE HOLDINGS, LLC**

NON-STREAMLINED PLEADING CYCLE ESTABLISHED

WC Docket No. 22-355

Comments Due: November 2, 2022

Reply Comment Due: November 9, 2022

By this Public Notice, the Wireline Competition Bureau seeks comment from interested parties on an application filed by Spectrotel, Inc. (Spectrotel) and Spectrotel Ultimate Holdings, LLC (Spectrotel Ultimate) (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 consent for the transfer control of Spectrotel to Spectrotel Ultimate.¹

Spectrotel, a Delaware corporation, is a non-facilities-based competitive local exchange carrier (LEC) and interexchange carrier that provides resold telecommunications services to small and medium-sized businesses and enterprise customers in the District of Columbia and every state, except Alaska and Hawaii.

Spectrotel Ultimate, a Delaware limited liability company, will be owned by Grain Communications Opportunity Fund III Master, L.P. (GCO Fund III) (95%), a Delaware investment fund.² The general partner of GCO Fund III is GCOF III GP, LLC, a Delaware entity ultimately controlled by David J. Grain, a U.S. citizen and owner of Grain Management, LLC (Grain Management), also a Delaware entity. Grain Management manages funds that control telecommunications carriers operating in multiple states, including Great Plains Communications LLC, which is an incumbent LEC in areas of Nebraska, Colorado, Kansas, and South Dakota;

¹ See 47 U.S.C. § 214; 47 CFR §§ 63.03-04. Application of Spectrotel, Inc. and Spectrotel Ultimate Holdings, LLC, WC Docket No. 22-355 (filed Oct. 7, 2022) (Application). Applicants filed a supplement to their Application on October 13, 2022. Letter from Matthew S. DelNero and Corey Walker, Counsel for Spectrotel Ultimate Holdings, LLC, and Matthew A. Brill and Michael H. Herman, Counsel for Spectrotel, Inc. to Marlene H. Dortch, Secretary, FCC, WC Docket No. 22-355 (filed Oct. 13, 2022). Applicants also filed an application for the transfer of authorizations associated with international services. Any action on this domestic section 214 application is without prejudice to Commission action on other related, pending applications.

² Applicants state that there are three limited partners with passive financial investments that hold a 10% or greater equity interest in GCO Fund III, including a Grain Management fund organized in the Cayman Islands.

Sunman Telecommunications, LLC, which is an incumbent LEC in Indiana; E. Ritter Telephone Company, LLC and Tri-County Telephone Company, LLC, which are incumbent LECs in Arkansas; Millington Telephone Company, LLC, which is an incumbent LEC in Tennessee; and multiple other carriers offering competitive LEC and long distance services in several states. Applicants state that Spectrotel provides resold telecommunications services in the areas served by the incumbent LECs managed by Grain Management.

Pursuant to terms of the proposed transaction, Spectrotel Ultimate will indirectly purchase all of the outstanding equity interests in Spectrotel, thereby acquiring ownership and control of Spectrotel. Spectrotel will convert from a corporation to a limited liability company prior to closing.

Applicants assert that a grant of the Application would serve the public interest, convenience, and necessity. They do not request streamlined treatment pursuant to section 63.03 of the Commission's rules, and we accept the Application for non-streamlined processing.³

No Referral to Executive Branch Agencies: The Commission determined in the *Executive Branch Review Process Order* that it would not routinely refer to the Executive Branch applications "where the only reportable foreign ownership is through wholly owned intermediate holding companies and the ultimate ownership and control is held by U.S. citizens or entities."⁴ The Commission, however, retains the discretion to refer such applications should it find that a particular application may raise national security, law enforcement, foreign policy, and trade policy concerns for which it would benefit from the advice of the Executive Branch.⁵ The Applicants assert that the Application falls under this exclusion and that the Commission should not refer it to the Executive Branch agencies.⁶ We find that the Applicants have made a showing that the Application comes within the exclusion from referral to the Executive Branch for national security, law enforcement, foreign policy and trade policy review. While we are not referring the Application, we will provide a courtesy copy of this public notice to the Executive Branch agencies.⁷

Domestic Section 214 Application Filed for the Transfer of Control of
Spectrotel, Inc. to Spectrotel Ultimate Holdings, LLC,
WC Docket No. 22-355 (filed Oct. 7, 2022).

GENERAL INFORMATION

The application identified herein has been found, upon initial review, to be acceptable for is determined to be defective and not in conformance with the Commission's rules and policies.

Interested parties may file comments **on or before November 2, 2022**, and reply comments **on or before November 9, 2022**. Comments may be filed using the Commission's Electronic Comment Filing System (ECFS) or by paper.

³ See 47 CFR § 63.03.

⁴ *Process Reform for Executive Branch Review of Certain FCC Applications and Petitions Involving Foreign Ownership*, IB Docket 16-155, Report and Order, 35 FCC Rcd 10927, 10936, 10939, paras. 25, 30 (2020) (*Executive Branch Review Process Order*).

⁵ *Id.*

⁶ Application at 12.

⁷ See *Executive Branch Review Process Order* at 10941, para. 36, n. 99; see also *id.* at 10939, para 30, n. 81.

- **Electronic Filers:** Comments may be filed electronically by accessing ECFS at <http://apps.fcc.gov/ecfs/>.
- **Paper Filers:** Parties who choose to file by paper must file an original and one copy of each filing. If more than one docket or rulemaking number appears in the caption of this proceeding, filers must submit two additional copies for each additional docket or rulemaking number.
 - Filings can be sent by commercial overnight courier or by first-class or overnight U.S. Postal Service mail.⁸ All filings must be addressed to the Commission's Secretary, Office of the Secretary, Federal Communications Commission.
 - Commercial overnight mail (other than U.S. Postal Service Express Mail and Priority Mail) must be sent to 9050 Junction Drive, Annapolis Junction, MD 20701. U.S. Postal Service first-class, Express, and Priority mail must be addressed to 45 L Street, NE, Washington, DC 20554.

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.

In addition, e-mail one copy of each pleading to each of the following:

- 1) Dennis Johnson, Competition Policy Division, Wireline Competition Bureau, dennis.johnson@fcc.gov;
- 2) David Krech and Sumita Mukhoty, Telecommunications and Analysis Division, International Bureau, david.krech@fcc.gov; sumita.mukhoty@fcc.gov; and
- 3) Jim Bird, Office of General Counsel, jim.bird@fcc.gov.

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.

⁸ Effective March 19, 2020, and until further notice, the Commission no longer accepts any hand or messenger delivered filings. This is a temporary measure taken to help protect the health and safety of individuals, and to mitigate the transmission of COVID-19. See *FCC Announces Closure of FCC Headquarters Open Window and Change in Hand-Delivery Policy*, Public Notice, 35 FCC Rcd 2788 (Mar. 19, 2020), <https://www.fcc.gov/document/fcc-closes-headquarters-open-window-and-changes-hand-delivery-policy>.

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.⁹ 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 Dennis Johnson at (202) 418-0809.

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⁹ See 47 CFR § 1.45(c).