



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 22-1285
Released: December 9, 2022

DOMESTIC SECTION 214 APPLICATION FILED FOR THE TRANSFER OF CONTROL OF IDEATEK TELCOM, LLC

NON-STREAMLINED PLEADING CYCLE ESTABLISHED

WC Docket No. 22-391

Comments Due: December 23, 2022
Reply Comment Due: December 30, 2022

By this Public Notice, the Wireline Competition Bureau (Bureau) seeks comment from interested parties on an application filed by Daniel P. Friesen and IdeaTek Telcom, LLC (IdeaTek) (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 to transfer control of IdeaTek.¹

IdeaTek, a Kansas limited liability company, provides competitive voice and broadband services and is a competitive local exchange carrier serving approximately 15,000 subscribers in Kansas.² Ideatek is an Eligible Telecommunications Carrier (ETC).³ It receives Connect America Fund (CAF) Phase II Auction 903 support in Kansas.⁴ On March 15, 2022, the Bureau also authorized IdeaTek to receive \$23,590.60 in Rural Digital Opportunity Fund (RDOF) Auction 904 support to provide service to an estimated 89 locations in Kansas.⁵ Daniel Friesen, a U.S. citizen,

¹ See 47 U.S.C. § 214; 47 CFR §§ 63.03-04. Application of Daniel P. Friesen, IdeaTek Telcom, LLC for Consent to Transfer Control of Domestic Section 214 Authorization, WC Docket No. 22-391 (filed Nov. 8, 2022) (Application). Applicants filed a supplement to their application on December 5, 2022. Letter from Stephen E. Coran, Counsel to IdeaTek Telcom, LLC to Marlene H. Dortch, Secretary, FCC, WC Docket No. 22-391 (filed on December 5, 2022). Applicants also filed applications for the transfer of wireless licenses. Any action on this domestic section 214 application is without prejudice to Commission action on other related, pending applications.

² Application at 2.

³ *Id.*

⁴ *Id.* IdeaTek was the winning bidder for \$6,186,881.60 to serve 2,490 locations in Kansas. See *Connect America Fund Phase II Auction Support Authorized for 856 Winning Bids*, WC Docket No. 10-90, AU Docket No. 17-182, Public Notice, 34 FCC Rcd 4725, Attach. A (Authorized Long-Form Applicants and Winning Bids) (WCB 2019). Applicants state that IdeaTek has completed its CAF network deployment to 76% of required locations. Application at 9.

currently owns 53.21% of IdeaTek and is the sole manager, and Jerrod Reimer, a U.S. citizen, owns 13.54% of the company.⁶

Applicants state that “Pursuant to the terms of a Convertible Secured Promissory Note (‘Convertible Note’) and a Convertible Note Purchase Agreement (‘Purchase Agreement’), Peppertree Capital Fund IX, LP, a Delaware limited partnership, Peppertree Capital Fund IX QP, LP, a Delaware limited partnership, and Peppertree Capital FIX Co-Investors, LLC, (collectively, the ‘Peppertree Funds’), an Ohio limited liability company, made a significant debt investment in IdeaTek and acquired the right to convert its debt into ownership of up to a total of 49.5% in IdeaTek, subject to the prior consent of the Commission to a transfer of control of IdeaTek’s domestic Section 214 authorization and wireless licenses.”⁷ Peppertree Capital Fund IX QP, LP would own approximately 47.3% of IdeaTek, and the two other funds each would own approximately 1%.⁸ The Peppertree Funds are managed by Peppertree Capital Management, Inc. (PCMI), an Ohio private equity firm controlled by United States citizens.⁹ Upon consummation of the proposed transaction, the Convertible Note will convert to equity in IdeaTek, and Daniel P. Friesen’s interest will be reduced from 53.21% to 24.46%, thereby effectuating a transfer of control of IdeaTek.¹⁰ Applicants state that the PCMI entities do not provide any telecommunications services.¹¹

Applicants assert that a grant of the Application would serve the public interest, convenience, and necessity, and that PCMI’s capital investment will enhance IdeaTek’s ability to meet and accelerate service obligations for its CAF and RDOF locations under the company’s existing management.¹²

Because the proposed transaction would involve the exchange and assumption of Universal Service Fund high-cost mechanism obligations, in order to sufficiently analyze whether the proposed transaction would serve the public interest, we accept the Application for non-streamlined processing.¹³

Domestic Section 214 Application Filed for the Transfer of Control of

⁵ Application at 3. *See Rural Digital Opportunity Fund Support Authorized for 5,657 Winning Bids*, AU Docket No. 20-34, WC Docket Nos. 19-126, 10-90, Public Notice, DA 22-280 at Attach. A Attach. A (Authorized Long-Form Applicants and Winning Bids) (WCB 2022).

⁶ Application at 11-12.

⁷ Application at 3.

⁸ *Id.* at 2, Exh. A. (Post-Transaction Corporate Ownership Structure).

⁹ *Id.* at 4, 12.

¹⁰ *Id.* at 5. Separately, Mr. Reimer’s interest will fall below 10%, and after consummation, IdeaTek will be managed by a five-person board consisting of Mr. Friesen, Mr. Reimer, and Mr. Daniel Solomon, all of whom are current officers of the company, along with two members appointed by PCMI. *Id.*

¹¹ *Id.* at 13.

¹² *Id.* at 7-11.

¹³ *See* 47 CFR § 63.03(c)(1)(v).

IdeaTek Telcom, LLC, WC Docket No. 22-391 (filed Nov. 8, 2022).

GENERAL INFORMATION

The application identified herein has been found, upon initial review, to be acceptable for filing. The Commission reserves the right to return any application if, upon further examination, it is determined to be defective and not in conformance with the Commission's rules and policies.

Interested parties may file comments **on or before December 23, 2022**, and reply comments **on or before December 30, 2022**. Comments may be filed using the Commission's Electronic Comment Filing System (ECFS) or by paper.

- 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.¹⁴ 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; and
- 2) Jim Bird, Office of General Counsel, jim.bird@fcc.gov.

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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

¹⁴ 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 (OS 2020).

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.¹⁵ 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, Wireline Competition Bureau, (202) 418-0809.

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¹⁵ See 47 CFR § 1.45(c).