



PUBLIC NOTICE

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

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DA 22-385
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**DOMESTIC 214 APPLICATION GRANTED FOR THE TRANSFER OF CERTAIN
AUTHORIZATIONS OF COMMNET FOUR CORNERS, LLC
TO INVENTIVE WIRELESS OF NEBRASKA, LLC DBA VISTABEAM**

WC Docket No. 22-52

By this Public Notice, the Wireline Competition Bureau (Bureau) grants an application filed by Commnet Four Corners, LLC (Commnet) and Inventive Wireless of Nebraska, LLC dba Vistabeam (Vistabeam) (together, Applicants),¹ pursuant to section 214 of the Communications Act of 1934, as amended (Act), and sections 63.03-04 of the Commission's rules,² requesting consent to transfer Commnet's Connect America Fund (CAF) Phase II support obligations for its designated census blocks in Wyoming (Study Area Code 519017) (Assigned Census Blocks)³ to Vistabeam.

On February 28, 2022, the Bureau released a public notice seeking comment on the Application.⁴ The Bureau did not receive comments or petitions in opposition to the Application.

Applicants and Description of Transaction

Commnet, a Delaware Limited Liability Company (LLC), provides voice and broadband services in portions of the western United States and is an eligible telecommunications carrier (ETC) for the Assigned Census Blocks in Wyoming.⁵ Commnet Wireless, LLC, a Delaware LLC, owns 100% of Commnet, and ATN International, Inc., a Delaware corporation, indirectly owns 97.9% of Commnet.⁶ During the CAF Phase II Auction (Auction 903), Commnet won the rights to service the Assigned Census

¹ See Application of Commnet Four Corners, LLC, Assignor, and Inventive Wireless of Nebraska, LLC dba Vistabeam, LLC, Assignee, for Consent to Assignment of Domestic Section 214 Authorization, WC Docket No. 22-52 (filed Feb. 3, 2022), <https://ecfsapi.fcc.gov/file/10203384600268/Vistabeam%20Commnet%20Section%20214%20Transfer%20Application.pdf> (Application). On February 24, 2022, Applicants filed a supplement to the Application. Letter from Stephen E. Coran, Counsel for Applicants, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 22-52 (Feb. 24, 2022) (Supplement). Any action on this domestic section 214 application is without prejudice to Commission action on other related, pending applications.

² See 47 U.S.C. § 214; 47 CFR §§ 63.03-04.

³ Applicants state that there are 176 eligible census blocks comprising 690 locations in Wyoming that make up the Assigned Census Blocks. Application at 3, Exh. A.

⁴ *Domestic Section 214 Application Filed for the Transfer of Certain Authorizations of Commnet Four Corners, LLC to Inventive Wireless Of Nebraska, LLC dba Vistabeam*, WC Docket No. 22-52, Public Notice, DA 22-202 (WCB 2022).

⁵ Application at 2-3 (citing Wyoming Public Service Commission, Docket No. 62122-1-RA-18, Order No. 25383 (Feb. 14, 2019) (designating Commnet as an ETC for the Assigned Census Blocks)).

⁶ Application at 2, 9. Cornelius B. Prior, a U.S. citizen, and Blackrock, Inc., a Delaware corporation, own 26.4% and 11%, respectively, of ATN. *Id.* at 9.

Blocks.⁷ Applicants state that “[a]t present, there are no local subscribers of Commnet in the Assigned Census Blocks.”⁸

Vistabeam, a Nebraska LLC, is a voice and broadband provider and ETC in Wyoming.⁹ It currently provides fixed wireless and fiber-to-the-home services in Wyoming, Nebraska, and Colorado.¹⁰ Matthew M. Larsen, a U.S. Citizen, and the Dallas L. Larsen Trust (Trust), a Family Trust, own 80% and 10%, respectively, of Vistabeam.¹¹ During the CAF Phase II Auction, Vistabeam won the rights to service 467 census blocks in Wyoming.¹² Applicants state that “Vistabeam has expended CAF support funds in connection with deployment in its CAF-supported area, and expects to meet the 40 percent buildout milestone well ahead of the three-year milestone deadline.”¹³

Pursuant to the terms of the proposed transaction, Commnet will assign to Vistabeam, with respect to the Assigned Census Blocks, (a) Commnet’s accumulated CAF II support associated with the Assigned Census Blocks, certain assets obtained with CAF II support, and Commnet’s entitlement to receipts of all future CAF II support;¹⁴ and (b) all of Commnet’s obligations associated with the receipt of CAF II support, subject to required federal and state regulatory approvals.¹⁵

⁷ *Id.* at 3 (citing *Connect America Fund Phase II Auction Support Authorized for 459 Winning Bids*, AU Docket No. 17-182, WC Docket No. 10-90, Public Notice, 34 FCC Rcd 3142, 3147 and Attach. A (Authorized Long-Form Applicants and Winning Bids) (WCB/OEA 2019) (listing Commnet as a winning bidder in Wyoming and several other states and stating that ETCs seeking to transfer control of their domestic authorizations to operate pursuant to section 214 of the Act, or to engage in the sale of assets under section 214 must first receive approval from the Commission in accordance with sections 63.03 and 63.04 of the Commission’s rules governing the procedures for domestic transfer of control/asset applications)).

⁸ Application at 2. Applicants state that Commnet’s assigned CAF II support amount over 10 years in Wyoming is \$2,446,067.40. *Id.* at 3.

⁹ *Id.* at 3 (citing Wyoming Public Service Commission, Docket No. 62127-1-RA-18, Order No. 25384 (Feb. 14, 2019) (designating Vistabeam as an ETC)).

¹⁰ Application at 3.

¹¹ *Id.* at 10. The beneficiaries of the Trust are Matthew M. Larsen, Melissa Schneider, Lex Larsen, Erica Larsen-Dockray, and Patricia Larsen. All of the beneficiaries are U.S. citizens. The trustees of the Trust are Melissa Schneider and Patricia A. Larsen. No other individual or entity holds 10% or more of Vistabeam. *Id.*

¹² *Id.* at 3. See *Connect America Fund Phase II Auction Support Authorized For 387 Winning Bids*, AU Docket No. 17-182, WC Docket No. 10-90, Public Notice, 34 FCC Rcd 9406, Attach. A (Authorized Long Form Applicants and Winning Bids) (WCB/OEA 2019). In addition, Vistabeam won the rights to service 112 census blocks in Colorado and one census block in Nebraska. Application at 3. Vistabeam’s assigned CAF II support amount over 10 years is \$5,240,646.20 for 1,692 locations in the three states. *Id.* Vistabeam also participated in and won the rights to provide service to 309 locations in Wyoming through Phase I of the Rural Digital Opportunity Fund (RDOF) Auction. See *Rural Digital Opportunity Fund Support Authorized For 5,657 Winning Bids*, AU Docket No. 20-34, WC Docket No. 19-126, WC Docket No. 10-90, Public Notice, DA 22-280, at Attach. A (Authorized Long-Form Applicants and Winning Bids) (WCB 2022) (authorizing Vistabeam to receive a support amount over 10 years of \$53,810).

¹³ Application at 3-4.

¹⁴ Supplement, Attach. at paras. 4-5 (Additional Certification of Jeffrey Humiston, General Counsel of Commnet) (describing CAF Phase II funds that Commnet intends to retain to cover eligible expenses already incurred).

¹⁵ Application at 1-2. Applicants state that Vistabeam will retain its current CAF obligations in addition to assuming Commnet’s CAF obligations in the Assigned Census Blocks and that Vistabeam is not acquiring any of Commnet’s telecommunications assets, services, or customers outside the CAF-supported areas. *Id.* at 2, 12. Applicants further state that, as a condition to each receiving CAF support, both Commnet and Vistabeam have been designated as ETCs and that, “[i]n connection with [this] transaction, the Applicants are filing for [Wyoming Commission]

(continued....)

Applicants assert that a grant of the Application would serve the public interest, convenience, and necessity.¹⁶ Following the consummation of the proposed transaction, Applicants state that “no carrier change charges will result from the transaction, and no customer service or billing contact information will change as a result of the transaction.”¹⁷ Applicants maintain that “Vistabeam has both the necessary industry experience and requisite financial means to take on the responsibility of deploying CAF-supported voice and broadband service in the Assigned Census Blocks.”¹⁸ Applicants assert that “[s]ince becoming authorized to receive CAF support, Commnet realized that the Assigned Census Blocks might be served in a more expeditious and cost-effective manner by Vistabeam given its proximity to Commnet’s CAF-supported areas, its existing operations, resources and infrastructure, and its ahead-of-schedule deployment of its own CAF obligations.”¹⁹ They further state that “[b]ecause Comment’s CAF areas are adjacent to or nearby Vistabeam’s existing operations and Vistabeam’s CAF-supported areas, Vistabeam can achieve economies of scale and leverage its labor force, infrastructure and operational capabilities to rapidly and cost-effectively build out the Commnet CAF areas as it expands its broadband operations.”²⁰ According to the Applicants, because “Vistabeam is not taking on any debt repayment obligations or otherwise increasing substantially its costs to deploy service . . . the transaction will not compromise Vistabeam’s ability to meet the buildout milestones or performance obligations for either its CAF deployment or the deployment in the Assigned Census Blocks.”²¹

Discussion

We find, upon consideration of the record, that grant of the Application will serve the public interest, convenience, and necessity.²² To make this determination under Commission precedent, we consider whether the proposed transaction could result in public interest harms by substantially frustrating or impairing the objectives or implementation of the Act or related statutes.²³ We then employ a balancing test weighing any potential public interest harms of the proposed transaction against any

approval for Commnet to relinquish its Wyoming ETC designation for the Assigned Census Blocks and for Vistabeam to expand its ETC designation to cover the Assigned Census Blocks.” *Id.* at 4-5.

¹⁶ Application at 5-8.

¹⁷ *Id.* at 5.

¹⁸ *Id.* at 6.

¹⁹ *Id.* at 6-7.

²⁰ *Id.* at 7.

²¹ *Id.*; *see id.* at Attach. (Certification of Matthew Larsen, CEO of Vistabeam).

²² 47 U.S.C. § 214(a); 47 C.F.R. § 63.03; *Telecommunications Carriers Eligible for Universal Service Support*, WC Docket No. 09-197, *Connect America Fund*, WC Docket No. 10-90, Order, 36 FCC Rcd 9384, para. 30 (WCB 2021).

²³ *See, e.g., Application of Verizon Communications Inc. and América Móvil S.A.B. de C.V. for Consent to Transfer Control of International Section 214 Authorization*, GN Docket No. 21-112; IBFS File No. ITC-T/C-20200930-00173, Memorandum Opinion and Order, FCC 21-121, at para. 21 (rel. Nov. 22, 2021) (*Verizon-TracFone Order*) (citing *China Mobile International (USA) Inc., Application for Global Facilities-Based and Global Resale International Telecommunications Authority Pursuant to Section 214 of the Communications Act of 1934, as Amended*, Memorandum Opinion and Order, 34 FCC Rcd 3361, 3366, para. 9 (2019); *Applications for Consent to the Assignment and/or Transfer of Control of Licenses, Adelphia Communications Corporation (and subsidiaries, debtors-in-possession), Assignors, to Time Warner Cable Inc. (subsidiaries), Assignees; Adelphia Communications Corporation, (and subsidiaries, debtors-in-possession), Assignors and Transferors et al.*, MB Docket No. 05-192, Memorandum Opinion and Order, 21 FCC Rcd 8203, 8219-21, paras. 27-28 (2006) (*Adelphia-TWC Order*)).

potential public interest benefits.²⁴ The Applicants bear the burden of proving, by a preponderance of the evidence, that the proposed transaction, on balance, serves the public interest.²⁵

We find that there are no potential public interest harms identified in the record. First, the proposed transaction likely will not adversely affect competition, and no commenter has raised other potential harms. Applicants state that, as proposed, “there will be no reduction in competitors in the Assigned Census Blocks [and] there will be no negative impact on competition in the communications market anywhere in the United States.”²⁶ Further, Applicants state that the proposed transaction will be transparent to the customers of the Applicants, who will continue to be served pursuant to each Applicant’s existing operations and existing terms and conditions, and therefore, we expect no harm to existing customers to result from the transaction.²⁷

Second, Vistabeam certifies that it will meet all obligations associated with the receipt of CAF funding in the Assigned Census Blocks,²⁸ and we expect that the proposed transaction will not negatively impact these obligations. Indeed, Applicants have confirmed that “the transaction will not result in any adverse alteration to the buildout plans Commnet submitted to the Commission in order to be authorized to receive CAF funding,”²⁹ and that the proposed transaction will “not result in any harms to either company’s existing customers and will accelerate Vistabeam’s ongoing efforts to expand broadband service to unserved areas.”³⁰ There is nothing in the record to indicate that Vistabeam is not qualified to efficiently manage the obligations associated with the CAF funding. Vistabeam is a rural broadband provider already receiving CAF support in Wyoming as an ETC and states that it “has expended CAF support funds in connection with deployment in its CAF-supported area, and expects to meet the 40 percent buildout milestone well ahead of the three-year milestone deadline.”³¹ Applicants have confirmed that following consummation of the proposed transaction, Vistabeam will continue to have the necessary managerial and operational expertise to meet the additional CAF commitments it acquires from Commnet.³² Applicants further state that the proposed transaction will not compromise Vistabeam’s support obligations through the assumption of debt.³³ In addition, Vistabeam will be subject to ongoing oversight and must comply with annual reporting and certification requirements.

We next consider whether the proposed transaction is likely to generate verifiable, transaction-specific public interest benefits.³⁴ Applicants must provide evidence of a claimed benefit to allow the

²⁴ See *Verizon-TracFone Order* at para. 21 (citing *Applications of AT&T Inc. and DIRECTV for Consent to Assign or Transfer Control of Licenses and Authorizations*, MB Docket No. 14-90, Memorandum Opinion and Order, 30 FCC Rcd 9131, 9140, para. 18 (2015) (*AT&T-DIRECTV Order*) (further internal citations omitted).

²⁵ See *Verizon-TracFone Order* at para. 21 (citing *AT&T-DIRECTV Order*, 30 FCC Rcd at 9140, para. 18; *Adelphia-TWC Order*, 21 FCC Rcd at 8217, para. 23; *Application of EchoStar Communications Corp., General Motors Corp., and Hughes Electronics Corp., Transferors, and EchoStar Communications Corp., Transferee*, CS Docket No. 01-348, Hearing Designation Order, 17 FCC Rcd 20559, 20574, para. 25 (2002) (*EchoStar-DIRECTV HDO*) (further internal citations omitted).

²⁶ Application at 8.

²⁷ *Id.* at 5.

²⁸ *Id.* at Attach., para. 5 (Certification of Matthew Larsen).

²⁹ *Id.* at 7.

³⁰ *Id.*

³¹ *Id.* at 3-4, 6.

³² See Application at 6; see also *id.* at Attach., para. 3 (Certification of Matthew Larsen).

³³ Application at 7. Vistabeam acknowledges that it will need to submit and have approved by USAC an irrevocable letter of credit and bankruptcy opinion letter for the Assigned Census Blocks. *Id.* at 5.

³⁴ See *AT&T/DIRECTV Order*, 30 FCC Rcd at 9237, para. 273-74.

Commission to verify its likelihood and magnitude.³⁵ Where potential harms appear unlikely, as is the case with the Application before us here, the Commission accepts a lesser degree of magnitude and likelihood than when harms are present.³⁶

Applicants “anticipate that with the financial and human resources and operational efficiencies Vistabeam will provide, consumers will be able to receive CAF services in the Assigned Census Blocks more quickly.”³⁷ The Commission has specified that ensuring consumers receive new or additional services is an important public interest factor³⁸ and accelerating private sector deployment of advanced services is one of the aims of the Act.³⁹ Vistabeam is already a recipient of universal service funding in Wyoming,⁴⁰ has experience deploying broadband networks,⁴¹ and intends to integrate deployment of the CAF-supported network activities and operations into its own ongoing operations and its CAF deployment.⁴² Based on the record of this proceeding, we find it likely that the proposed transaction would result in some public interest benefits, including increased efficiencies for Vistabeam to expand service offerings more quickly and better compete. Absent any potential harms, and considering that the proposed transaction is likely to yield some benefits, we find, on balance, that the proposed transaction serves the public interest.

Therefore, pursuant to section 214 of the Act, 47 U.S.C. § 214, and sections 0.91, 0.291, 63.03, and 63.04 of the Commission’s rules, 47 CFR §§ 0.91, 0.291, 63.03, and 63.04, the Bureau hereby grants the Application discussed in this Public Notice under which the CAF Phase II obligations and support for Commnet’s Assigned Census Blocks in Wyoming will be transferred to Vistabeam, subject to Vistabeam’s compliance with all applicable obligations.⁴³

Pursuant to section 1.103 of the Commission’s rules, 47 CFR § 1.103, the grant is effective upon release of this Public Notice.⁴⁴ 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 Christi Shewman, Wireline Competition Bureau, Competition Policy Division, (202) 418-0646.

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³⁵ See *id.* at 9237-38, paras. 275-76.

³⁶ See *id.*

³⁷ Application at 7.

³⁸ See, e.g., *AT&T-DIRECTV Order*, 30 FCC Rcd at 9140, para. 19.

³⁹ See *Verizon-TracFone Order* at para. 22 (citing 47 U.S.C. §§ 254, 332(c)(7), 1302; Telecommunications Act of 1996, Preamble, Pub. L. No. 104-104, 110 Stat. 56 (1996) (one purpose of the Act is to “accelerate rapidly private sector deployment of advanced telecommunications and information technologies and services”)).

⁴⁰ Application at 3-4.

⁴¹ *Id.* at 6.

⁴² *Id.* at 5.

⁴³ See *CAF Authorization Public Notice*, 35 FCC Rcd at 4869-75 (listing obligations for authorized CAF Phase II recipients).

⁴⁴ We direct Applicants to submit, within 30 days of closing the proposed transaction, a notice in WC Docket No. 22-52 that the proposed transaction has closed with the consummation date, and also provide a courtesy copy of the notice to hcinfo@usac.org.