



# PUBLIC NOTICE

Federal Communications Commission  
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## DOMESTIC SECTION 214 APPLICATION GRANTED FOR THE TRANSFER OF CONTROL OF WISPER ISP, LLC TO NATHAN T. STOOKE

### WC Docket No. 22-367

By this Public Notice, the Wireline Competition Bureau (Bureau) grants an application filed by Cable One, Inc. (Cable One), Stephens Wisper, LLC (Stephens), Wisper ISP, LLC (Wisper or Licensee), and Nathan T. Stooke (Mr. Stooke or Transferee) (collectively, Applicants), pursuant to section 214 of the Communications Act of 1934, as amended, and sections 63.03-04 of the Commission's rules,<sup>1</sup> requesting consent to transfer a controlling interest in Wisper to Mr. Stooke.<sup>2</sup>

On December 22, 2022, the Bureau released a Public Notice seeking comment on the Application.<sup>3</sup> The Bureau did not receive comments or petitions in opposition to the Application.

### **Applicants and Description of Transaction**

Cable One, a publicly traded Delaware corporation, provides video, broadband, and voice services in 24 states, and currently holds a 40.40% ownership interest in Wisper, a Delaware limited liability company.<sup>4</sup> Stephens, an Arkansas limited liability company and investment entity, currently holds an 18.80% ownership interest in Wisper, and is affiliated with Stephens Capital Partners, LLC, an Arkansas limited liability company and investment group.<sup>5</sup> Mr. Stooke, a U.S. citizen, is the founder, president, and chief executive officer of Wisper.<sup>6</sup> He previously owned 100% of Wisper ISP, Inc., the

<sup>1</sup> See 47 U.S.C. § 214; 47 CFR §§ 63.03-04.

<sup>2</sup> See Application of Cable One, Inc. and Stephen Wispers LLC for Consent to Transfer Control of Domestic Section 214 Authorization, WC Docket No. 22-367 (filed Dec. 22, 2022) (Application). Applicants filed supplements to their Application on December 16, 2022 and December 20, 2022. Letter from Stephen E. Coran, Counsel to Wisper ISP, LLC, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 22-367 (filed on Dec. 16, 2022) (Dec. 16 Supplement); Letter from Stephen E. Coran, Counsel to Wisper ISP, LLC, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 22-367 (filed on Dec. 20, 2022) (Dec. 20 Supplement). 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.

<sup>3</sup> See *Domestic Section 214 Application Filed for the Transfer of Control of Wisper ISP, LLC to Nathan T. Stooke*, WC Docket No. 22-367, Public Notice, DA 22-1363 (WCB Dec. 22, 2022).

<sup>4</sup> Application at 2, 4, 12, and Exh. B (Current Corporate Ownership Structure Chart and Post-Transaction Corporate Ownership Structure Chart).

<sup>5</sup> *Id.* at 2, 4, 12, and Exh. B.

predecessor in interest of Wisper, but his ownership interest was reduced to 40.80% in 2020 when Cable One and Stephens acquired their ownership interests.<sup>7</sup>

Wisper ISP, Inc. was formed as an Illinois limited liability company in 2003 to provide residential and business broadband services in rural areas.<sup>8</sup> On February 13, 2020, when Mr. Stooke was the 100% owner of Wisper ISP, Inc., the Bureau authorized Wisper ISP, Inc. to receive Connect America Fund (CAF) Phase II Auction 903 support of approximately \$220 million to serve 80,149 locations in Arkansas, Illinois, Indiana, Kansas, Missouri, and Oklahoma.<sup>9</sup>

Wisper currently provides rural fixed wireless and fiber broadband services to “approximately 19,000 subscribers in Arkansas, Illinois, Indiana, Kansas, Missouri, and Oklahoma.”<sup>10</sup> In 2020, the Wisper-CABO (Cable One) 904 Consortium participated in the Rural Digital Opportunity Fund (RDOF) Phase I reverse auction.<sup>11</sup> On June 14, 2022, the Bureau authorized Wisper to receive RDOF support for an estimated 564 locations in Arkansas for a total of \$68,032.50; an estimated 23 locations in Illinois for a total of \$81,815.00; and an estimated 694 locations in Missouri for a total of \$1,069,097.00.<sup>12</sup> Wisper is designated as an Eligible Telecommunications Carrier (ETC) in Arkansas, Illinois, Indiana, Kansas, Missouri, and Oklahoma.<sup>13</sup>

Pursuant to the terms of the proposed transaction, Cable One and Stephens will transfer their current ownership interests in Wisper to Mr. Stooke, resulting in him reacquiring a 100% ownership interest in Wisper.<sup>14</sup> According to Applicants, Bluewater Wisper Ventures LLC<sup>15</sup> will act as the agent for lenders and other parties to a loan agreement (Lenders) to “make term loans available for Wisper to

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<sup>6</sup> *Id.* at 4; Dec. 16 Supplement at 3.

<sup>7</sup> Application at 2, 4-5, 12.

<sup>8</sup> *Id.* at 2.

<sup>9</sup> *Id.* at 3; *see also Connect America Fund Phase II Auction Support Authorized for 1060 Winning Bids*, AU Docket No. 17-182, WC Docket No. 10-90, Public Notice, 35 FCC Rcd 945, Attach. A (Authorized Long-Form Applicants and Winning Bids) (WCB Feb. 13, 2020) (*CAF Phase II Public Notice*). Applicants state that Wisper has satisfied its 40% service milestone in its CAF locations and has reduced its irrevocable letters of credit by 50%. Application at 3.

<sup>10</sup> Application at 2, 6. Applicants state that Wisper participates in the Lifeline program and the Affordable Connectivity Program. *Id.* at 7.

<sup>11</sup> *Id.* at 4.

<sup>12</sup> *Id.*; *see also Rural Digital Opportunity Fund Support Authorized for 513 Winning Bids; Bid Defaults Announced*, AU Docket No. 20-34, WC Docket Nos. 19-126 and 10-20, Public Notice, DA 22-634, at 8 and Attach A (WCB June 14, 2022) (*RDOF Public Notice*) (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. Transfers of control and assignments of international section 214 *authorizations* are separately subject to section 63.24 of the Commission’s rules. Except where the Commission has forbore from the application of section 214, this requirement applies to all transfers of control or asset acquisitions involving ETCs.”).

<sup>13</sup> Application at 4, 6-7, 11.

<sup>14</sup> *Id.* at 5, 9-10, 12 and Exh. B.

<sup>15</sup> Applicants state that BlueWater Wisper Ventures LLC is owned and controlled by John Gregg and Randall Mays. *Id.* at Exh. A.

acquire the [Cable One] and Stephens membership units and fund accelerated deployment in Wisper’s CAF and RDOF areas.”<sup>16</sup>

Applicants assert that the proposed transaction would serve the public interest, convenience, and necessity.<sup>17</sup> They contend that the post-transaction loan proceeds will exceed the amount of capital that was previously committed to Wisper by Cable One and Stephens, which “will enable Wisper to accelerate buildout to its CAF and RDOF locations.”<sup>18</sup> They also contend that the proposed debt financing arrangement will not impair Wisper’s ability to meet its CAF and RDOF obligations, and will enable Wisper “to replace its existing letters of credit with new letters of credit at a lower cost.”<sup>19</sup> Mr. Stooke also certifies that he will remain responsible for all CAF, RDOF, and ETC associated requirements, and that he will be subject to established consequences for failing to meet such requirements.<sup>20</sup> Applicants further maintain that the proposed transaction will not adversely affect competition.<sup>21</sup>

## **Discussion**

We find, upon consideration of the record, that a grant of the Application will serve the public interest, convenience, and necessity. 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.<sup>22</sup> We then employ a balancing test that weighs any potential public interest harms of the proposed transaction against any potential public interest benefits.<sup>23</sup> The Applicants bear the burden of proving, by a preponderance of the evidence, that the proposed transaction, on balance, serves the public interest.<sup>24</sup>

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<sup>16</sup> Application at 5.

<sup>17</sup> *Id.* at 7-10.

<sup>18</sup> *Id.* at 5.

<sup>19</sup> *Id.* at 5, 10.

<sup>20</sup> Dec. 16 Supplement at 3.

<sup>21</sup> Application at 10.

<sup>22</sup> 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 8, para. 21 (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*, ITC-214-20110901-00289, 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*)).

<sup>23</sup> See *Verizon-TracFone Order* at 8, 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 citations omitted).

<sup>24</sup> See *Verizon-TracFone Order* at 8, 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)) (further citations omitted).

We find no evidence in the record of potential public interest harms. First, the proposed transaction will not result in a reduction of competition because it will not result in a reduction of competitors in any markets.<sup>25</sup> Further, Applicants state that the transaction will “have no adverse—or, indeed, any—impact on customers and will not alter the planned manner of service delivery or billing.”<sup>26</sup> Applicants state further that no changes are planned to Wisper’s rates, terms, and conditions of services.<sup>27</sup> We thus expect no potential harm to existing customers to result from the transaction.

Second, Wisper will remain financially, managerially, and technically obligated to meet all public interest and performance obligations associated with the receipt of CAF Phase II and RDOF funding in accordance with the Commission’s pre-transaction approval of its qualifications, and we expect that the proposed transaction will not negatively impact these obligations.<sup>28</sup> Applicants have confirmed that the proposed transaction will not affect Licensees’ deployment plans.<sup>29</sup> Specifically, Applicants state: “The debt that Wisper will be assuming will be used to acquire CABO’s and Stephens’ interests and provide meaningful liquidity into Wisper for its ongoing CAF and RDOF deployment. The debt repayment will not adversely impact Wisper’s ability to meet its CAF or RDOF commitments and, in fact, the loan facility is expected to provide additional capital to accelerate buildout and growth. Further, Lender has arranged for replacement of Wisper’s letters of credit at lower cost, thereby making more capital available for deployment.”<sup>30</sup> Applicants have also confirmed that “there will be no changes in the management of Wisper or the technology used by Wisper to provide service as a result of the proposed Transaction.”<sup>31</sup> Overall, we conclude that the record in this proceeding does not support a finding of a public interest harm.

We next consider whether the proposed transaction is likely to generate verifiable, transaction-specific public interest benefits.<sup>32</sup> Applicants must provide evidence of a claimed benefit to allow the Commission to verify its likelihood and magnitude.<sup>33</sup> 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.<sup>34</sup>

Applicants assert that the proposed transaction will “provide meaningful liquidity into Wisper for its ongoing CAF and RDOF deployment” and that “the loan facility is expected to provide additional capital to accelerate buildout and growth. Further, Lender has arranged for replacement of Wisper’s letters of credit at lower cost, thereby making more capital available for deployment.”<sup>35</sup> Applicants

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<sup>25</sup> Application at 10-11.

<sup>26</sup> *Id.* at 7-8.

<sup>27</sup> *Id.* at 5-6.

<sup>28</sup> *See id.* at 7 (stating that “providing Wisper with access to Lender’s capital to bolster Wisper’s already substantial financial and technical qualifications [will] permit[] Wisper to continue to provide robust communications solutions to its customers, to more efficiently complete and satisfy its CAF and RDOF deployment and performance obligations, and to better compete in the U.S. communications marketplace”).

<sup>29</sup> *Id.* at 9-10.

<sup>30</sup> *Id.* at 10.

<sup>31</sup> *Id.* at 6.

<sup>32</sup> *See AT&T/DIRECTV Order*, 30 FCC Rcd at 9237, paras. 273-74.

<sup>33</sup> *See id.* at 9237-38, paras. 275-76.

<sup>34</sup> *See id.*

<sup>35</sup> Application at 10

further state that “Wisper has completed its CAF network deployment to more than 40% of the required locations in each of its CAF states and has reduced the amount of its letters of credit by 50%. Additionally, Wisper has submitted required speed and latency pre-testing and testing results to USAC.<sup>36</sup> All of Wisper’s CAF deployment to date has been self-funded, with no outside loans or support from existing equity interest holders.<sup>37</sup> The Lender loan will not limit Wisper’s access to other sources of debt it has historically utilized to operate its business, as Lender’s loan will permit existing equipment financing to remain in place.”<sup>38</sup>

The Commission has specified that ensuring consumers receive new or additional services is an important public interest factor,<sup>39</sup> and accelerating private sector deployment of advanced services is one of the aims of the Act.<sup>40</sup> In light of the Applicants’ commitments to meet all of Licensees’ federal high cost funding obligations<sup>41</sup> and the fact that Applicants are prepared to devote additional capital to accelerate facilities-based service offerings,<sup>42</sup> we find it likely that the proposed transaction would result in some public interest benefits. 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, subject to Applicants’ compliance with all applicable obligations.<sup>43</sup>

Pursuant to section 1.103 of the Commission’s rules, 47 CFR § 1.103, the grant is effective upon release of this Public Notice.<sup>44</sup> 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 Michele Levy Berlove, Wireline Competition Bureau, Competition Policy Division, at [Michele.Berlove@fcc.gov](mailto:Michele.Berlove@fcc.gov) or at (202) 418-1477.

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<sup>36</sup> *Id.*

<sup>37</sup> *Id.*

<sup>38</sup> *Id.* at 9-10.

<sup>39</sup> *See, e.g., AT&T-DIRECTV Order*, 30 FCC Rcd at 9140, para. 19.

<sup>40</sup> *See Verizon-TracFone Order* at 9, para. 22 (citing 47 U.S.C. §§ 254, 332(c)(7), 1302; Telecommunications Act of 1996, Pub. L. No. 104-104, Preamble, 110 Stat. 56 (1996) (one purpose of the Act is to “accelerate rapidly private sector deployment of advanced telecommunications and information technologies and services”)).

<sup>41</sup> Application at 10.

<sup>42</sup> *Id.* at 9-10.

<sup>43</sup> *See CAF Phase II Public Notice*, 34 FCC Rcd at 5967-71; *RDOF Public Notice* at 1-9 (listing obligations of authorized support recipients).

<sup>44</sup> We direct Applicants to submit, within 30 days of closing the proposed transaction, a notice in WC Docket No. 22-367 that the proposed transaction has closed, with the consummation date, and also provide a courtesy copy of the notice to [hcinfo@usac.org](mailto:hcinfo@usac.org).