



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 24-39
Released: January 12, 2024

**DOMESTIC SECTION 214 APPLICATION FILED FOR THE TRANSFER OF CONTROL
OF CONSOLIDATED COMMUNICATIONS OF COMERCO COMPANY AND
CONSOLIDATED COMMUNICATIONS OF WASHINGTON COMPANY, LLC
TO NEXTCAPE, LLC**

NON-STREAMLINED PLEADING CYCLE ESTABLISHED

WC Docket No. 23-263

Comments Due: January 26, 2024
Reply Comment Due: February 2, 2024

By this Public Notice, the Wireline Competition Bureau seeks comment from interested parties on an application filed by Consolidated Communications, Inc. (CCI), Consolidated Communications of Comercio Company (CCCC), Consolidated Communications of Washington Company, LLC (CCWC) (CCCC and CCWC, together, the Licensees), and NextCape, LLC (NextCape) (NextCape, together with CCI and the Licensees, collectively, Applicants), pursuant to section 214 of the Communications Act of 1934, as amended, and sections 63.03-04 of the Commission's rules,¹ requesting consent to transfer indirect control of CCCC and CCWC to NextCape.²

¹ See 47 U.S.C. § 214; 47 CFR §§ 63.03-04.

² Application of Consolidated Communications, Inc., Consolidated Communications of Comercio Company, Consolidated Communications of Washington Company, LLC, and NextCape LLC, WC Docket No. 23-263 (filed Aug. 1, 2023) (Application). Applicants also filed an application for the transfer of an authorization associated with international services (IB File No. ITC-T/C-2023-0801-00096). On September 14, 2023, the Bureau granted Alphaboost Purchaser, LLC (Alphaboost Purchaser), an entity related to NextCape, authority to acquire Mashell Telecom, Inc. d/b/a Ranier Connect (Mashell Telecom), and eligible telecommunications carrier (ETC) and incumbent local exchange carrier (LEC) providing service in the State of Washington. See *Domestic Section 214 Application Granted for the Transfer of Control of Mashell Telecom, Inc. d/b/a Rainier Connect to Alphaboost Purchaser, LLC*, WC Docket No. 23-30, Public Notice, DA 23-151 (WCB 2023); see also Letter from Tyler J. Wood, Deputy Chief for Compliance and Enforcement, U.S. Department of Justice, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 23-30 and ITC-T/C-20230120-00004, and Attach. (filed Dec. 20, 2024) (requesting the Commission to replace the former Letter of Assurance between Alphaboost Purchaser and Mashell Telecom executed on August 24, 2023, with a modified Letter of Assurance on behalf of Alphaboost Holdings, LLC and its subsidiaries, including Mashell Telecom executed on December 14, 2023). Applicants filed supplements in the domestic and international dockets on September 19, 2023 and December 22, 2023. Letter from Russell M. Blau, Counsel for Applicants, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 23-263 and IB File No. ITC-T/C-2023-0801-00096 (filed Sept. 19, 2023) (September

CCI, an Illinois corporation, is a wholly-owned subsidiary of Consolidated Communications Holdings, Inc., a publicly traded Delaware corporation which has various operating subsidiaries that provide telecommunications services to residential and business customers across a twenty-three state service area.³ CCCC, a Washington corporation and wholly-owned subsidiary of CCI, provides competitive telecommunications services in the state of Washington.⁴ CCWC, a Delaware limited liability company and wholly-owned subsidiary of CCCC, provides service as an incumbent LEC also in the State of Washington.⁵

NextCape, a Delaware limited liability company created for the purposes of the proposed transaction,⁶ is an indirect wholly-owned subsidiary Palisade Diversified Infrastructure Fund No. 3 (PDIF3), an Australia infrastructure fund.⁷ Applicants state that following the consummation of the proposed transaction, NextCape is expected to be owned indirectly by funds managed by Palisade Americas Management, LLC (PAM), a Delaware entity, and Palisade Investment Partners Limited (PIPL), an Australia specialist infrastructure investment manager.⁸

Supplement); Letter from Russell M. Blau, Counsel for Applicants, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 23-263 and IB File No. ITC-T/C-2023-0801-00096 (filed Dec. 22, 2023) (December Supplement). Any action on this domestic section 214 application is without prejudice to Commission action on other related, pending applications.

³ Application at 3.

⁴ *Id.*

⁵ *Id.* at 4. Applicants state that CCWC is also designated as an ETC and receives support in the Federal Universal Service Fund (USF) Lifeline Program, as well as Connect America Fund, Intercarrier Compensation (CAF-ICC) recovery support in the federal USF high cost program. *Id.*

⁶ Applicants state that, prior to closing, NextCape will become a direct, wholly-owned subsidiary of Alphaboost Holdings, LLC (Alphaboost Holdings). December Supplement at 2; Application at n.3.

⁷ Application at 2. Applicants provide pre and post-transaction ownership charts and further information on post-transaction ownership. *See* September Supplement at Updated Ex. A (Current and Post-Transaction Corporate Ownership Structures), Updated Ex. B (Post-Transaction Ownership of the Licensees); December Supplement at Attach. 1 (Replacement Updated Exhibit A, Page 2 (Post Ownership Structure of the Licensees)). The trustee for PDIF3 is Pinnacle RE Services Limited (Pinnacle RE), an Australian entity. September Supplement at Updated Ex. A at 2, Updated Ex. B at para. 7. The equity interest holders of PDIF3 are the following Australian entities: UniSuper (up to 15.18% equity); AZN Australia Staff Super Scheme (up to 13.94%); and Palisade Unlisted Infrastructure Trust (up to 19.62%). *Id.* at Updated Ex. A at 2, Updated Ex. B at paras. 9-11. The trustee for UniSuper is UniSuper Limited; the trustee for ANZ Australia Staff Super Scheme is ANZ Staff Super Scheme (Australia) Pty Limited; and the trustee for Palisade Unlisted Infrastructure Trust is Pinnacle Fund Services Limited, each Australian entities. *Id.* Pinnacle RE and Pinnacle Fund Services Limited are indirectly held by Pinnacle Investment Management Limited (PIML), an Australian entity, which, in turn is indirectly held by the following Australian entities and individuals: HSBC Custody Nominees (Australia) Limited (20.76%); JP Morgan Nominees Australia Pty Limited (10.72%); Steven Wilson (11.28%), and Ian Macoun (9.1%). *Id.* at Updated Ex. A at 4, Updated Ex. B at para. 7 and n.4.

⁸ Application at 2. PAM is expected to manage Alphaboost Parent, LLC, a Delaware entity, which, in turn, indirectly wholly owns NextCape. December Supplement, Attach. 1 at 1. Applicants state that PAM is expected to be owned by: (i) Palisade Investment Partners Americas, LLC (PIPA), a Delaware company, with a 75%-100% ownership interest, and (ii) a Delaware entity that has not yet been formed (and may be named Palisade Americas ManCo, LLC), with an up to 25% ownership interest. December Supplement, Attach. 1 at 1; September Supplement, Updated Ex. B at n.2. PIPA is managed by PIPL, which, in turn, is held by the following Australian entities and individuals: PIML (35.90%); Ian Macoun (5%); House of Lloyds Trust (18.47%); Rigg Family Trust (13.83%); and Palisade Officers Shareholding Trust (POST) (21.80%). September Supplement, Updated Ex. A at 3, Updated Ex. B at para. 8. The trustee for the House of Lords Trust is Angela Mary Lloyd, an Australian citizen; the trustee for the Rigg Family Trust is Vicky Rigg, an

Pursuant to the terms of the stock purchase agreement, NextCape will acquire all issued and outstanding interests in CCCC, which will continue to directly wholly own CCWC. As a result, CCCC will be a direct, wholly-owned subsidiary of NextCape and CCWC will be an indirect, wholly-owned subsidiary of NextCape.⁹

Applicants assert that a grant of the Application would serve the public interest, convenience, and necessity.¹⁰ Because the proposed transaction is more complex than those accepted for streamlined treatment, and in order to analyze whether the proposed transaction would serve the public interest, we accept the Application for non-streamlined processing.¹¹

No Referral to Executive Branch Agencies: The Commission determined in the Executive Branch Review Process Order that it would generally exclude from referral to the Executive Branch applications where the Applicants have “an existing mitigation agreement, there are no new reportable foreign owners of the applicant since the effective date of the mitigation agreement, and the applicant agrees to continue to comply with the terms of that mitigation agreement.”¹² The Applicants argue that the Application qualifies for an exclusion from referral to the Executive Branch since it meets those criteria.¹³ The Applicants state that Alphaboost Holdings, the parent of NextCape, is party to a December 14, 2023 Letter of Agreement from Michael Reynolds, Pak Ka Kelvin Wong, and Anand Vadapalli, Alphaboost Holdings, LLC, to the Chief, Foreign Investment Review Section, and Deputy Chief, Compliance and Enforcement, Foreign Investment Review Section, on behalf of the Assistant Attorney General for National Security, United States Department of Justice, National Security Division (Dec. 14, 2023) (December 14, 2023 LOA).¹⁴ The Applicants further state that the December 14, 2023 LOA remains in place, that there are no new reportable foreign owners of Alphaboost Holdings since the effective date of the December 14, 2023 LOA and that NextCape agrees to comply with the terms of the December 14, 2023 LOA.¹⁵ We find that the Applicants have made a showing that this Application comes within an exclusion from referral to the Executive Branch for national security, law enforcement, foreign policy and

Australian citizen; and the trustee for POST is Posh Nominees Pty Ltd, an Australian entity. *Id.*, Updated Exh. B at para. 8 and n.8.

⁹ Application at 4-5. Applicants note that, prior to the consummation of the proposed transaction, there will be a *pro forma* assignment of domestic and international customers which are currently served by Consolidated Communications Enterprise Services, Inc., an interexchange carrier and affiliate of Consolidated, to CCCC. *Id.* at 6.

¹⁰ *Id.* at 6-9. Applicants state that there is no incumbent LEC local service territory overlap between Licensees’ and Mashell Telecom’s networks. *Id.* at 9; *see also supra* note 2. Applicants note that there is minimal service area overlap in the City of Yelm, Washington; however, they assert there is sufficient market competition with other unaffiliated carriers that serve these areas. *Id.* at 9. Applicants state that, although Licensees and Mashell Telecom have fiber running through each other’s service areas, neither has on-net buildings located in the other’s service area. *Id.*

¹¹ 47 CFR § 63.03(b).

¹² *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, 10939, para. 30 (2020) (Executive Branch Review Process Order); *see also* 47 CFR § 1.40001(a)(2)(iii).

¹³ Application at 14-15; September Supplement at 1-3; December Supplement at 2-3.

¹⁴ *See* ITC-T/C-20230120-00004, International Authorizations Granted, Report No. TEL-02326, Public Notice, DA 23-1212 (OIA rel. Dec. 29, 2023).

¹⁵ September Supplement at 2; December Supplement at 2.

trade policy review. Although we are not formally referring the Application, we will provide a courtesy copy of this public notice to the Executive Branch agencies.¹⁶

Domestic Section 214 Application Filed for the Transfer of Control of Consolidated Communications of Comerco Company and Consolidated Communications of Washington Company, LLC to NextCape, LLC, WC Docket No. 23-263 (filed Aug. 1, 2023).

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 January 26, 2024**, and reply comments **on or before February 2, 2024**. 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.¹⁷ 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) Gregory Kwan, Competition Policy Division, Wireline Competition Bureau, gregory.kwan@fcc.gov;
- 2) David Krech, International Bureau, david.krech@fcc.gov; and
- 3) Jim Bird, Office of General Counsel, jim.bird@fcc.gov

¹⁶ See *Executive Branch Review Process Order* at 10939, para 30, n. 81.

¹⁷ 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).

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.

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.¹⁸ 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 Gregory Kwan, Competition Policy Division, Wireline Competition Bureau, at (202) 418-1191.

-FCC-

¹⁸ See 47 CFR § 1.45(c).