



PUBLIC NOTICE

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

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

DA 24-7
Released: January 3, 2024

DOMESTIC SECTION 214 APPLICATION GRANTED FOR THE TRANSFER OF CONTROL OF CABLESOUTH MEDIA III, LLC TO MIP VI OUTLIER, LLC

WC Docket No. 23-372

By this Public Notice, the Wireline Competition Bureau (Bureau) grants an application filed by Hunt Group Holdings, LLC (Hunt Group), ITC Holdings, LLC (ITC Holdings), CableSouth Media III, LLC d/b/a Swyft Fiber (CableSouth), and MIP VI Outlier, LLC (MIP VI Outlier, collectively with Hunt Group, ITC, and CableSouth, 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 control of CableSouth to MIP VI Outlier.²

On November 16, 2023, the Bureau released a Public Notice seeking comment on the Application.³ The Bureau did not receive comments or petitions in opposition to the Application.

Applicants and Description of Transaction

CableSouth, a Tennessee limited liability company, provides video programming and other communications services to residential customers throughout the Southeastern United States and, under the brand names "SwyftConnect" and "Swyft Fiber," CableSouth offers video, and digital voice services to residential, enterprise, and government customers in Arkansas, Louisiana, and Mississippi.⁴ CableSouth is an Eligible Telecommunications Carrier (ETC) in Arkansas, Louisiana, and Mississippi and, on March 15, 2022, the Bureau authorized CableSouth to receive \$152.9 million in Rural Digital Opportunity Fund (RDOF) Auction 904 support to provide service to 57,387 locations to be distributed over ten years in Arkansas, Louisiana, and Mississippi.⁵ CableSouth is wholly owned by CableSouth Media, LLC, a Tennessee limited liability company, which, in turn, is wholly owned by Hunt Land

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

² Application of Hunt Group Holdings, LLC, ITC Broadband Holdings, LLC, CableSouth Media III, LLC, and MIP VI Outlier, LLC for Consent to Transfer of Control Pursuant to Section 214 of the Communications Act of 1934, as Amended, WC Docket No. 23-372 (filed Oct. 27, 2023) (Application). Any action on this domestic section 214 application is without prejudice to Commission action on other pending applications.

³ See *Domestic Section 214 Application Filed for the Transfer of Control of CableSouth Media III, LLC to MIP VI Outlier, LLC*, WC Docket No. 23-372, Public Notice, DA 23-1089, at 5-6 (WCB 2023).

⁴ Application at 3.

⁵ See *Rural Digital Opportunity Fund Support Authorized for 5,657 Winning Bids*, AU Docket 20-34, WC Docket Nos. 19-126, 10-90, Public Notice, 37 FCC Rcd 3570 (WCB/OEA 2022) (*RDOF Public Notice*); see also Application at 3. Applicants state that CableSouth was a member of the Segnem Eger Consortium (the Consortium), which was an auction winner for RDOF Phase I support in Arkansas, Louisiana, and Mississippi, and that the Consortium assigned its winning RDOF bids to CableSouth. Application at 3 n.5. Applicants further state that CableSouth participates in the Lifeline program and the Affordable Connectivity Program and receives federal support through the E-Rate and Emergency Connectivity Fund programs. Application at 3.

Holdings, LLC (Hunt Land Holdings), a Louisiana limited liability company.⁶ Hunt Land Holdings, a Louisiana holding company, is wholly owned by CSM Intermediate, LLC, which, in turn, is wholly owned by CSM Holding Company, LLC (CSM Holding), both Delaware limited liability companies.⁷ Hunt Group, a Louisiana limited liability company, currently owns 65% of the equity in CSM Holding. ITC Holdings, a Delaware limited liability company, owns the remaining 35 percent.⁸ Following the consummation of the proposed transaction, Hunt Group will hold 50% indirect equity and voting of CSM Holding and, therefore, a 50% indirect interest in CableSouth.⁹

MIP VI Outlier, a Delaware limited liability company, has been established to acquire an ownership interest in CSM Holding and is indirectly owned by investment vehicles managed by and/or affiliated with Macquarie Infrastructure Partners Inc. (MIP Inc.), a Delaware corporation, which is a wholly-owned subsidiary of Macquarie Infrastructure and Real Assets Inc. (MIRA Inc.).¹⁰ MIRA Inc. is a wholly-owned subsidiary of Macquarie Holdings (U.S.A.) Inc., a Delaware corporation, which, in turn, is held by various intermediate Australian entities ultimately held by Macquarie Group Limited (MGL), a publicly traded company incorporated in Australia.¹¹ Applicants state that MIP VI Outlier is affiliated with various providers of domestic communications and telecommunications services, including Bluebird Network, LLC (Bluebird)¹² and Cincinnati Bell Inc. d/b/a altafiber (Cincinnati Bell).¹³ Applicants state

⁶ *Id.* at 2. Applicants provide information on individuals and entities holding a pre- and post-transaction 10% or greater interest in CableSouth. *See id.* at Exh. A (Pre-Transaction Organizational Chart), Exh. B (Post-Closing Indirect Interests in CableSouth by Hunt Group), and Exh. C (Post-Closing Indirect Interest in CableSouth by MIP VI Outlier, LLC).

⁷ *Id.* at 2-3.

⁸ *Id.* at 2.

⁹ *Id.* at 13, Exh. A at 2. The 10% or greater owners of Hunt Group currently are Troy Borque (15%), Jason Hunt (15%), and Wilton K. Hunt (13.5%), each U.S. citizens, each of whom will continue to hold an interest in CableSouth post-transaction. *See, e.g., id.* at Exh. A at 1 and 2, Exh. B at 1-2.

¹⁰ *Id.* at 4, Exh. A at 2, Exh. C at 2.

¹¹ *Id.* at Exh. A at 2, Exh. C at 2-3. Applicants state that MIP Inc. and MIRA Inc. are part of the Real Assets division of Macquarie Asset Management (MAM), an operating group within MGL. Application at 4. Applicants state that MIP VI Outlier is affiliated with Accelecom Holdings LLC through an interest held by a division of Macquarie Capital, which is ultimately owned by MGL. *Id.* at n.10. Accelecom, through its affiliates, provides enterprise and wholesale services in Alabama, Florida, Georgia, Kentucky, Ohio, South Carolina, and Tennessee. *Id.*

¹² *Id.* at 15-16. Bluebird, which is owned by a fund managed by MIP Inc., provides domestic telecommunications through: (1) Missouri Network Alliance, LLC d/b/a Bluebird Network (MNA), a provider of transport and other services to wholesale and enterprise customers in Missouri, Illinois, Iowa, Oklahoma, Kansas, Kentucky, Tennessee, Nebraska, and Wisconsin, as well as a provider tandem switching and transport services for interexchange carriers in Missouri pursuant to interstate and intrastate tariffs; (2) Illinois Network Alliance, LLC, a provider of transport and access services to wholesale customers in Illinois, Kentucky, and Tennessee; and (3) PEG Bandwidth IL, LLC, a provider of competitive interexchange services in Illinois, Indiana, Iowa, and Missouri. *Id.*

¹³ *Id.* at 16-17. MIP VI Outlier is affiliated with Red Fiber Parent, LLC, which is majority-owned by an investment vehicle managed by MIP Inc. *Id.* at 16. Red Fiber Parent, LLC owns Cincinnati Bell, which, through its subsidiaries, provides telecommunications services to residential and business customers through the following entities: (1) Cincinnati Bell Telephone Company LLC (CBT), an incumbent local exchange carrier (LEC) providing service in portions of Ohio, Kentucky, and Indiana; (2) Cincinnati Bell Extended Territories LLC, a competitive LEC providing service in Ohio in areas outside CBT's territory, which also holds authorization but does not currently provide competitive LEC and interexchange service throughout Ohio, Kentucky, and Indiana; (3) CBTS Technology Solutions LLC, a nationwide long distance competitive LEC, which also provides other communications services in all states except Alaska and Hawaii; (4) Hawaiian Telcom, Inc. (HTI), an incumbent

(continued....)

that two of Cincinnati Bell's subsidiaries receive RDOF Auction 904 support: CBT receives RDOF Auction 904 support in Indiana, Kentucky, and Ohio, and HTI receives RDOF Auction 904 support in Hawaii.¹⁴

According to the Applicants, following the consummation of the transaction, Hunt Group and MIP VI Outlier will each hold a 50% interest in CSM Holding, with MIP VI Outlier holding *de jure* and *de facto* control.¹⁵ Applicants assert that the proposed transaction would serve the public interest, convenience, and necessity.¹⁶

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.¹⁷ We then employ a balancing test weighing any potential public interest harms of the proposed transaction against any potential public interest benefits.¹⁸ The Applicants bear the burden of proving, by a preponderance of the evidence, that the proposed transaction, on balance, serves the public interest.¹⁹

We further find that there are no potential public interest harms identified in the record. First, the proposed transaction will not result in a reduction of competition. Applicants have no overlapping service areas for any facilities-based telecommunications services.²⁰ Applicants state that because the change in ownership will occur at the parent-company level, the proposed transaction will be seamless and not

LEC in Hawaii; (5) Hawaiian Telecom Services Company, Inc., a provider of interstate and intrastate long distance, wireless, and other communications services in Hawaii; and (6) Wavecom Solutions Corporation, a competitive LEC providing service in Hawaii. *Id.* at 16-17.

¹⁴ *Id.* at 19.

¹⁵ Applicants provide a full description of the proposed transaction in the Application. *See id.* at 4-6.

¹⁶ *Id.* at 6-9.

¹⁷ *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, 36 FCC Rcd 16994, 17001, para. 21 (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*)).

¹⁸ *See Verizon-TracFone Order*, 36 FCC Rcd at 17001, 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).

¹⁹ *See Verizon-TracFone Order*, 36 FCC Rcd at 17001, 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).

²⁰ Application at 8. Applicants state that neither MIP VI Outlier nor its owners provide or hold any other attributable interest in any entity that provides any telecommunications services in the markets where CableSouth operates. *Id.*

result in any harms or impact to CableSouth's existing customers.²¹ Applicants further state that CableSouth will continue to provide high-quality broadband services to its customers under the same rates, terms, and conditions without any interruption of service,²² and we thus expect no potential harm to existing customers to result from the transaction.

Second, Applicants state that they will meet all relevant RDOF support obligations,²³ and we expect that the proposed transaction will not negatively impact these obligations. Applicants state that the proposed transaction does not entail any increase to the debt load of CSM Holding or CableSouth or their affiliates, nor will there be a new authorization holder or the assignment of any support or assets.²⁴ Applicants confirm that all support received through RDOF, and the network assets built in connection with the RDOF program, will remain with CableSouth.²⁵ 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.²⁶ Applicants must provide evidence of a claimed benefit to allow the Commission to verify its likelihood and magnitude.²⁷ 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.²⁸

Applicants state that the proposed transaction will enhance CableSouth's ability to deliver on the RDOF-funded network and fulfill its obligations under the program.²⁹ Because CableSouth will have access to capital, Applicants claim CableSouth will be well positioned to continue the network construction and deployment of FTTH and VoIP services that CableSouth has described in its long-form RDOF application, and also to accelerate deployment of the company's fiber network and services beyond the RDOF locations in Arkansas, Louisiana, and Mississippi.³⁰

The Commission has specified that ensuring consumers receive new or additional services is an important public interest factor,³¹ and accelerating private sector deployment of advanced services is one of the aims of the Act.³² In light of the Applicants' commitments to meet all of CableSouth's federal high-cost funding obligations³³ and the fact that Applicants are prepared to devote additional capital to

²¹ *Id.*

²² *Id.*

²³ *Id.* at 7-9.

²⁴ *Id.* at 9.

²⁵ *Id.*

²⁶ See *AT&T/DIRECTV Order*, 30 FCC Rcd at 9237, paras. 273-74.

²⁷ See *id.* at 9237-38, paras. 275-76.

²⁸ See *id.*

²⁹ Application at 9.

³⁰ *Id.* at 7.

³¹ See, e.g., *AT&T-DIRECTV Order*, 30 FCC Rcd at 9140, para. 19.

³² See *Verizon-TracFone Order*, 36 FCC Rcd at 17002, 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"))).

³³ Application at 9.

accelerate facilities-based service offerings,³⁴ 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.³⁵

Pursuant to section 1.103 of the Commission's rules, 47 CFR § 1.103, the grant is effective upon release of this Public Notice.³⁶ 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 regarding the transfer of control application, please contact Gregory Kwan at gregogry.kwan@fcc.gov, Wireline Competition Bureau.

-FCC-

³⁴ *Id.* at 7.

³⁵ See *RDOF Public Notice* at 1-9 (listing obligations of authorized support recipients).

³⁶ We direct Applicants to transmit a copy of this Public Notice to the Universal Service Administrative Company. We further direct Applicants to submit, within 30 days of closing the proposed transaction, a notice in WC Docket No. 23-23 that the proposed transaction has closed, with the consummation date, and also provide a courtesy copy of the notice to hcinfo@usac.org.