



# PUBLIC NOTICE

**Federal Communications Commission**  
**445 12<sup>th</sup> St., S.W.**  
**Washington, D.C. 20554**

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**DA 19-113**

**Released: February 22, 2019**

**APPLICATIONS FILED FOR THE TRANSFER OF CONTROL OF  
LICENSEES OF NTS, INC. TO CLARITY TELECOM, LLC D/B/A VAST BROADBAND**

**WC Docket No. 19-7**

**APPLICATIONS FILED FOR THE TRANSFER OF CONTROL OF  
CLARITY TELECOM HOLDINGS, LLC TO PYTHON INTERMEDIATE II, LLC**

**WC DOCKET No. 19-16**

**PLEADING CYCLE ESTABLISHED**

**Comments Due: March 25, 2019**

**Reply Comments Due: April 9, 2019**

By this Public Notice, the Wireline Competition Bureau, International Bureau, Media Bureau, and Wireless Telecommunications Bureau (Bureaus) seek comment from interested parties on the following applications filed pursuant to sections 214 and 310(d) of the Communications Act of 1934, as amended (Act), and sections 63.03-04, 63.18, and 63.24 of the Commission's rules:<sup>1</sup>

**Transfer of Control of NTS Communications, Inc. (NTS-Comm), NTS Telephone Company, LLC (NTS-Tel), PRIDE Network, Inc. (PRIDE), and XFone USA, Inc. (XFone) to Clarity Telecom, LLC d/b/a Vast Broadband (Clarity) (the Clarity-NTS Transaction) (WC Docket No. 19-7)**

On January 28, 2019, Clarity Telecom, LLC d/b/a Vast Broadband (Clarity) and T3 North Intermediate Holdings, Inc. (T3) (together, NTS Applicants) filed applications requesting approval to transfer indirect control of NTS-Comm, NTS-TEL, PRIDE, and XFone (together, the NTS Licensees) from T3 to Clarity.<sup>2</sup> The NTS Licensees are wholly owned subsidiaries of NTS, Inc. (NTSI), which is wholly owned by T3, a Nevada corporation. The NTS Licensees, all U.S.-based, provide competitive

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<sup>1</sup> 47 U.S.C. §§ 214, 310(d); 47 CFR §§ 63.03-04, 63.18, 63.24.

<sup>2</sup> Joint Application of Clarity Telecom, LLC d/b/a Vast Broadband and T3 North Intermediate Holdings, Inc. for Grant of Authority Pursuant to Section 214 of the Communications Act of 1934, as Amended, and Sections 63.04 and 63.24 of the Commission's Rules, WC Docket No. 19-7 (filed Jan. 28, 2019) (Clarity-NTS Application). In addition to domestic and international section 214 authorizations, the NTS Applicants filed applications to transfer control of Cable Television Relay Services (CARS) licenses listed below. The file numbers for all of the applications associated with this transaction are set out in Attachment A.

telecommunications services and other services in Louisiana, Texas, Arizona, Mississippi, New Mexico, and Oklahoma.

Clarity, a Delaware limited liability company, is authorized to provide competitive local exchange carrier (LEC) service, cable, and other services in Minnesota and South Dakota. Clarity also provides incumbent LEC services in South Dakota. Clarity Telecom Holdings, LLC (Clarity Holdings), a Delaware limited liability company, holds a 100 percent interest in Clarity. The following U.S.-based entities through certain funds hold a 10 percent or greater interest in Clarity Holdings: PC III CTH Holdings, L.P. (PC III Holdings) (an approximate 65.1 percent) and The Board of Trustees of the Leland Stanford Junior University (Stanford) (an approximate 11.6 percent direct interest and a 13.9 percent indirect interest as a limited partner of PC III CTH AIV II, L.P., a Delaware entity). Pamlico Capital GP III, LLC (PC GP III), a Delaware investment entity, is the general partner of PC III Holdings.<sup>3</sup>

Pursuant to the terms of the proposed transaction, Clarity will acquire all of the outstanding equity interests in NTSI. Upon completion of the transaction, NTSI will be a direct, wholly owned subsidiary of Clarity. The NTSI Licensees will remain wholly owned subsidiaries of NTSI, and, therefore, indirect, wholly owned subsidiaries of Clarity.

NTS Applicants assert that a grant of the Clarity-NTS Application will serve the public interest, convenience, and necessity.

**Transfer of Control of Clarity Holdings from PC III Holdings to Python Intermediate II, LLC (Python Intermediate II) (the Python Transaction) (WC Docket No. 19-16)**

On January 28, 2019, Python Intermediate II and PC III Holdings (collectively, Python Applicants) filed applications requesting approval to transfer control of Clarity Holdings from PC III Holdings to Python Intermediate II, which will result in the transfer of indirect control to Python Intermediate II of the following section 214 authority holders: (i) Clarity; and (ii) subject to the timely closing of Clarity's pending acquisition of the Clarity-NTS Transaction, the NTS Licensees (Clarity and NTS Licensees together, the Python Licensees).<sup>4</sup>

Pursuant to the terms of the Python Transaction, the majority owner of Clarity Holdings, Pamlico Capital through certain of its funds, will share majority ownership of Clarity Holdings with an additional investor, Oak Hill Capital Partners through certain of its funds, through new entities formed for this purpose. Applicants state that Python Holdings, L.P. (Python Holdings), a Delaware investment entity, will own a 100 percent indirect interest in Python Intermediate II. The following entities will directly or indirectly wholly own or control Python Holdings: Python Holdings GP, LLC (Python GP), a Delaware entity (general partner of Python Holdings); Pamlico Python Aggregator LLC (Pamlico Aggregator), a

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<sup>3</sup> NTS Applicants provided detailed current and post-transaction corporate ownership structures of PC III Holdings, including foreign and U.S.-owned partnership interests. Clarity-NTS Application at 8-13 and Exh. B. Applicants state that the following U.S. citizens hold or control between 10 and 20 percent of the membership interests in PC GP III: Scott B. Perper, L. Watts Hamrick III, Frederick W. Eubank II, Arthur C. Roselle, Scott R. Stevens, and Walker C. Simmons.

<sup>4</sup> Joint Application of Python Intermediate II, LLC and PC III CTH Holdings, L.P. for Grant of Authority Pursuant to Section 214 of the Communications Act of 1934, as Amended, and Sections 63.04 and 63.24 of the Commission's Rules, WC Docket No. 19-16 (filed Jan. 28, 2019) (Python-Clarity Application). In addition to domestic and international section 214 authorizations, Applicants filed applications to transfer control of CARS licenses and various wireless licenses listed below. The file numbers for all of the applications associated with this transaction are set out in Attachment B.

Delaware entity (directly as approximately 43.6 percent limited partner in Python Holdings, and, indirectly, as a 50 percent member of Python GP); OHCP Python Aggregator, L.P. (OHCP Aggregator), a Delaware entity (directly as approximately 45.8 percent limited partner in Python Holdings, and, indirectly, as a 50 percent member of Python GP).<sup>5</sup>

According to Python Applicants, the NTS Transaction is a wholly separate transaction from the Python Transaction that is expected to be completed prior to the Python Transaction and that is not conditioned on or otherwise linked to the Python Transaction. The Bureaus are nevertheless concurrently accepting for filing all applications for both transactions in order to ensure clear and transparent notice.

Python Applicants assert that a grant of the Python-Clarity Application will serve the public interest, convenience, and necessity.

## GENERAL INFORMATION

The applications referenced herein have 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 and petitions **on or before March 25, 2019**, and reply comments or oppositions to petitions **on or before April 9, 2019**. Comments may be filed using the Commission's Electronic Comment Filing System (ECFS) or by paper. All filings must be addressed to the Commission's Secretary, Office of the Secretary, Federal Communications Commission.

- **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. Paper filings can be sent by hand or messenger delivery, by commercial overnight courier, or by first-class or overnight U.S. Postal Service mail.
  - All hand-delivered or messenger-delivered paper filings for the Commission's Secretary must be delivered to FCC Headquarters at 445 12<sup>th</sup> St., SW, Room TW-A325, Washington, DC 20554. The filing hours are 8:00 a.m. to 7:00 p.m. All hand deliveries must be held together with rubber bands or fasteners. All envelopes and boxes must be disposed of before entering the building.
  - Commercial overnight mail (other than U.S. Postal Service Express Mail and Priority Mail) must be sent to 9300 East Hampton Drive, Capitol Heights, MD 20743.
  - U.S. Postal Service first-class, Express, and Priority mail must be addressed to 445 12<sup>th</sup> Street, SW, Washington DC 20554.

**People with Disabilities:** To request materials in accessible formats for people with disabilities (braille, large print, electronic files, audio format), send an e-mail to [fcc504@fcc.gov](mailto:fcc504@fcc.gov) or call the Consumer and Governmental Affairs Bureau at 202-418-0530 (voice), 1-888-835-5322 (tty).

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<sup>5</sup> Python Applicants provided detailed current and post-transaction corporate ownership structures of Pamlico Aggregator and OHCP Aggregator, including foreign and U.S.-owned partnership interests. Python-Clarity Application at 8-14 and Exh. B at 6-8.

**In addition, please provide one copy of each pleading to each of the following:**

- (1) Jim Bird, Office of General Counsel, [transactionteam@fcc.gov](mailto:transactionteam@fcc.gov);
- (2) Dennis Johnson, Wireline Competition Bureau, [dennis.johnson@fcc.gov](mailto:dennis.johnson@fcc.gov);
- (3) David Krech, International Bureau, [david.krech@fcc.gov](mailto:david.krech@fcc.gov);
- (4) Linda Ray, Wireless Telecommunications Bureau, [linda.ray@fcc.gov](mailto:linda.ray@fcc.gov);
- (5) Sonia Greenway, Media Bureau, [sonia.greenway@fcc.gov](mailto:sonia.greenway@fcc.gov).

The proceeding in this Notice shall be treated as a permit-but-disclose proceeding in accordance with the Commission's *ex parte* rules.<sup>6</sup> 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 data or arguments already reflected in the presenter's written comments, memoranda, or other filings in the proceeding, then 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 Applications 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.<sup>7</sup> 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; David Krech, International Bureau, (202) 418-7443; Linda Ray, Wireless Telecommunications Bureau, (202) 418-0257; Sonia Greenway, Media Bureau, (202) 418-1419.

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<sup>6</sup> 47 CFR § 1.1200 *et seq.*

<sup>7</sup> See 47 CFR § 1.45(c).

## ATTACHMENT A

### Applications for the Clarity-NTS Transaction

#### SECTION 214 AUTHORIZATIONS

##### A. International

The applications for consent to the transfer of control of certain international section 214 authorizations have been assigned the file numbers listed below.

| <u>File Number</u>     | <u>Authorization Holder</u> | <u>Authorization Number</u> |
|------------------------|-----------------------------|-----------------------------|
| ITC-T/C-20190128-00006 | XFone USA, Inc.             | ITC-214-20040706-00251      |
| ITC-T/C-20190128-00007 | NTS Communications, Inc.    | ITC-214-19971024-00657      |

##### B. Domestic

The Applicants filed an application to transfer control of domestic section 214 authority in connection with the proposed transaction – WC Docket No. 19-7. In light of the multiple applications pending before the Commission with respect to this transaction and the public interest review associated with them, the domestic transfer of control application is not subject to streamlined treatment.<sup>8</sup>

#### SECTION 310(d) APPLICATIONS

The applications for consent to the transfer of control of a license under section 310(d) have been assigned the file numbers listed below.

#### PART 78 – CABLE TELEVISION RELAY SERVICES (CARS)

The applications for consent to assign certain CARS authorizations from NTS Communications, Inc. to NTS Communications, LLC have been assigned the file numbers listed below.

| <u>File Number</u> | <u>Licensee</u>          | <u>CARS Sign</u> |
|--------------------|--------------------------|------------------|
| CAR-20190207AA-08  | NTS Communications, Inc. | WLY-648          |
| CAR-20190207AB-08  |                          | WHZ-407          |

The applications for consent to transfer control of certain CARS authorizations from T3 North Intermediate Holdings, Inc. to Clarity Telecom, LLC have been assigned the file numbers listed below.

| <u>File Number</u> | <u>Licensee</u>          | <u>CARS Sign</u> |
|--------------------|--------------------------|------------------|
| CAR-20190221AA-09  | NTS Communications, Inc. | WLY-648          |
| CAR-20190221AB-09  |                          | WHZ-407          |

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<sup>8</sup> 47 CFR § 63.03.

## ATTACHMENT B

### Applications for the Python Transaction

#### SECTION 214 AUTHORIZATIONS

##### A. International

The applications for consent to the transfer of control of certain international section 214 authorizations have been assigned the file numbers listed below.

| <u>File Number</u>     | <u>Authorization Holder</u> | <u>Authorization Number</u> |
|------------------------|-----------------------------|-----------------------------|
| ITC-T/C-20190128-00003 | Clarity Telecom, LLC        | ITC-214-19990625-00428      |
|                        |                             | ITC 214-20020619-003300     |
| ITC-T/C-20190128-00004 | XFone USA, Inc.             | ITC-214-20040706-00251      |
| ITC-T/C-20190128-00005 | NTS Communications, Inc.    | ITC-214-19971024-00657      |

##### B. Domestic

The Applicants filed an application to transfer control of domestic section 214 authority in connection with the proposed transactions -- WC Docket No. 19-16. In light of the multiple applications pending before the Commission with respect to this transaction and the public interest review associated with them, the domestic transfer of control application is not subject to streamlined treatment.<sup>9</sup>

#### SECTION 310(d) APPLICATIONS

The applications for consent to the transfer of control of a license under section 310(d) have been assigned the file numbers listed below.

#### WIRELESS AUTHORIZATIONS

| <u>ULS File Number</u> | <u>Licensee</u>      | <u>Lead Call Sign</u> |
|------------------------|----------------------|-----------------------|
| 0008493139             | Clarity Telecom, LLC | WQKD374               |

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<sup>9</sup> 47 CFR § 63.03.

## **PART 78 – CABLE TELEVISION RELAY SERVICES (CARS)**

The applications for consent to assign certain CARS authorizations from Clarity Telecom Holdings, LLC to Python Intermediate II, LLC have been assigned the file numbers listed below.

| <b><u>File Number</u></b> | <b><u>Licensee</u></b>   | <b><u>CARS Sign</u></b> |
|---------------------------|--------------------------|-------------------------|
| CAR-20190207AC-09         | NTS Communications, Inc. | WLY-648                 |
| CAR-20190207AD-09         |                          | WHZ-407                 |

## **EXPERIMENTAL RADIO LICENSE**

| <b><u>File Number</u></b> | <b><u>Licensee</u></b> | <b><u>Call Sign</u></b> |
|---------------------------|------------------------|-------------------------|
| 0001-EX-TU-2019           | Clarity Telecom, LLC   | WJ2XED                  |