



PUBLIC NOTICE

Federal Communications Commission
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DA 17-819
August 30, 2017

**DOMESTIC SECTION 214 APPLICATION FILED FOR THE
TRANSFER OF CONTROL OF SCTG, LLC DBA SPIRIT COMMUNICATIONS
TO CLEMSON BIDCO, LLC**

NON-STREAMLINED PLEADING CYCLE ESTABLISHED

WC Docket No. 17-211

Comments Due: September 13, 2017

Reply Comments Due: September 20, 2017

By this Public Notice, the Wireline Competition Bureau seeks comment from interested parties on an application filed by South Carolina Net, Inc. d/b/a Spirit Telecom; South Carolina Telecommunications Group Holdings, LLC; FRC, LLC; PalmettoNet Inc. (collectively, "Licensees"); SCTG, LLC dba Spirit Communications (Spirit Parent) (collectively with Licensees, Spirit); and Clemson BidCo, LLC (Clemson) (collectively, Applicants) to transfer control of Spirit Parent and Licensees to Clemson.¹

Spirit Parent, a South Carolina limited liability company, does not provide telecommunications services and owns Licensees, which are all organized under the laws of South Carolina and provide competitive local exchange carrier (LEC) and interstate services in South Carolina, North Carolina, and Georgia.

Clemson, a Delaware limited liability company, is a holding company created to aggregate the ownership of various investment funds ultimately managed by EQT AB (EQT), a Swedish investment company. Applicants state that, post consummation, a chain of various U.S. and foreign investment entities ultimately owned by EQT will own at least a 10 percent or greater interest in Spirit Parent.² They further state that EQT is controlled by EQT Holdings Coöperatief W.A., a Netherlands entity that will

¹ See 47 U.S.C. § 214; 47 CFR § 63.03. Applicants also filed an application for the transfer of authorizations associated with international services. Any action on this domestic Section 214 application is without prejudice to Commission action on other related, pending applications

² Applicants provide the description and citizenship of each of the U.S. and foreign entities in the chain of ownership that will hold a 10 percent or greater interest in Spirit post-consummation. Joint Application of SCTG, LLC, et al. and Clemson BidCo, LLC for Authority Pursuant to Section 214 of the Communications Act of 1934, as Amended, to Transfer Indirect Control of Domestic and International Section 214 Authorization Holders to Clemson BidCo, LLC, WC Docket No. 17-211, at 8-17 and Exhibits A, B (filed Aug. 21, 2017) (Application).

indirectly own 81 percent of Spirit Parent, and Investor AB, a Swedish entity that will indirectly own 19 percent of Spirit Parent.³ Applicants do not request streamlined treatment for the domestic Section 214 application pursuant to section 63.03 of the Commission's rules.⁴

Pursuant to the terms of the proposed transaction, Clemson will acquire the outstanding membership interests in Spirit Parent. Applicants assert that the proposed transaction is in the public interest and will allow for expanded investment of Spirit's fiber footprint and services. They maintain that the transaction will not harm competition and that Licenses will continue to provide service under the Spirit brand name and without changes in services, rates, terms, and conditions.

Domestic Section 214 Application Filed for the Transfer of Control of SCTG, LLC dba Spirit Communications to Clemson BidCo, LLC, WC Docket No. 17-211 (filed Aug. 21, 2017).

GENERAL INFORMATION

The transfer of control identified herein has been found, upon initial review, to be acceptable for filing as a non-streamlined application. The Commission reserves the right to return any transfer application if, upon further examination, it is determined to be defective and not in conformance with the Commission's rules and policies. Pursuant to Section 63.03(a) of the Commission's rules, 47 CFR § 63.03(a), interested parties may file comments **on or before September 13, 2017**, and reply comments **on or before September 20, 2017**. Pursuant to Section 63.52 of the Commission's rules, 47 CFR § 63.52, commenters must serve a copy of comments on the Applicants no later than the above comment filing date.

Pursuant to Section 63.03 of the Commission's rules, 47 CFR § 63.03, parties to this proceeding should file any documents using the Commission's Electronic Comment Filing System (ECFS): <http://apps.fcc.gov/ecfs/>.

In addition, e-mail one copy of each pleading to each of the following:

- 1) Tracey Wilson, Competition Policy Division, Wireline Competition Bureau, tracey.wilson@fcc.gov;
- 2) Jodie May, Competition Policy Division, Wireline Competition Bureau, jodie.may@fcc.gov;
- 3) David Krech, International Bureau, david.krech@fcc.gov;
- 4) Sumita Mukhoty, International Bureau, sumita.mukhoty@fcc.gov, and

³ Applicants state that the EQT funds have a domestic Section 214 application pending to acquire Lumos Networks Corp., which through its subsidiaries provides competitive fiber-based services in multiple states, including Georgia, North Carolina, and South Carolina. Applicants affirm that Lumos Networks Corp. and Spirit Parent do not own overlapping last mile facilities in any of those states. *Id.* at 2, 23 (citing *Domestic Section 214 Application Filed for the Transfer of Control of Lumos Networks Corp. to MTN Infrastructure TopCo, Inc.*, WC Docket No. 17-60, Public Notice, 32 FCC Rcd 2120 (WCB 2017)). They further state that Clemson is affiliated with Tampnet, Inc., which provides communications services to oil and gas installations in the Gulf of Mexico. Application at 21.

⁴ 47 CFR § 63.03.

5) Jim Bird, Office of General Counsel, jim.bird@fcc.gov.

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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.

For further information, please contact Tracey Wilson at (202) 418-1394 or Jodie May at (202) 418-0913.

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