



PUBLIC NOTICE

Federal Communications Commission
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DA 17-888

September 13, 2017

**DOMESTIC SECTION 214 APPLICATION FILED FOR THE
TRANSFER OF CONTROL OF BANDWIDTH.COM, INC. AND BANDWIDTH.COM CLEC, LLC
TO DAVID A. MORKEN**

STREAMLINED PLEADING CYCLE ESTABLISHED

WC Docket No. 17-230

Comments Due: September 27, 2017

Reply Comments Due: October 4, 2017

By this Public Notice, the Wireline Competition Bureau seeks comment from interested parties on an application filed by Bandwidth.com, Inc. (Bandwidth), Bandwidth.com CLEC, LLC (Bandwidth CLEC), and David A. Morken (collectively, Applicants), pursuant to Section 214 of the Communications Act of 1934, as amended, and Section 63.03 of the Commission's rules, requesting approval to transfer control of Bandwidth and Bandwidth CLEC to David A. Morken.¹

Bandwidth, a Delaware corporation, and Bandwidth CLEC, a Delaware limited liability company and wholly owned subsidiary of Bandwidth, provide a cloud-based communications platform for enterprise customers. Bandwidth CLEC also provides competitive telecommunications services in multiple states. The following U.S. citizens and Delaware limited liability company hold a 10 percent or greater interest in Bandwidth: James A. Bowen (13 percent); Henry R. Kaestner (22 percent); David A. Morken (12 percent); and Carmichael Investment Partners, LLC (15 percent).²

Mr. Morken is the Cofounder, Chief Executive Officer, and Chairman of Bandwidth. Applicants state that Mr. Morken is not affiliated with any company that provides domestic telecommunications services other than Bandwidth, Bandwidth CLEC, and Republic Wireless, Inc, a Delaware corporation and former subsidiary of Bandwidth. Mr. Morken holds approximately a 12 percent interest in Republic Wireless, Inc.

¹ See 47 U.S.C. § 214; 47 CFR § 63.03. Applicants also filed applications for the transfer of authorizations associated with international and wireless services. On September 13, 2017, Applicants filed a supplement to their domestic Section 214 application. Any action on this domestic Section 214 application is without prejudice to Commission action on other related, pending applications.

² Applicants state that the sole managing member of Carmichael Investment Partners, LLC is Carmichael Bandwidth LLC, a North Carolina limited liability company. Applicants further state that the managing members of Carmichael Bandwidth LLC are Brian Bailey and Kevin Martin, both U.S. citizens.

Pursuant to the terms of the proposed transaction, and in connection with a planned restructuring of stock related to an anticipated initial public offering (IPO) by Bandwidth, Mr. Morken will obtain a majority of the voting power of the outstanding Bandwidth stock, and as a result, control Bandwidth and Bandwidth CLEC. Applicants state the IPO is not expected to result in any new equity owners holding 10 percent or more ownership in either Bandwidth or Bandwidth CLEC, however, the voting power of shares as well as the equity interests held by some of the current owners will likely be diluted.³ Applicants assert that the proposed transaction is entitled to presumptive streamlined treatment under Section 63.03(b)(2)(i) of the Commission's rules and that a grant of the application will serve the public interest, convenience, and necessity.⁴

Domestic Section 214 Application Filed for the Transfer of Control of
Bandwidth.Com, Inc. and Bandwidth.Com CLEC, LLC to David A. Morken,
WC Docket No. 17-230 (filed Sept. 5, 2017).

GENERAL INFORMATION

The transfer of control identified herein has been found, upon initial review, to be acceptable for filing as a 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 27, 2017**, and reply comments **on or before October 4, 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. Unless otherwise notified by the Commission, the Applicants may transfer control on the 31st day after the date of this notice.

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) Myrva Charles, Competition Policy Division, Wireline Competition Bureau, myrva.charles@fcc.gov;
- 2) Gregory Kwan, Competition Policy Division, Wireline Competition Bureau, gregory.kwan@fcc.gov;
- 3) David Krech, International Bureau, david.krech@fcc.gov;
- 4) Sumita Mukhoty, International Bureau, sumita.mukhoty@fcc.gov, and

³ Applicants anticipate that the IPO will occur prior to December 31, 2017. Applicants state they will notify the Commission of any changes to the proposed transaction.

⁴ 47 CFR § 63.03(b)(2)(i).

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 Myrva Charles at (202) 418-1506 or Gregory Kwan at (202) 418-1191.

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