

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of the Joint Application of)	
)	
Clarity Telecom, LLC d/b/a Vast Broadband)	WC Docket No. 19-_____
)	
and)	IB File Nos. ITC-T/C-2019_____
)	ITC-T/C-2019_____
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 to Transfer Indirect Con-)	
trol of NTS Communications, Inc., NTS Tele-)	
phone Company, LLC, PRIDE Network, Inc.)	
and XFone USA, Inc. to Clarity Telecom, LLC)	

JOINT APPLICATION

Clarity Telecom, LLC d/b/a Vast Broadband (“Clarity” or “Transferee”) and T3 North Intermediate Holdings, Inc. (“T3” or “Transferor”) (together, “Applicants”), pursuant to Section 214 of the Communications Act of 1934, as amended (the “Act”), 47 U.S.C. § 214, and Sections 63.04 and 63.24 of the Commission’s Rules, 47 C.F.R. §§ 63.04 and 63.24, request Commission approval to transfer indirect control of NTS Communications, Inc. (“NTS-Comm”), NTS Telephone Company, LLC (“NTS-Tel”), PRIDE Network, Inc. (“PRIDE”) and XFone USA, Inc. (“XFone”) (NTS-Comm, NTS-Tel, PRIDE, and XFone together, the “Licensees”) from T3 to Clarity.¹

¹ In a wholly separate transaction, the underlying owners of Clarity’s direct parent company, Clarity Telecom Holdings, LLC (“Clarity Holdings”), have entered into an agreement by which the current 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 (the “Clarity Transaction”). The Clarity Transaction is expected to be completed after the completion of the Transaction that is the subject of this Application. Once it occurs, the Clarity Transaction, as currently structured, will result in an indirect transfer of control of Licensees (as indirect subsidiaries of Clarity Holdings) along with Clarity Holdings’ existing subsidiary to a new majority ownership arrangement. The parties to the Clarity Transaction are submitting the necessary applications seeking

In support of this Application, Applicants provide the following information:

I. DESCRIPTION OF THE APPLICANTS

A. Clarity Telecom, LLC

Clarity, headquartered in Sikeston, Missouri, provides telecommunications services in Minnesota and South Dakota doing business under the brand Vast Broadband. Clarity provides an array of communications, video and broadband services, including digital cable, high-speed Internet, and local and long distance phone services. Clarity is managed by a team of experienced telecommunications professionals who have operated cable television systems together for more than twenty years, providing video programming services and a suite of advanced communications services, including high-speed Internet access, digital voice, home monitoring, whole home solutions, and fiber optic transport connectivity.

B. Licensees

Licensees are wholly owned subsidiaries of NTS, Inc. (“NTSI”), a Nevada corporation with no operations or network assets of its own. NTSI’s principal business is a holding and management company providing, through Licensees, integrated communications services which include voice, video, and data over its Fiber to the Premises (“FTTP”) and other networks primarily

Commission approval of the changes in ultimate control that will result from the that transaction. The Transaction that is the subject of this Application is not conditioned on or otherwise linked to the completion of the Clarity Transaction. Therefore, Applicants request that the Commission consider this Application independently from the applications being submitted in connection with the Clarity Transaction.

As part of the Transaction, each of NTS, Inc. (“NTSI”), NTS-Comm, PRIDE, and XFone will convert from a corporation to a limited liability company prior to closing. As a result, references herein to NTSI, NTS-Comm, PRIDE and XFone should be construed as references to these entities as limited liability companies upon completion of the NTS Transaction. Licensees will submit the appropriate *pro forma* notification in connection with the conversions following their completion.

in Louisiana and Texas.² Each of NTS-Comm and XFone is a direct, wholly owned subsidiary of NTSI. NTS-Tel and PRIDE are direct, wholly owned subsidiaries of NTS-Comm and thus indirect, wholly owned subsidiaries of NTSI.

The current ownership of Licensees is set forth in Exhibit A.

C. T3 North Intermediate Holdings, Inc.

NTSI and Licensees are wholly owned by T3 North Intermediate Holdings, Inc. (“T3”), a Nevada corporation and a holding company that is a direct, wholly owned subsidiary of T3 North Holdings, Inc. (“T3 Holdings”), a Delaware corporation. Tower Three Partners Fund II LP (“T3P II”) currently holds approximately 93% of the equity interests and voting interests in T3 Holdings. T3P II is part of a family of funds advised by Tower Three Partners, LLC, an operationally oriented private equity firm that invests in a concentrated portfolio of U.S.-based middle market companies.

The current ownership of Transferor is set forth in Exhibit A.

II. DESCRIPTION OF THE TRANSACTION

Pursuant to the Purchase Agreement, dated as of December 24, 2018, by and among Clarity, T3, and NTSI, Clarity will acquire all of the outstanding equity interests in NTSI (the “Transaction”). Upon completion of the Transaction, NTSI will be a direct, wholly owned subsidiary of Clarity. Licensees will remain wholly owned subsidiaries of NTSI and, therefore, Licensees will become indirect, wholly owned subsidiaries of Clarity.

² Licensees also provide certain telecommunications services in Arizona, Mississippi, New Mexico and Oklahoma.

As part of the Transaction, NTSI, NTS-Comm, PRIDE and XFone will convert to limited liability companies prior to closing.³ Licensees will submit the necessary *pro forma* notifications regarding those conversions within 30 days of their occurrence.

Diagrams depicting the pre- and post-Transaction corporate ownership structures of Licensees are appended hereto as Exhibit B.

III. PUBLIC INTEREST CONSIDERATIONS

The Transaction will serve the public interest. The financial, technical, and managerial resources that Clarity will bring to Licensees are expected to enhance the ability of Licensees to compete in the communications marketplace. Further, the existing network and systems of Licensees will expand the ability of Clarity to serve customers outside of its existing service area. There is no geographic overlap or adjacency in the telecommunications or cable service territories of Clarity and Licensees. Additionally, the proposed Transaction will have no adverse impact on the customers of Licensees, as Licensees will continue to provide service at the same rates, terms, and conditions, as governed by existing contracts, agreements or tariffs. The Transaction will be transparent to customers. The Licensee entities and service provider names will remain intact, and the only change immediately following the closing from a customer's perspective will be the new indirect ownership of Licensees.

IV. INFORMATION REQUIRED BY SECTION 63.24(e)

Pursuant to Section 63.24(e)(2) of the Commission's Rules, the Applicants submit the following information requested in Section 63.18 (a)-(d) and (h)-(p) in support of this Application:

³ References herein to NTSI, NTS-Comm, PRIDE and XFone upon completion of the Transaction should be construed as references to these entities as limited liability companies.

(c) **(Answer to Question 10)** Correspondence concerning this Application should be

sent to:

For Clarity:

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Brett P. Ferenchak
Morgan, Lewis & Bockius LLP
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catherine.wang@morganlewis.com
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For Licensees and Transferor:

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Thom Parisi
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850 Tenth Street, NW
Washington, DC 20001-4956
202-662-5444 (tel)
202-662-5283 (tel)
ydori@cov.com
tparisi@cov.com

With copies for Clarity to:

Keith Davidson, CFO
Clarity Telecom, LLC
912 South Main Street
Suite 106
Sikeston, MO 63801
keith.davidson@vastbroadband.com

With copies for Licensees and Transferor to:

Daniel Wheeler
General Counsel
NTS Communications, Inc.
1220 Broadway
Lubbock, TX 79401
danw@ntscm.com

(d) Section 214 Authorizations

Transferee: Clarity holds international Section 214 authority to provide global or limited global facilities-based and resale services granted in IB File Nos. ITC-214-20020619-00300⁴ and ITC-214-19990625-00428.⁵ Clarity also is authorized to provide interstate service by virtue of blanket domestic Section 214 authority. *See* 47 C.F.R. § 63.01.

Licensees: NTS-Comm holds international Section 214 authority to provide global or limited global facilities-based and resale services granted in IB File No. ITC-214-19971024-00657. NTS-Comm also is authorized to provide interstate service by virtue of blanket domestic Section 214 authority. *See* 47 C.F.R. § 63.01.

⁴ This international Section 214 authority was originally granted to Knology of South Dakota, Inc. and assigned to Clarity in IB File No. ITC-ASG-20140710-00207.

⁵ This international Section 214 authority was originally granted to Black Hills Fiber Systems, Inc. and assigned to Clarity in IB File No. ITC-ASG-20140710-00208.

NTS-Tel is authorized to provide interstate service by virtue of blanket domestic Section 214 authority. *See* 47 C.F.R. § 63.01.

PRIDE is authorized to provide interstate service by virtue of blanket domestic Section 214 authority. *See* 47 C.F.R. § 63.01.

XFone holds international Section 214 authority to provide global or limited global resale services granted in IB File No. ITC-214-20040706-00251. XFone also is authorized to provide interstate service by virtue of blanket domestic Section 214 authority. *See* 47 C.F.R. § 63.01.

(h) *(Answer to Questions 11 & 12)* NTS-Comm and XFone are and, following the Transaction, will remain direct, wholly owned subsidiaries of NTSI, a Nevada corporation located at the same address as Licensees. NTS-Tel and PRIDE are and, following the Transaction, will remain direct, wholly owned subsidiaries of NTS-Comm. The following entities will hold, directly or indirectly, a ten percent (10%) or greater interest⁶ in Licensees through NTSI upon completion of the Transaction as calculated pursuant to the Commission’s ownership attribution rules for wire-line and international telecommunications carriers:

Post-Transaction Ownership of NTSI:

Upon completion of the Transaction, the following entity will directly, wholly own **NTSI**:

Name:	Clarity Telecom, LLC (“Clarity”)
Address:	912 South Main Street, Suite 106 Sikeston, MO 63801
Citizenship:	U.S. (Delaware)
Principal Business:	Telecommunications
% Interest:	100% (directly in NTS, Inc.)

⁶ The ownership interests provided herein represent both equity and voting interests unless otherwise indicated or if the entity is a limited partner. Limited partners only have equity interests and do not have voting interests in the limited partnership unless otherwise indicated.

The following entity directly, wholly owns **Clarity:**

Name: Clarity Telecom Holdings, LLC (“Clarity Holdings”)
Address: 912 South Main Street, Suite 106
Sikeston, MO 63801
Citizenship: U.S. (Delaware)
Principal Business: Holding Company
% Interest: 100% (directly in Clarity)

The following entities and individuals currently hold a ten percent (10%) or greater, direct or indirect, interest in **Clarity Holdings:**

Name: PC III CTH Holdings, L.P. (“PC III Holdings”)
Address: 150 N. College Street
Suite 2400
Charlotte, NC 28202
Citizenship: U.S. (Delaware)
Principal Business: Investments
% Interest: Approx. 63.5% on a fully diluted basis (directly in Clarity Holdings)

Name: PC III CTH AIV II, L.P. (“PC AIV II”)
Address: 150 N. College Street
Suite 2400
Charlotte, NC 28202
Citizenship: U.S. (Delaware)
Principal Business: Investments
% Interest: Approx. 66.4% (indirectly as a 66.4% limited partner of PC III Holdings)

Name: HarbourVest Partners IX-Buyout Fund L.P.
 (“HVP IX Fund”)
Address: One Financial Center
Boston, MA 02111
Citizenship: U.S. (Delaware)
Principal Business: Investments
% Interest: Approx. 11.6% (indirectly, as 11.6% limited partner of PC AIV II)

Name: HarbourVest IX-Buyout Associates L.P.
 (“HV IX Associates”)
Address: c/o HarbourVest Partners, LLC
One Financial Center
Boston, MA 02111
Citizenship: U.S. (Delaware)
Principal Business: Investments
% Interest: Approx. 11.6% (indirectly as the general partner of HVP IX Fund)

Name: HarbourVest Partners IX-Cayman Buy-out Fund L.P.
("HV IX-Cayman Fund")
Address: 190 Elgin Avenue
George Town, Grand Cayman
KY1-9005, Cayman Islands
Citizenship: Cayman Islands
Principal Business: Investments
% Interest: Approx. 11.6% (indirectly as a 75.8% limited partner of HVP IX Fund)

No limited partner of HV IX-Cayman Fund is attributed a 10% or greater indirect interest in Clarity Holdings.

Name: HarbourVest IX-Buyout Associates LLC
("HV IX Associates LLC")
Address: c/o HarbourVest Partners, LLC
One Financial Center
Boston, MA 02111
Citizenship: U.S. (Delaware)
Principal Business: Investments
% Interest: Approx. 11.6% (indirectly as the general partner of HVP IX Fund and HV IX-Cayman Fund)

Name: HarbourVest Partners, LLC
Address: One Financial Center, 44th Floor
Boston, MA 02111
Citizenship: U.S. (Delaware)
Principal Business: Investment Company
% Interest: 11.6% (indirectly (i) as the sole member of HV IX Associates LLC and (ii) as the ultimate control entity of another fund with a 4.6% direct limited partner interest in PC AIV II)

A majority of the ownership of HarbourVest Partners, LLC, the ultimate controlling entity of the HarbourVest Partners IX-Buyout Fund L.P., is held by 27 individuals (19 managing directors and eight former managing directors), none of which individually owns or control 10% or more of Clarity Holdings.

Name: Healthcare of Ontario Pension Plan Trust Fund (“HOPP”)
Address: 1 York Street, Suite 1900
Toronto, ON, M5J 0B6
Canada
Citizenship: Ontario, Canada
Principal Business: Pension Plan
% Interest: Approx. 13.9% (indirectly as 13.9% limited partner of PC AIV II)

HOPP is governed by a 16-member⁷ Board of Trustees made up of Canadian citizens.

Name: PC III CTH, Inc. (“PC III CTH”)
Address: 150 N. College Street
Suite 2400
Charlotte, NC 28202
Citizenship: U.S. (Delaware)
Principal Business: Investments
% Interest: Approx. 29.0% (indirectly, as a 29.0% limited partner of PC III Holdings)

Name: PC III CTH AIV I-A, L.P. (“PC AIV I-A”)
Address: 150 N. College Street
Suite 2400
Charlotte, NC 28202
Citizenship: U.S. (Delaware)
Principal Business: Investments
% Interest: Approx. 13.7% (indirectly through approximately 47.2% direct ownership of PC III CTH)

Name: Alpinvest Partners B.V.
Address: Jachthavenweg 118
1081 KJ Amsterdam, The Netherlands
Citizenship: Netherlands
Principal Business: Investments
% Interest: Approx. 11.3% (indirectly by virtue of its management control of three general partners of two entities that collectively hold approximately 11.3% of the limited partner interests in PC AIV I-A but none of which individually is attributed

⁷ Two of the seats are currently vacant.

10% or more ownership in Clarity Holdings)⁸

Alpinvest Partners B.V. is ultimately controlled through multiple other controlling entities⁹ by The Carlyle Group L.P., a Delaware limited partnership located at 1001 Pennsylvania Avenue, NW, Washington, D.C. 20004. The general partner of the Carlyle Group L.P. is Carlyle Group Management L.L.C., a Delaware limited liability company with, to Applicant's knowledge, no individual member (all senior Carlyle professionals) attributed an indirect 10% or greater ownership interest in PC III Holdings. The Carlyle Group L.P.'s limited partnership interests known as common units are publicly traded and collectively have only 15% of the limited partner voting power, with no individual common unit holder, to Applicant's knowledge, attributed an indirect 10% or greater ownership interest in PC III Holdings. The Carlyle Group L.P.'s limited partnership interest know as a Special Voting Unit has 85% of the limited partner voting power and is held by TCG Carlyle Group Partners L.L.C., a Delaware limited liability company with, to Applicant's knowledge, no individual member (all senior Carlyle professionals) attributed an indirect 10% or greater ownership interest in PC III Holdings.

Name:	PC CTH AIV I, L.P. ("PC AIV I")
Address:	150 N. College Street Suite 2400 Charlotte, NC 28202
Citizenship:	Cayman
Principal Business:	Investments
% Interest:	Approx. 29% (indirectly through approximately 52.8% direct ownership of PC III CTH)

⁸ Alpinvest Partners B.V. is the sole owner of the general partner of another fund that has less than a 1 percent limited partnership interest in PC AIV II.

⁹ These entities include: AP B.V. (Netherlands), Alp Holdings Coöperatief U.A. (Netherlands); Alp Lower Holdings Ltd. (Cayman Islands); TC Group Cayman, L.P. (Cayman Islands); Carlyle Holdings III L.P. (Québec); Carlyle Holdings III GP Sub L.L.C. (Delaware); Carlyle Holdings III GP L.P. (Québec); and Carlyle Holdings III GP Management L.L.C. (Delaware).

Name: Partners Group Holdings AG
Address: Zugerstrasse 57
Baar, 6341
Switzerland
Citizenship: Switzerland
Principal Business: Investments
% Interest: Approx. 11.5% (indirectly as the general partner of three limited partnerships that collectively hold 39.7% of the limited partner interests in PC AIV I-A but none of which individually is attributed 10% or more ownership in Clarity Holdings)

Partners Group Holdings AG is a publicly traded company (SIX: PGHN.VX) with no individual shareholder attributed a 10% or greater indirect interest in Clarity Holdings.

Name: Pamlico Capital GP III, LLC (“PC GP III”)
Address: 150 N. College Street
Suite 2400
Charlotte, NC 28202
Citizenship: U.S. (Delaware)
Principal Business: Investments
% Interest: 100% (indirectly as the general partner of (i) PC III Holdings (4.6%), (ii) PC AIV I-A, (iii) PC AIV I, (iv) PC AIV II and (v) another Delaware limited partnership that has a direct ownership interest in Clarity Holdings of less than one percent (1%))

The following members of PC GP III each hold or control between ten and twenty 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. Each of these individuals is a U.S. citizen with a principal place of business at the same location as PC GP III.

Name: The Board of Trustees of the Leland Stanford Junior University
Address: Littlefield Center
365 Lasuen Street
Stanford, CA 94305
Citizenship: U.S. (California)
Principal Business: Trust with corporate powers under the laws of the State of California
% Interest: Approx. 25.1% (through the following direct and indirect ownership in Clarity Holdings: (i) directly, as a 11.2% direct

owner in Clarity Holdings on a fully diluted basis and (ii) indirectly, as a 13.9% as a limited partner of PC AIV II)

To Clarity's knowledge, no other person or entity, directly or indirectly, owns or controls a 10% or greater interest in Clarity Holdings.

Clarity does not have any interlocking directorates with a foreign carrier.

(i) **(Answer to Question 14)** Transferee certifies that it is not a foreign carrier or affiliated (as defined in 47 C.F.R. § 63.09) with any foreign carriers. Currently, neither Transferor nor Licensees are foreign carriers or affiliated with any foreign carrier(s).

(j) **(Answer to Question 15)** Applicants certify that they do not seek to provide international telecommunications services to any destination country where (1) an Applicant is a foreign carrier in that country, (2) an Applicant controls a foreign carrier in that country, (3) any entity that owns more than 25 percent of an Applicant, or that controls an Applicant, controls a foreign carrier in that country; or (4) two or more foreign carriers (or parties that control foreign carriers) own in the aggregate more than 25 percent of an Applicant and are parties to, or the beneficiaries of, a contractual relation affecting the provision or marketing of international basic telecommunications services in the United States.

(k) Not applicable.

(m) Not applicable.

(n) Applicants certify that they have not agreed to accept special concessions, directly or indirectly, from any foreign carrier with respect to any U.S. international route where the foreign carrier possesses market power on the foreign end of the route and will not enter into such agreements in the future.

(o) Applicants certify that they are not subject to denial of federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1998. *See* 21 U.S.C. § 853a; *see also* 47 C.F.R. §§ 1.2001-1.2003.

(p) Applicants respectfully submit that this Application is eligible for streamlined processing pursuant to Section 63.12(a)-(b) of the Commission's Rules, 47 C.F.R. § 63.12(a)-(b). In particular, Section 63.12(c) is inapplicable because none of the Applicants is or is affiliated with any foreign carriers, and none of the scenarios outlined in Section 63.12(c) of the Commission's Rules applies.

V. INFORMATION REQUIRED BY SECTION 63.04

Pursuant to Commission Rule 63.04(b), 47 C.F.R. § 63.04(b), Applicants submit the following information in support of their request for domestic Section 214 authority to transfer indirect control of Licensees to Clarity in order to address the requirements set forth in Commission Rule 63.04(a)(6)-(12):

(a)(6) A description of the proposed Transaction is set forth in **Section II** above.

(a)(7) (i) Collectively, Licensees provide intrastate and/or interstate telecommunications services in Arizona, Louisiana, Mississippi, New Mexico, Oklahoma, and Texas, but their primary service areas are in Louisiana and Texas where certain of Licensees also hold authorizations to provide local and/or state-wide video services.

Specifically, NTS-Comm is authorized to provide facilities-based and/or resold local exchange or interexchange telecommunications services in Arizona (interexchange only), New Mexico, Oklahoma (interexchange only), and Texas. NTS-Tel is authorized to provide facilities-based and resale local exchange and interexchange telecommunications services in Texas. PRIDE is authorized to provide facilities-based and resold local exchange telecommunications services in Louisiana and Texas. XFone is authorized to provide competitive local exchange and resold interexchange telecommunications services in Louisiana and local exchange, interexchange and broadband services in Mississippi.

NTS-Comm, PRIDE and NTS-Tel also operate cable systems in certain communities in Louisiana or Texas. Specifically, NTS-Comm holds authorizations to provide state-wide video service in Texas and also in the City of Morton, Texas. PRIDE holds authorizations to provide state-wide video service in Louisiana and Texas. NTS-Tel holds an authorization to provide state-wide video service in Texas.

In connection with these cable services, NTS-Comm holds Cable Television Relay Service Authorizations under Call Signs WLY-648 and WHZ-407, various Antenna Structure Registrations, certain Cable Community Registrations, and applications pending for C-Band Receive-Only Earth Station Authorizations.

(ii) Clarity is authorized to provide competitive local exchange and/or interexchange in Minnesota and South Dakota. Clarity is also an incumbent local exchange carrier in South Dakota. Clarity also holds a non-common carrier wireless license from the Commission (Call Sign WQKD374).

Clarity also operates cable systems in certain communities in Minnesota and South Dakota. In connection with its cable services Clarity holds C-Based receive-only earth station registrations for Vibor and Rapid City, SD (Call Signs E970192 and E180002, respectively).

Finally, Clarity holds experimental radio license assigned Call Sign WJ2XED.

(iii) To Transferee's knowledge, Transferee is not affiliated (as defined in the Act) with any other domestic telecommunications carriers through the entities that own or controls 10% or greater, direct or indirect interest in Clarity Holdings.¹⁰

¹⁰ Certain funds controlled by subsidiaries of Partners Group Holding AG in aggregate have a majority interest in Seabras 1 USA, LLC, which holds a submarine cable landing license (SCL-LIC-20160115-00002).

(a)(8) Applicants respectfully submit that this Application is eligible for streamlined processing pursuant to Sections 63.03 of the Commission's Rules, 47 C.F.R. §63.03. In particular, with respect to domestic authority, this Application is eligible for streamlined processing pursuant to Section 63.03(b)(2)(ii) because, immediately following the Transaction, (i) Transferee (and its Affiliates) will have a market share in the interstate, interexchange market of less than ten percent (10%), and (ii) Transferee (and its Affiliates) will provide competitive telephone exchange services or exchange access services (if at all) exclusively in geographic areas served by a dominant local exchange carrier that is not a party to the transaction.

(a)(9) Other than their Section 214 authorizations described in this Application, Licensees do not hold any other authorizations or licenses from the Commission to provide telecommunications services. As stated above, in connection with its cable system operations NTS-Comm holds Cable Television Relay Service Authorizations under Call Signs WLY-648 and WHZ-407, various Antenna Structure Registrations, certain Cable Community Registrations, and applications pending for C-Band Receive-Only Earth Station Authorizations. A separate application will be filed in the CARS system with respect to the transfer of control and conversion for NTS-Comm's Cable Television Relay Service Authorizations.

(a)(10) Applicants respectfully request expeditious review and consideration of this Application. Applicants operate in a highly competitive industry in which scale increasingly is critical to a service provider's ability to compete and service customers effectively. Absent expeditious approval of the Transaction, the Licensees in particular will continue to contend with a difficult competitive and financial environment, making it increasingly challenging to provide an ongoing level and quality of service that customers have come to demand and expect. Expeditious consideration and approval of this Application will enable the Applicants to consummate the Transaction quickly, resulting in increased investment and scale that will inure to the benefit of their customers.

(a)(11) Not applicable.

(a)(12) A statement showing how grant of the application will serve the public interest, convenience and necessity is provided in **Section III**, above.

VI. CONCLUSION

For the reasons stated above, Applicants respectfully submit that the public interest, convenience and necessity would be furthered by a grant of this Application to transfer indirect ownership and control of Licensees to Transferee.

Respectfully submitted,

/s/ Yaron Dori

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Counsel for Transferor and Licensees

/s/ Brett P. Ferenchak

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Counsel for Clarity Telecom, LLC

Dated: January 28, 2019

EXHIBIT A

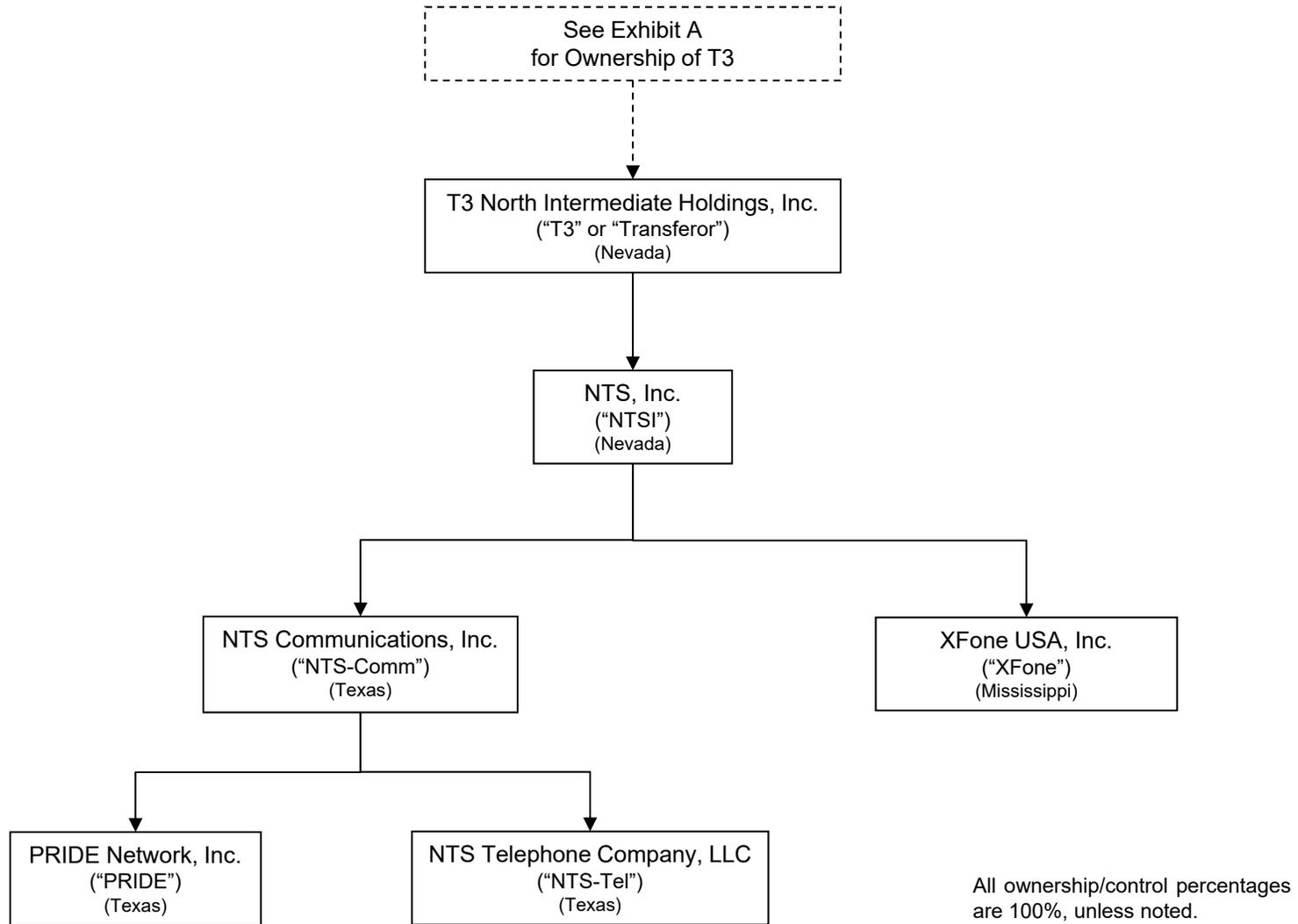
Current Ownership of Transferor and Licensees

NTS, Inc. (“NTSI”) is wholly owned by T3 North Intermediate Holdings, Inc. (“T3”), a Nevada corporation. T3 is a direct, wholly owned subsidiary of T3 North Holdings, Inc (“T3 Holdings”), a Delaware corporation. Tower Three Partners Fund II LP (“T3P II”), a Delaware limited partnership, currently holds approximately 93% of the equity ownership interests and voting interests in T3 Holdings. T3P II is directly controlled by its general partner, Tower Three Partners Fund II GP LP (“T3P II GP LP”), a Delaware limited partnership, and it is ultimately controlled by Tower Three Partners Fund II GP LLC (“T3P II GP LLC”), a Delaware limited liability company. The managing member of T3P II GP LLC is William D. Forrest, a U.S. citizen. No other entity holds a 10% or greater interest in NTSI.

EXHIBIT B

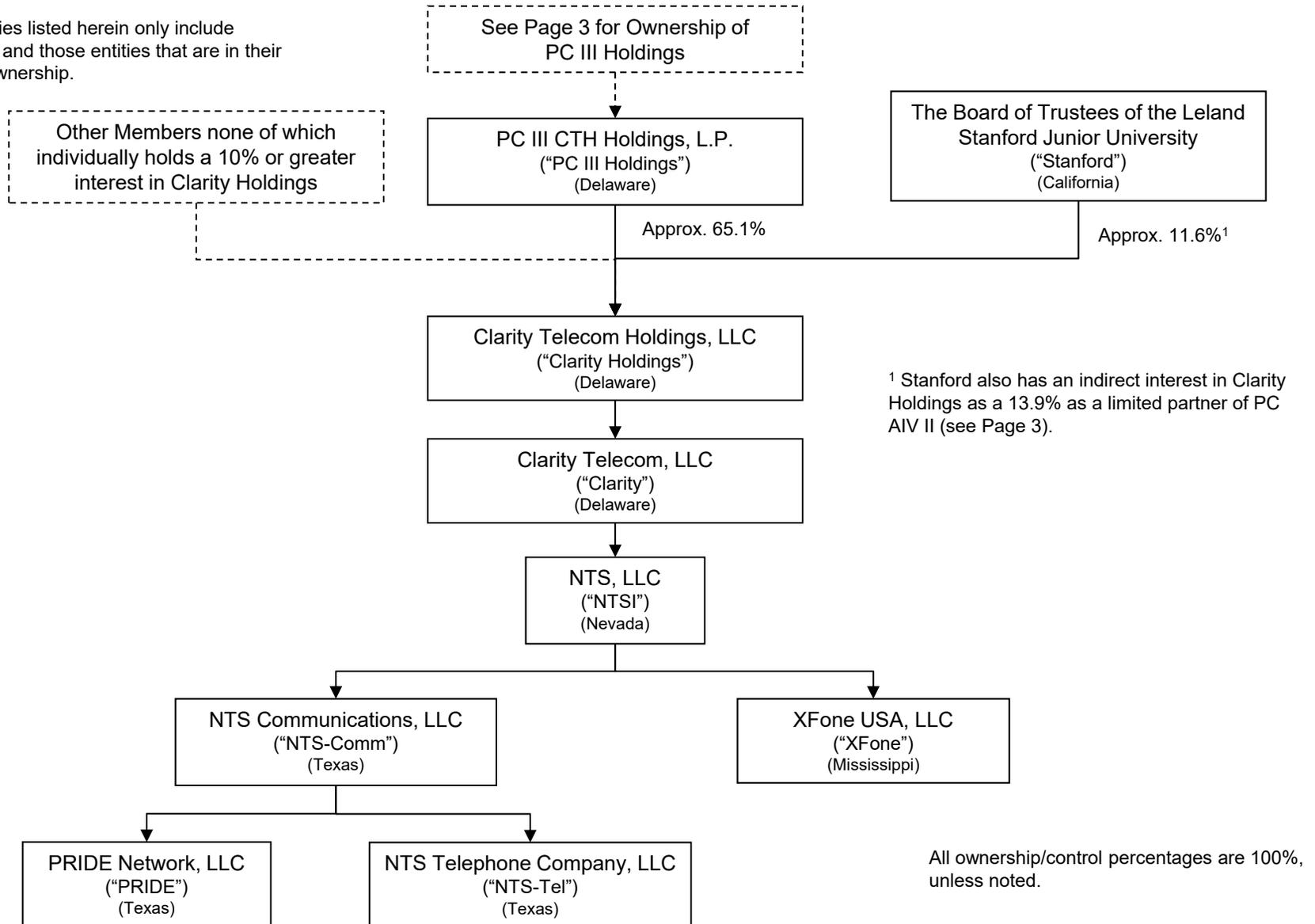
Pre- and Post-Transaction Corporate Ownership Structure Charts

Pre-Transaction Corporate Ownership Structure of Licensees

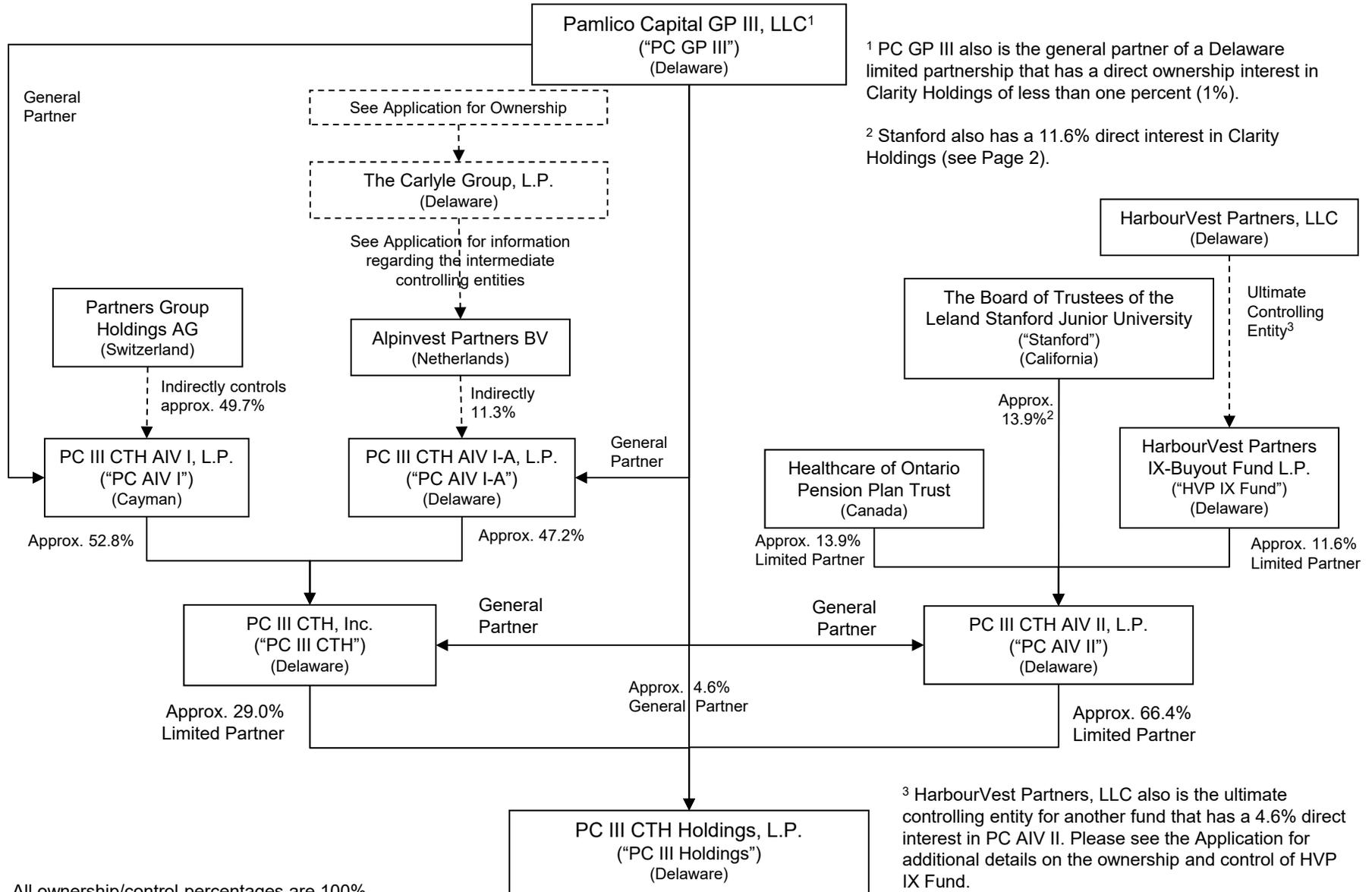


Post-Transaction Corporate Ownership Structure of Licensees*

* The entities listed herein only include Licensees and those entities that are in their chain of ownership.



Current and Post-Transaction Corporate Ownership Structure of PC III Holdings



¹ PC GP III also is the general partner of a Delaware limited partnership that has a direct ownership interest in Clarity Holdings of less than one percent (1%).

² Stanford also has a 11.6% direct interest in Clarity Holdings (see Page 2).

³ HarbourVest Partners, LLC also is the ultimate controlling entity for another fund that has a 4.6% direct interest in PC AIV II. Please see the Application for additional details on the ownership and control of HVP IX Fund.

All ownership/control percentages are 100%, unless noted.

VERIFICATION

I, J. Keith Davidson, state that I am Chief Financial Officer of Clarity Telecom, LLC d/b/a Vast Broadband (together, the "Company"); that I am authorized to make this Verification on behalf of the Company; that the foregoing filing was prepared under my direction and supervision; and that the contents with respect to the Company are true and correct to the best of my knowledge, information, and belief.

I declare under penalty of perjury that the foregoing is true and correct. Executed this 10th day of January, 2019.



J. Keith Davidson
Chief Financial Officer
Clarity Telecom, LLC

VERIFICATION

I, William Morrow, state that I am an authorized officer of T3 North Intermediate Holdings, Inc.; that I am authorized to make this Verification on behalf of T3 North Intermediate Holdings, Inc., NTS, Inc. and its subsidiaries, including NTS Communications, Inc., NTS Telephone Company, LLC, PRIDE Network, Inc. and XFone USA, Inc. (collectively, the "Company"); that the foregoing filing and its content with respect to the Company are true and correct to the best of my knowledge, information, and belief, formed after reasonable inquiry.

I declare under penalty of perjury that the foregoing is true and correct. Executed this 28th day of January, 2019.



William Morrow