

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

In the Matter of	)	
	)	
<b>Atlas Connectivity, LLC</b>	)	
<i>Transferee</i>	)	
	)	
and	)	
	)	WC Docket No. 18-____
<b>Nicholville Telephone Company, Inc.,</b>	)	
<b>and SLIC Network Solutions, Inc.,</b>	)	IB File No. ITC-T/C-2018____
<i>Transferors</i>	)	
	)	
Joint Application for Authority to Transfer	)	
Control of Holders of Domestic and Inter-	)	
national Authorizations Pursuant to	)	
Section 214 of the Communications Act	)	
of 1934	)	

**JOINT APPLICATION  
FOR AUTHORITY TO TRANSFER CONTROL  
OF HOLDERS OF SECTION 214 AUTHORIZATIONS**

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February 26, 2018

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Pursuant to Section 214 of the Communications Act of 1934 (“Act”),<sup>1</sup> and Sections 63.03, 63.04, 63.12, 63.18, and 63.24 of the Commission’s Rules,<sup>2</sup> Atlas Connectivity, LLC (“Atlas”), and its owners (the “Transferee”), together with Nicholville Telephone Company, Inc. (“Nicholville” or the “Company”), and SLIC Network Solutions, Inc. (“SLIC”) (collectively, the “Transferors”) (with the Transferee and Transferors collectively referred to hereinafter as the “Applicants”), respectfully petition the Commission for authority to transfer control of Nicholville and SLIC to Atlas.

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<sup>1</sup> 47 U.S.C. § 214.

<sup>2</sup> 47 C.F.R. §§ 63.03, 63.04, 63.12, 63.18, 63.24.

Such authority granted by the Commission is necessary to complete the corporate restructuring transaction (hereinafter referred to as the “Reorganization” or “Plan”) described in Section II, *infra*. The domestic and international Section 214 authorizations currently held by SLIC will continue to be held by that same entity following consummation of the proposed transaction.<sup>3</sup> **The domestic and international Section 214 authorizations currently held by Nicholville are to be assigned to Nicholville Telco LLC (“Nicholville Telco”).**<sup>4</sup>

This Joint Application is being filed concurrently with the International Bureau and the Wireline Competition Bureau, pursuant to Section 63.04(b) of the Commission’s Rules.<sup>5</sup> The Applicants also request streamlined processing of this Joint Application pursuant to Sections 63.03(b) and 63.12 of the Commission’s Rules.<sup>6</sup>

## **I. DESCRIPTION OF THE APPLICANTS.**

### **A. Nicholville Telephone Company, Inc.**

Nicholville is an incumbent Rural Local Exchange Carrier (“RLEC”), founded in 1902 and reincorporated in 1952 to provide conventional telephone service in an area covering more than 200 square miles in the St. Lawrence Valley and Adirondack Mountains in Northern New York State (the “North Country”), in and around Nicholville, New York. The Company’s service area includes the communities of Brasher, Hopkinton, Lawrence, and Stockholm. Nicholville provides telephone and digital subscriber line (“DSL”) broadband services with quality and consistency that has earned the commendation of the New York Public Service Commission (“New York PSC”).<sup>7</sup>

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<sup>3</sup> Nicholville will be merged with and into SLIC following the transfer of the regulated assets to Nicholville Telco, with SLIC being the survivor of this transaction. See Section II, *infra*.

<sup>4</sup> The FCC Registration Number (“FRN”) for Nicholville Telco LLC is 0027271485.

<sup>5</sup> 47 C.F.R. § 63.04(b).

<sup>6</sup> 47 C.F.R. §§ 63.03(b), 63.12.

<sup>7</sup> See, e.g., New York PSC, Office of Telecommunications, *In the Matter of Quality of Service provided by Local Exchange Companies in New York State*, Case No. 16-C-0235, Commendations of Local Telephone

**B. SLIC Network Solutions, Inc.**

SLIC was formed in 1995 as a wholly owned subsidiary of Nicholville. Co-located with Nicholville in Nicholville, New York, SLIC is a Competitive Local Exchange Carrier (“CLEC”), and was one of the first Internet Service Providers (“ISPs”) operating in the North Country. SLIC offers high-speed broadband, Voice over Internet Protocol (“VoIP”) telephony, and Internet Protocol-based Television (“IPTV”) services to residential customers. For commercial customers, SLIC offers Virtual Private Networking (“VPN”), Web hosting, and hosted Private Branch Exchange (“PBX”) telephony services.

SLIC has experienced rapid growth since its founding. Between 2010 and mid-year 2016, it added more than 4,000 total subscribers on its greenfield fiber-optic network. SLIC also provides cable television services, through franchises, to customers in 21 rural towns.

SLIC has been successful in obtaining grants to enable construction of its network. In 2010, it received a \$5.3 million award from the United States Department of Agriculture–Rural Utility Services Program (“USDA-RUS”), consisting of an outright grant of \$4.2 million and a subsidized, low-interest loan of \$1.1 million, to construct 136 miles of fiber optic lines in Franklin County. In 2011, SLIC received a second USDA-RUS award totaling \$27.8 million, consisting of a grant of \$20.8 million and a low-interest loan of \$7.0 million, to construct another 660 miles of fiber optic lines into 20 towns in neighboring St. Lawrence County. In 2013, SLIC received additional grant awards to fund projects in rural New York communities as part of the Connect New York program.<sup>8</sup>

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Companies for Excellent Service Quality During 2016 and 2016 Annual Service Quality Report for Independent Telephone Companies (including Frontier Communications) (Apr. 20, 2017).

<sup>8</sup> See Connect NY Broadband Grant Program, Regional Economic Development Council Awards, *accessed at* <https://nysbroadband.ny.gov/ConnectNY2012>.

Last month, SLIC received a state grant of \$26,002,479 in Phase III of the New NY Broadband Program, which is administered by the New York State Broadband Program Office.<sup>9</sup> The state grant, which will be augmented by \$21,099,399 in private funding commitments and support from the Commission’s Connect America Fund budget, will be used by SLIC to deploy broadband service to 6,775 units in the North Country and other regions in New York.<sup>10</sup>

SLIC’s Phase 3 grant award in the New NY Broadband Program is in addition to a grant award SLIC received last year in Phase 2 of the Program. Last year’s award, totaling nearly \$4.7 million,<sup>11</sup> will cover 121 census blocks in SLIC’s service territory, with plans to bring broadband service to 891 units.

SLIC has built its fiber optic networks ahead of schedule and under-budget, and has reached target service penetration rates for voice, broadband, and TV ahead of projections in the vast majority of its new service areas, enabling it to achieve overall profitability ahead of schedule.

### **C. Nicholville Telco LLC.**

Nicholville Telco is a newly formed New York limited liability company, wholly owned by Atlas. As part of the Reorganization, Nicholville will transfer all of its regulated assets to Nicholville Telco, and then Nicholville Telco will operate as an RLEC in the same manner as

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<sup>9</sup> The \$500 million New NY Broadband Program was established in 2015 to provide New York State grant funding to support projects that deliver high-speed Internet access to unserved and underserved areas of the State. Last year, the program received an influx of an additional \$170 million in funding from the Commission’s Connect America Fund budget. *See* Harper Neidig, “FCC Approves \$170M to Boost Broadband in NY,” THE HILL (Jan. 26, 2017), *accessed at* <http://thehill.com/policy/technology/316363-fcc-approves-170-million-for-rural-broadband-expansion-in-ny>.

<sup>10</sup> New York State Broadband Program Office, New NY Broadband Program, Phase 3 Awardees, *accessed at* <https://nysbroadband.ny.gov/new-ny-broadband-program/phase-3-awards>.

<sup>11</sup> The state grant amount is \$3,746,744, with a private match of \$937,871, for a total amount of \$ 4,684,615. *Id.*, Phase 2 Awardees, *accessed at* <https://nysbroadband.ny.gov/new-ny-broadband-program/phase-2-awards>.

Nicholville currently operates. The remaining corpus of the existing Nicholville will cease operations and merge into its currently wholly-owned subsidiary, SLIC.

**D. Atlas Connectivity, LLC.**

Atlas has been formed as a Delaware limited liability company (“LLC”) for the purpose of acquiring Nicholville and SLIC through a holding company structure in order to raise more efficient capital at the fast-growing SLIC subsidiary. Atlas currently has no operations. Following the Reorganization, it will provide consolidated and/or centralized services to its regulated telephone subsidiaries, and engage in non-regulated business activities directly or through other affiliates. It will not itself provide regulated telephone services.

<b>Ownership of Membership Interests in Atlas Connectivity, LLC</b>	
5LOOP, LLC	57.6%
Management, employees, and existing Nicholville shareholders	34.5%
Michael Brown (through Atlas Connectivity Holdings, Inc. <sup>12</sup> )	3.4%
Other outside investors and Nicholville Board of Directors members	4.5%

<b>Owners of 5LOOP, LLC</b>	
Rock Island Capital Fund II, L.P. <sup>13</sup>	76.0%
Bradley Pattelli and his family	24.0%

With regard to the ownership of membership interests in Atlas, Bradley Pattelli and his family, U.S. citizens, as a result of their ownership interest in 5LOOP, LLC (“5LOOP”), own 13.8 percent of Atlas. No other individual member of Atlas management, no individual Atlas employee, and no individual Nicholville shareholder holds a 10 percent or greater ownership interest in Atlas. Rock Island Capital Fund II, L.P., a Delaware partnership, as a result of its ownership interest in

<sup>12</sup> Atlas Connectivity Holdings, Inc., is a separate legal entity from Atlas Connectivity, LLC. Atlas Connectivity Holdings, Inc., is an investment vehicle wholly owned by Mr. Brown.

<sup>13</sup> Rock Island Capital Fund II, L.P., together with its partners and co-investors.

5LOOP, owns 43.8 percent of Atlas. However, no individual, partner, co-investor, or entity holds an interest in Rock Island Capital Fund II, L.P., that would result in a 10 percent or greater ownership interest in Atlas.

## **II. DESCRIPTION OF THE TRANSACTION.**

Through the proposed Reorganization, Nicholville and SLIC will obtain significant capital investments from the owners of 5LOOP, a Delaware limited liability company. The Reorganization includes formation of a new entity, Nicholville Telco, owned by Atlas. Nicholville will move, or “push down,” all of its regulated telecommunications assets, certificates, base of subscribers, liabilities, and contracts to Nicholville Telco. Nicholville Telco will then replace Nicholville as the RLEC.

Upon completion of the “push down” of all the described assets and liabilities related to the regulated business to Nicholville Telco, Nicholville’s primary remaining asset will be its 100 percent ultimate stock ownership of its wholly-owned subsidiary, SLIC. Nicholville will then be merged with and into SLIC, with SLIC being the survivor of this transaction. Any remaining liabilities of Nicholville will become liabilities of SLIC.

Atlas has been formed for the purpose of acquiring Nicholville and SLIC, and to be the holding company and 100 percent ultimate owner of both the Nicholville and SLIC businesses. Instead of SLIC being a wholly-owned subsidiary of Nicholville, as is currently the case, Nicholville Telco and SLIC will become “sibling” wholly-owned subsidiaries of Atlas.

The corporate structures before the Reorganization and after the Reorganization are displayed in the attached Exhibit.

The existing stockholders of Nicholville will contribute all of their ownership in Nicholville to Atlas in exchange for Series B-1 Units of Atlas, following which SLIC and Nicholville Telco will become wholly-owned subsidiaries of Atlas.

Atlas will have five series of Membership Units: Series A Preferred Units, Series B-1 Units, Series B-2 Units, Series C-1 Units, and Series C-2 Units.

Series A Preferred Units will be owned by 5LOOP; Michael Brown; certain members of the current management of Nicholville; and certain other investors with relatively small interests.

Series B-1 Units will be owned by existing Nicholville shareholders, who will exchange their Nicholville stock for these Atlas Series B-1 Units.

Series B-2 Units will be issued in exchange for certain future capital contributions.

Series C-1 Units and Series C-2 Units will be reserved for equity options and incentive plans for current and future employees and management.

Both the Series A, B-1, and B-2 Units will have standard voting rights.

5LOOP will own approximately 87.9 percent of the Series A Preferred Units.

Rock Island Capital is a private equity fund manager providing equity capital to middle market companies. It makes majority and minority equity investments in leading middle market, distribution, manufacturing, and service companies with initial enterprise values up to \$150 million.<sup>14</sup>

Bradley Pattelli is engaged in making personal investments, including investments in private companies. Mr. Pattelli, the founder of Troodon Advisors, is the former Chief Investment Officer of LendingClub. Prior to joining LendingClub, Mr. Pattelli was a partner at Angelo, Gordon & Co., a \$26 billion privately-held registered investment advisor dedicated to alternative investing, where he managed collateralized debt obligation portfolios and multiple non-investment grade portfolios. He is currently the acting Chief Executive Officer at Nicholville and serves on

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<sup>14</sup> Additional information relating to Rock Island Capital can be found at [www.rockislandcapital.com](http://www.rockislandcapital.com).

the Board of Directors at CleanCapital and Marketlend. Mr. Pattelli is a Chartered Financial Analyst, and holds a Bachelor of Science degree in Electrical and Computer Engineering from the University of Notre Dame. Mr. Pattelli received a Master of Business Administration degree from Columbia Business School.

### **III. PUBLIC INTEREST STATEMENT.**

The proposed transfer of control and the Reorganization are in the public interest. Approval of this Joint Application by the Commission will benefit not only current and future subscribers of Nicholville, and SLIC, but also the economy of the North Country in particular and the economy of New York State as a whole.

#### **A. The Proposed Reorganization Satisfies the Commission's Public Interest Test.**

The Commission has a statutory obligation to determine whether the transfer of control for which authority is sought in this Application is consistent with the public interest, convenience, and necessity.<sup>15</sup>

The standard applied by the Commission, in making its public interest evaluation, consists of the following: (1) whether the proposed transaction complies with the specific provisions of the Act, other applicable statutes, and the Commission's rules; (2) whether the transaction would result in public interest harms by substantially frustrating or impairing the objectives or implementation of the Act or related statutes; and (3) whether the transaction will yield public interest benefits.<sup>16</sup>

The proposed Reorganization and transfer of control fully meet the Commission's public interest standard. The Reorganization does not violate the Act, any other applicable statute, or the

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<sup>15</sup> 47 U.S.C. § 214(a).

<sup>16</sup> See, e.g., *Joint Application of General Communication, Inc. and GCI Liberty, Inc. for Consent to Transfer Control*, WC Docket No. 17-114, Memorandum Opinion and Order, 32 FCC Rcd 9349, 9352-54 (paras. 7-9) (WTB, IB, MB & WTB 2017).

Commission's rules. Further, the Reorganization will not result in any public interest harms. As demonstrated in this Application, the Reorganization will not negatively affect subscribers and will, in fact, promote competition. Finally, as discussed in the following sections, the Reorganization will produce substantial public interest benefits.

### **B. Challenges Faced by Small Rural Carriers.**

Small, rural telephone companies in New York State, and elsewhere across the country, face serious challenges. Landline access line counts and revenues continue to fall in the face of competition from wireless, cable TV, and ISPs.<sup>17</sup> Sources of funding, including inter-carrier compensation are rapidly disappearing. In addition, the Commission has capped the annual budget for Universal Service Fund support.

Lack of financial resources, the absence of large commercial customers, and the high cost of building and operating facilities in sparsely populated rural areas, hamper deployment of the latest technologies and services, particularly high-speed broadband services, to unserved and underserved areas. Rural ILECs are unable to take advantage of economies of scale, and the separation and isolation of their service territories often preclude their sharing of facilities and services.

These various factors have led the Staff of the New York PSC to conclude that “[t]he weakening of the financial position of New York’s small ILECs may threaten their ability to continue

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<sup>17</sup> For example, Staff of the New York Department of Public Service has noted that, since 2000, incumbent telephone access lines in New York fell from more than 13 million to less than 4 million. *Joint Petition of Altice N.V. and Cablevision Systems Corporation and Subsidiaries for Approval of a Holding Company Level Transfer of Control of Cablevision Lightpath, Inc. and Cablevision Cable Entities, and for Certain Financing Arrangements*, Case 15-M-0647, Redacted Comments of the New York State Department of Public Service Staff (Feb. 5, 2016), at 10-11, accessed at <http://documents.dps.ny.gov/public/MatterManagement/CaseMaster.aspx?MatterCaseNo=15-M-0647&submit=Search>. See, e.g., Karen DeWitt, “NY Counties Squeezed by Lower Gas Prices, Taxes,” NORTH COUNTRY PUBLIC RADIO (Feb. 12, 2016) (indicating that “a growing number of households no longer have landline telephones and rely on their cell phones instead”) accessed at <https://www.northcountrypublicradio.org/news/story/30984/20160212/ny-counties-squeezed-by-lower-gas-prices-taxes>.

to provide reliable, quality service throughout their service territories and puts New York's goal of universal service at risk."<sup>18</sup>

**C. The Reorganization Will Promote Investment.**

A major public interest factor supporting approval of the Reorganization, and the proposed transfer of control, as requested in this Joint Application, is the receipt by Atlas of significant investment from its owners, who plan to invest more than \$10 million to support and enhance the operations of SLIC and Nicholville Telco—monies that will improve the financial structure and stability of both companies, allow added infrastructure improvement and expansion, and generally improve the nature and reliability of their services.

SLIC's rapid growth demonstrates Nicholville's successful approach to expanding services in previously unserved and underserved areas. In addition to customer benefits derived from the Company's service offerings, such as enabling broadband-dependent businesses to come to, remain, and thrive in the North Country, the Company's expansion has resulted in increased employment, directly and indirectly, including through contractual relationships with local and regional vendors. The expansion also has generated incremental tax revenues to municipalities and to the State government, by virtue of the Company's growing asset base and service footprint.

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<sup>18</sup> Peter McGowan, General Counsel, Doris Stout, Director, Office of Accounting and Finance & Chad Hume, Director, Office of Telecommunications, New York PSC, *Guidelines for Regulatory Review of Mergers and Acquisitions of Small Incumbent Local Exchange Companies* (Jan. 24, 2012) ("NY PSC Staff Guidelines"), at 3, *quoted in* Middleburgh Telephone Co. and Joseph A. Tomaino, Assignees, and Newport Telephone Co., Inc., NTCNet Long Distance, Inc. and NTCNet Telecom, Inc., Assignors, Application for Authority Pursuant to Section 214 of the Communications Act of 1934, as Amended, to Assign Domestic Section 214 Authority, WC Docket No. 16-72, Application (filed Mar. 8, 2016), at 12. *See, e.g.*, Emma Orr & Scott Moritz, "America's Rural-Phone Industry Is Facing a \$48 Billion Debt Crisis," BLOOMBERG MARKETS (Nov. 20, 2017) *accessed at* <https://www.bloomberg.com/news/articles/2017-11-20/rural-phone-crisis-48-billion-of-junk-debt-hangs-over-industry> (explaining that even larger rural telecommunications providers, such as CenturyLink Inc., Frontier Communications Corp. ("Frontier"), and Windstream Holdings Inc. ("Windstream"), "have fallen victim to new technologies, shifting consumer patterns, and declining populations").

Although Nicholville and SLIC have been able to achieve many of these important objectives under the existing corporate and regulatory structure, the complexities have led to meaningfully more expensive capital and significant limitations of opportunities. The Reorganization offers a unique and important opportunity to encourage new investment for the overall business, and to provide major benefits to customers of both the RLEC and competitive businesses.

Formation of the holding company will enable Atlas to raise capital and promptly seize often fleeting opportunities for growth as they arise. Such quick turnaround will enable Atlas to better anticipate and address the time-sensitive financing and investment needs of its regulated and unregulated subsidiaries, ultimately leading to enhanced operational flexibility and profitability.

This flexibility will benefit both the regulated and competitive sides of the business. The absence of such flexibility will not only impede the Company's growth strategy, but could also likely diminish its ability to maintain operations as they exist today, potentially leading to reduced levels of customer support and services for both the RLEC and CLEC businesses.

**D. Expanding the Scale of Nicholville Telco's and SLIC's Operations Will Enhance the Customer Experience.**

Equally important is a key goal of the Reorganization: the facilitation of Nicholville Telco's and SLIC's increases in scale, which will offer greater efficiency, reduced direct operating costs, and enhanced business stability. All customers, including subscribers within the traditional Nicholville service area, will benefit from these factors, which, taken in combination, will lay a solid foundation for Nicholville Telco's and SLIC's future business continuity and success.

A prime example of increased customer service effectiveness, for both Nicholville Telco and SLIC, is the anticipated implementation of a sophisticated customer service platform that will provide enhanced service levels through an array of features, including: (1) multiple touch points

for customer interaction; (2) process automation; and (3) integration with service provisioning systems to streamline service requests and facilitate more effective troubleshooting.

The new platform will provide a higher level of customer service, quicker service deployments, and reduced downtime in the event of any service outages. Nicholville Telco and SLIC customers also will have greater access to their account information, enhanced payment options, and increasing service selection. As a practical matter, such enhanced services and subscriber options would not be available in the absence of the opportunities afforded by the planned Reorganization.

**E. The Reorganization Will Bring Additional Benefits to Customers.**

The Reorganization will benefit Nicholville's current customers, and Nicholville Telco's customers after the Reorganization, by facilitating asset base growth. This growth, in combination with increased operational efficiency and aggressive rationalization of Nicholville Telco's cost structure, will boost overall revenue and profits, helping to mitigate the negative economic impacts of the diminished revenue streams (particularly resulting from reductions in inter-carrier compensation), and shrinking customer base, experienced by Nicholville. The firm commitment that Nicholville Telco will bring to sustaining critical continuity of service and support for its RLEC customers, will thus be ensured through implementation of the Reorganization and Nicholville Telco's growth strategy. These positive growth factors will facilitate optimization of its capital structure, further enhancing its ability to attract outside investors and raise additional capital in the future, as necessary.

The success of Nicholville Telco and SLIC is heavily dependent upon their highly skilled and dedicated employees. Being part of an expanding and successful enterprise, which will be facilitated by the Reorganization, provides personal growth and career advancement opportunities to employees, which in turn benefits the customers they serve. Offering more training and hiring

more highly skilled workers will also improve performance and benefit customers. The challenges, opportunities, and rewards afforded by the Reorganization will help ensure that consumers continue to have access to the best possible products and unparalleled customer service.

**F. The Reorganization Will Promote Economic Development and Competition.**

The Reorganization further promotes the public interest by serving important economic development policies of New York State. For example, the Plan facilitates Nicholville Telco's ability to continue serving Nicholville's existing telephone subscribers (and to bring service to new subscribers), while at the same time supporting the expansion of SLIC's broadband and other services throughout the North Country.

The Reorganization will promote competition by putting Nicholville Telco and SLIC on a level playing field with competitors in New York, and nationwide. Approval of the Plan will ensure that Atlas and SLIC are able to issue equity and debt in the same manner as other non-regulated companies (subject to compliance with any applicable statutory requirements), and keep pace in an extremely competitive business environment that favors decisiveness and agility.

Most importantly, the ability to be nimble in response to changes in the marketplace, whether these changes are driven by competitors or consumers, will benefit all participants in Nicholville Telco's and SLIC's value chains, from their bandwidth and content suppliers, to their employees and their families, to the communities they serve, and finally, to the lifeblood of the two companies—their customers.

**G. The Reorganization Will Be Transparent to Customers and Will Not Negatively Affect Subscribers.**

The transfer of assets will be completely transparent to existing customers of Nicholville and SLIC, and will have no negative impact on any subscribers of either company. No change to

any Nicholville or SLIC tariffs<sup>19</sup> or customer contracts, or to the types and quality of services currently provided by Nicholville and SLIC, is planned or contemplated as a result of the Reorganization.

The facts support a conclusion that there would be no negative results from the Reorganization, while there will be numerous substantial benefits. The Reorganization, and the capital infusion that it will generate, will help to protect the customers of both Nicholville Telco and SLIC from the adverse impacts being experienced by other small rural carriers in New York State and across the country. Approval of the Plan will help to ensure that the financial standing of both Nicholville Telco and SLIC will remain strong, and, in the case of Nicholville Telco, will be significantly strengthened.

**IV. INFORMATION REQUIRED BY SECTION 63.18 OF THE COMMISSION'S RULES AND BY THE IBFS SECTION 214 MAIN FORM IN RELATION TO THE TRANSFER OF CONTROL OF HOLDERS OF INTERNATIONAL SECTION 214 AUTHORITY.**

The Applicants submit the following information, pursuant to Section 63.18 of the Commission's Rules,<sup>20</sup> and the IBFS Section 214 Main Form, in support of their request for authority to transfer control of Nicholville and SLIC to Atlas, as described in the Reorganization. Both Nicholville and SLIC hold international Section 214 authorizations.

▪ **Contact Information—Answer to Question 10 (§§ 63.18(c), 63.18(d)).**

The following table provides contact information for the Transferors and the Transferee:

<b>For Transferors</b>	<b>FRN</b>
Jeffrey S. McGrath President Nicholville Telephone Company, Inc.	0004314480

<sup>19</sup> See, e.g., SLIC Network Solutions, Inc., P.S.C. Tariff No. 2 – Local Exchange Service (filed with the New York PSC, effective July 1, 2004). The Nicholville tariff will require revision to reflect the name change to “Nicholville Telco LLC.”

<sup>20</sup> 47 C.F.R. § 63.18.

3330 State Highway 11-B Nicholville, NY 12965 Email: <a href="mailto:jmcgrath@slic.com">jmcgrath@slic.com</a> Tel.: 315-328-5333	
Bradley G. Pattelli Chief Executive Officer SLIC Network Solutions, Inc. 3330 State Highway 11-B Nicholville, NY 12965 Email: <a href="mailto:bpattelli@slic.com">bpattelli@slic.com</a> Tel.: 315-274-9050	0011412129

<b>For Transferee</b>	<b>FRN</b>
Bradley G. Pattelli Authorized Signatory Atlas Connectivity, LLC 3330 State Highway 11-B Nicholville, NY 12965 Email: <a href="mailto:bpattelli@slic.com">bpattelli@slic.com</a> Tel.: 315-274-9050	0027271436

<p><b>Copies of Correspondence to:</b></p> <p>Todd B. Lantor John Cimko Lukas, LaFuria, Gutierrez &amp; Sachs, LLP 8300 Greensboro Drive, Suite 1200 Tysons, Virginia 22102 (703) 584-8678 <a href="mailto:tlantor@fcclaw.com">tlantor@fcclaw.com</a> <a href="mailto:jcimko@fcclaw.com">jcimko@fcclaw.com</a></p> <p>Counsel to the Applicants</p>
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Atlas does not hold international Section 214 authorizations. Nicholville holds an international Section 214 authorization to provide global resold telecommunications services. SLIC holds an international Section 214 authorization to provide global resold telecommunications services.

■ **Post-Closing Ownership—Answer to Question 11 (§ 63.18(h)).**

The following entities will hold a direct or indirect 10 percent or greater ownership interest in the Transferee post-closing:

**Ownership of Membership Interests in Atlas Connectivity, LLC**

<i>Entity</i>	<i>Citizenship</i>	<i>Address</i>	<i>Principal Business</i>	<i>Ownership</i>
5LOOP, LLC	Delaware limited liability company	1415 W. 22nd St. Suite 1250 Oak Brook, IL 60523	Private Equity Investor	57.6%
Rock Island Capital Fund II, L.P.	Delaware partnership	1415 W. 22nd St. Suite 1250 Oak Brook, IL 60523	Private Equity Investor	43.8%*
Bradley Pattelli and his family	U.S. citizens	276 Mansfield Ave. Darien, CT 06820	Individual Investor	13.8%**

\* Derived from the 76.0% interest in 5LOOP held by Rock Island Capital Fund II, L.P., together with its partners and co-investors.

\*\* Derived from the 24.0% interest in 5LOOP held by Bradley Pattelli and his family.

■ **Interlocking Directorates—Answer to Question 12 (§ 63.18(h)).**

Atlas has no interlocking directorates with a foreign carrier.

■ **Narrative of Transfer of Control and Public Interest Statement—Answer to Question 13.**

A description of the proposed transaction and a demonstration of how the transaction will serve the public interest are set forth in Sections II and III, *supra*.

■ **Streamlined Processing—Answer to Question 20 (§§ 63.12, 63.18(p)).**

This Joint Application qualifies for streamlined processing pursuant to Section 63.12 of the Commission’s Rules<sup>21</sup> because: (1) none of the Applicants is affiliated with a foreign carrier in any destination market; and (2) none of the Applicants has an affiliation with a dominant U.S. carrier whose international switched or private line services for which any of the Applicants seeks authority to resell (either directly or indirectly through the resale of another reseller’s services).

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<sup>21</sup> 47 C.F.R. § 63.12.

**V. INFORMATION REQUIRED BY SECTION 63.04 OF THE COMMISSION'S RULES IN RELATION TO THE TRANSFER OF CONTROL OF HOLDERS OF BLANKET DOMESTIC SECTION 214 AUTHORITY.**

In support of their request for authority to transfer control of Nicholville and SLIC to Atlas, the Applicants submit the following information pursuant to Section 63.04(a)(6) through Section 63.04(a)(12) of the Commission's Rules.<sup>22</sup>

■ **Description of Transaction—§ 63.04(a)(6).**

A description of the proposed transaction is set forth in Section II, *supra*.

■ **Description of Geographic Area in Which the Transferor and Transferee (and Their Affiliates) Offer Domestic Telecommunications Services, and What Services Are Provided in Each Area—§ 63.04(a)(7).**

Descriptions of areas of operation, and services offered, for Nicholville, SLIC, and Nicholville Telco are contained in Sections I.A., I.B., and I.C., *supra*. Atlas does not, and will not, provide any telecommunications services.

■ **Statement of Qualification for Streamlined Treatment—§ 63.04(a)(8).**

Streamlined treatment of this Joint Application is appropriate under Section 63.03(b)(1)(ii) of the Commission's Rules<sup>23</sup> because the Transferee, Atlas, is not a telecommunications provider. Streamlined treatment is also appropriate under Section 63.03(b)(2)(i) of the Commission's Rules<sup>24</sup> because none of the Applicants is dominant with respect to any service.

One of the Transferors, SLIC, is a small CLEC with approximately 6,000 customers and, as such, is a non-dominant carrier. The other Transferor, Nicholville, whose telecommunications service assets are being moved to Nicholville Telco, is an RLEC whose market share demonstrates that it is a non-dominant carrier. Specifically, neither SLIC nor Nicholville, singly or combined,

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<sup>22</sup> 47 C.F.R. §§ 63.04(a)(6) - 63.04(a)(12).

<sup>23</sup> 47 C.F.R. § 63.03(b)(1)(ii).

<sup>24</sup> 47 C.F.R. § 63.03(b)(2)(i).

have a market share in the interstate interchange telecommunications service market of 10 percent or more.

The Commission's definition of "dominant," as set forth in Section 61.3(q) of the Commission's Rules,<sup>25</sup> is "to have market power (*i.e.*, power to control prices)." Nicholville, which faces substantial competition from cable and wireless providers, cannot control the price of its local exchange or DSL services, cannot constrain its competitors from seeking to induce Nicholville's customers to switch to competitors, and does not generate profit levels that demonstrate any dominant market power.

Approximately 52 percent of its customers are capable of being served by Spectrum (formerly Time Warner Cable), and approximately 90 percent of its customers have access to competitive wireless services. Since June 2007, Nicholville has lost approximately 58 percent of its access lines (in large part due to customers electing to switch to competitors).

Nicholville has no ability to control market prices, capture customers, restrict output, or prevent its customers from choosing alternative suppliers. Nicholville, therefore, should not be considered "dominant" for purposes of determining whether this Joint Application qualifies for streamlined review pursuant to the Commission's rules.

■ **Identification of All Other Commission Applications Related to This Transaction—  
§ 63.04(a)(9).**

As part of the proposed Reorganization, Nicholville will transfer all its customers (along with all its telecommunications assets) to Nicholville Telco. In connection with this transfer of customers, the two companies will comply with the streamlined procedures set forth in Section

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<sup>25</sup> 47 C.F.R. § 61.3(q).

64.1120(e) of the Commission’s Rules,<sup>26</sup> including the filing of a letter notification with the Commission and the provision of advance written notice to affected customers.

■ **Statement of Whether the Applicants Request Special Consideration Because Either Party Is Facing Imminent Business Failure—§ 63.04(a)(10).**

None of the Applicants is facing imminent business failure.

■ **Identification of Any Separately Filed Waiver Requests Being Sought in Conjunction with this Joint Application—§ 63.04(a)(11).**

There are no separately filed waiver requests being sought by the Applicants in connection with the proposed Reorganization.

■ **Statement Showing How Grant of this Joint Application Will Serve the Public Interest, Convenience, and Necessity—§ 63.04(a)(12).**

A demonstration of how the proposed Reorganization will serve the public interest is set forth in Section III, *supra*.

**VI. RELIEF REQUESTED.**

For the foregoing reasons, the Applicants respectfully submit that the public interest, convenience, and necessity will be furthered by a grant of this Joint Application. The Applicants respectfully request streamlined and expedited treatment to permit the Applicants to consummate the proposed transaction as soon as possible.

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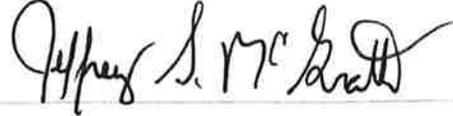
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<sup>26</sup> 47 C.F.R. § 64.1120(e).

Respectfully submitted,

**By: Nicholville Telephone Company, Inc.**



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\* \* \* \* \*

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February 26, 2018

**EXHIBIT**

**CORPORATE STRUCTURES  
BEFORE AND AFTER THE REORGANIZATION**

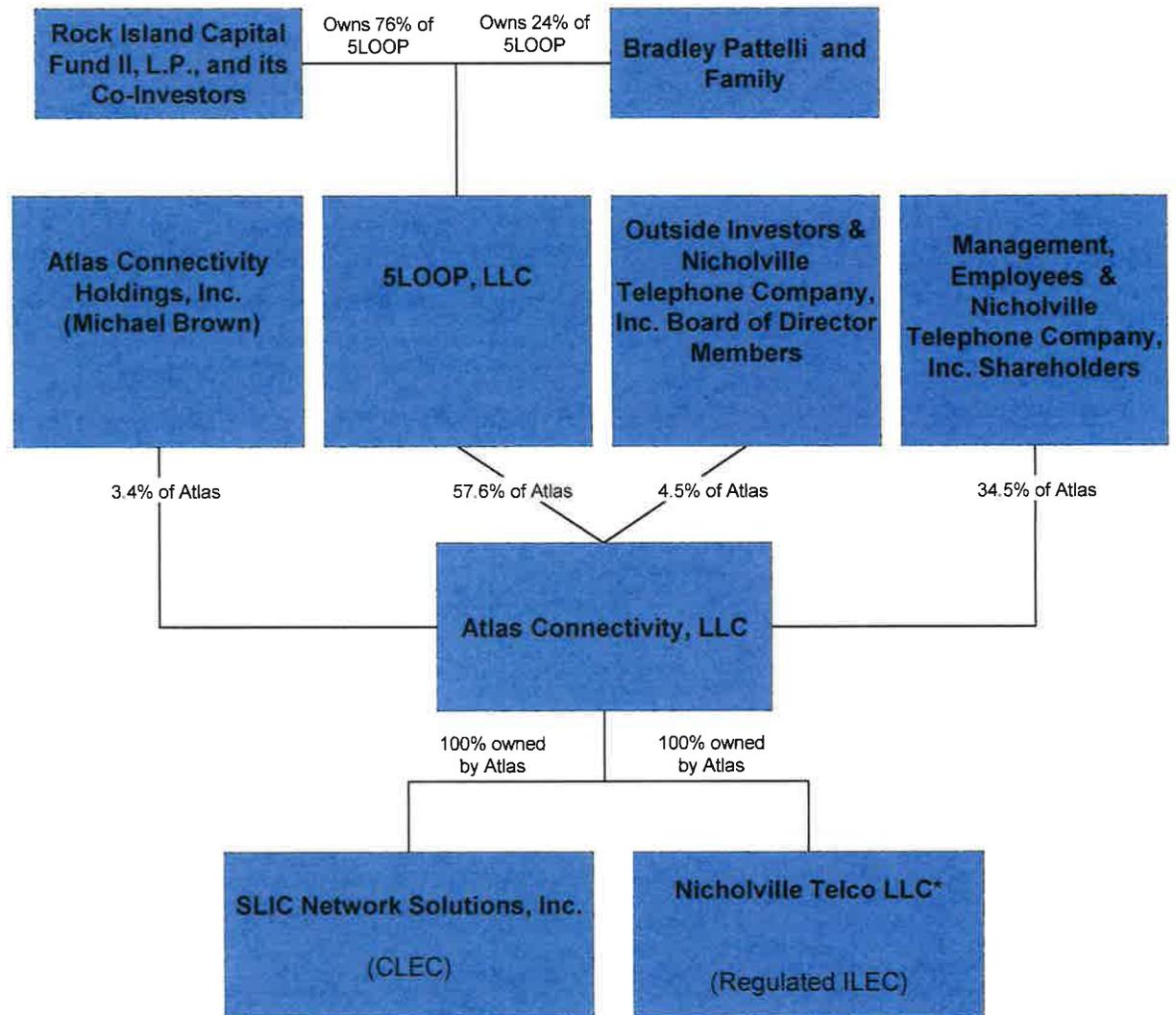
# Nicholville Telephone Company, Inc. Reorganization

## PRE - REORGANIZATION

Nicholville Telephone Company, Inc.



## POST - REORGANIZATION



\* Contemporaneously with the transfer of control, the Section 214 Domestic and International Authorizations held by Nicholville Telephone Company, Inc., will be assigned to Nicholville Telco LLC, which will be a wholly-owned subsidiary of Atlas Connectivity, LLC.