

**BEFORE THE
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554**

In the Matter of the Application of)
)
)
Tim Ron Enterprises, LLC)
d/b/a Network Communications Telecom)
Transferor/Licensee)
)
and) WC Docket No. _____
)
Conterra Ultra Broadband Holdings, Inc.)
Transferee)
)
For Grant of Authority Pursuant to Section 214 of)
the Communications Act of 1934, as amended, and)
Section 63.04 of the Commission’s Rules to)
Transfer of Control of a Carrier with Domestic)
Section 214 Authority)
)

APPLICATION

I. INTRODUCTION

Pursuant to Section 214 of the Communications Act, as amended (the “Communications Act”), 47 U.S.C. § 214, and Section 63.04 of the Commission’s Rules, 47 C.F.R. § 63.04, the Applicants described below respectfully request the Commission’s prior approval for the transfer of control of domestic common carrier Tim Ron Enterprises, LLC d/b/a Network Communications Telecom, a Texas limited liability company (“Network Communications” or “Licensee”) to Conterra Ultra Broadband Holdings, Inc., a Delaware corporation (“Conterra Holdings” or “Transferee” and collectively with Licensee, the “Applicants”). Network Communications provides the services described below pursuant to blanket Domestic 214

authority from the Commission.¹ The Transaction (defined below) will transfer ultimate control of the Network Communications to Conterra Holdings.

Request for Streamlined Processing

Applicants respectfully request that the captioned application (“Application”) be eligible for streamlined processing pursuant to Section 63.03 of the Commission’s Rules, 47 C.F.R. § 63.03. This Application is eligible for streamlined processing pursuant to Section 63.03(b)(2)(i) because immediately following the transaction: (1) Transferee and its affiliates, as defined in Section 3(1) of the Communications Act (“Affiliates”), combined will hold less than a ten percent (10%) share of the interstate, interexchange market; (2) Transferee and its Affiliates do not provide local exchange service, and operate only in areas served by dominant local exchange carriers (none of which is a party to the proposed transactions); and (3) none of the Applicants or their Affiliates is dominant with respect to any service.

II. DESCRIPTION OF THE APPLICANTS

A. Network Communications

Network Communications is a Texas limited liability company headquartered at 119 W. Tyler St., Suite 200 Longview, TX 75601. Network Communications is wholly owned and managed by the following five members (“Members”):

- Network Operator Services, Inc.- 40%²
- Tony Cason - 30%
- Ron Hutchison - 10%

¹ Network Communications provides the services described herein pursuant to the blanket authorization granted under Section 63.01 of the Commission’s rules. 47 C.F.R. §63.01. Network Communications does not hold any international Section 214 authorizations or any other FCC authorizations.

² Network Operator Services, Inc. (“NOS”) is a Texas corporation by owned by multiple shareholders, including Ron Hutchison (who owns 7.75% of NOS), Ron F. Martin (who owns 15.96% of NOS) and Tim C. Martin (who owns 15.96% of NOS). No other NOS shareholder directly or indirectly holds a combined interest of ten percent or more in Network Communications.

- Ron F. Martin - 10%
- Tim C. Martin - 10%

Network Communications, which was formed in Texas in 2002, is a facility-based competitive local exchange carrier (“CLEC”) currently providing local access, hosted/VoIP PBX, long distance, broadband internet, and Ethernet transport services primarily to small, mid-sized, and enterprise businesses in the Northeast Texas cities of Longview, Kilgore, Marshall and Henderson, Texas. Network Communications was recently granted a certificate to provide competitive local exchange and interexchange services in the State of Louisiana. Network Communications has more than five-hundred route miles of fiber in service and is currently the only local service provider building citywide fiber optic networks in Northeast Texas and Northwest Louisiana that deliver fiber all the way to the business customers’ premises.

A diagram depicting the current (pre-closing) ownership of Network Communications is provided in Exhibit A.

B. Conterra Holdings and Affiliates

Conterra Holdings is a Delaware corporation with its principal place of business at 2101 Rexford Road, #200E, Charlotte, North Carolina 28211. Conterra Holdings is a privately held corporation with subsidiaries that provide fiber and microwave transport services.

Conterra Ultra Broadband, LLC, a South Carolina limited liability company (“Conterra”), is a wholly-owned subsidiary of Conterra Holdings. Conterra provides: (1) backhaul and fronthaul transport for wireless carriers; and (2) access and broadband networks for enterprises, including K-12, healthcare, and government entities. With respect to its transport, Conterra provides carrier grade Ethernet, time-division multiplexing connectivity, fixed point-to-point microwave connectivity from a wireless carrier tower or from a lower profile connection point to another point designated by the wireless carrier customer. For access and broadband networks

for enterprises such as K-12, healthcare, and government entities, Conterra provides carrier grade Ethernet (data), dark fiber transport from the end user location to an Ethernet POP or other location designated by the end user customer. Each network is customized to a specific user's needs. Conterra is authorized to provide these services in the following states: Alabama, Arizona, Arkansas, Colorado, Florida, Georgia, Illinois, Iowa, Kansas, Mississippi, Montana, Nevada, New Mexico, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia, and Washington. Conterra holds a domestic Section 214 authorization as well as wireless licenses issued by the Commission.

Conterra owns 100% of Conterra Wireless Broadband LLC, a North Carolina limited liability company that provides services in California.

Conterra Holdings also owns 100% of Detel Wireless, LLC, a Louisiana limited liability company ("Detel") that provides competitive local exchange and interexchange telecommunications services in Louisiana and Mississippi. Detel also holds a domestic Section 214 authorization as well as wireless licenses issued by the Commission.

Conterra Holdings also owns 100% of Network USA, LLC ("Network USA") and Sun America Communications, LLC ("Sun America"). Network USA and Sun America are regional telecommunications providers offering services in Arkansas, Louisiana, Mississippi, and Texas. Network USA offers a variety of access and transport services to enterprise customers as well as to wholesale carrier customers. Network USA enables architecture for Next Generation applications, including: private line, private Ethernet, Multiprotocol Label Switching, internet access, wavelength services, Ethernet over Copper, and Voice over Internet Protocol ("VoIP"). Network USA owns and operates its own fiber optic network. It also makes use of its core partner network and utilizes unbundled network elements to provide service.

Conterra Holdings also owns 100% of Broadplex, LLC, a North Carolina limited liability company that provides private carriage services in South Carolina and North Carolina (“Broadplex”).

Conterra Holdings’ parent company is CUB Parent, Inc. (“CUB Parent”), a Delaware corporation formed on March 12, 2014. CUB Parent is owned by CSC CUB Holdings, LP, a Delaware limited partnership formed on March 12, 2014 (“CSC CUB Holdings”), members of Conterra Holdings’ management, and certain other minority investors. CSC CUB Holdings is owned by investment funds managed by the investment professionals at Court Square Capital Partners (“Court Square”), a leading New York private equity firm (the “Funds”).³ The Funds currently own 100 percent of the equity of CSC CUB Holdings, and CSC CUB Holdings, in turn, holds a 68 percent indirect equity interest in CUB Parent. The existing management and investors of Conterra Holdings and Conterra collectively own the remaining 32 percent of CUB Parent. The largest investor in CSC CUB Holdings is Court Square Capital Partners III, LP, a Delaware limited partnership (“CSC Fund III”).

Court Square also controls Encompass Digital Media Group (“Encompass”), including its regulated subsidiary BFI Licenses, LLC (“BFI”). BFI provides a variety of digital media services and holds an international Section 214 authorization (*see* FCC File No. ITC-214-19940411-00382).⁴

A diagram depicting the current (pre-closing) ownership of Conterra Holdings is provided in Exhibit B.

³ Court Square Capital GP III, LLC is the sole general partner of CSC CUB Holdings and the Funds.

⁴ Previously, funds managed by Court Square owned a controlling interest in Fibertech Networks, LLC (a broadband provider that operates one of the largest independently owned metro-area fiber optic footprints in the United States), co-owned a controlling interest in NTELOS (a diversified, regional communications provider offering wireless and wireline services in Virginia and West Virginia) and held a minority interest in incumbent local exchange carrier Valor Telecommunications.

III. DESCRIPTION OF TRANSACTION

Pursuant to a Membership Interest Purchase Agreement dated as of June 1, 2018, Conterra Holdings will acquire all issued and outstanding membership interests of Network Communications from its Members and Network Communications will become a wholly-owned direct subsidiary of Conterra Holdings (the “Transaction”).

As part of the closing of the Transaction, certain Members will reinvest a portion of the purchase price received in the sale in exchange for equity securities in Conterra Holdings’ parent company, CUB Parent (the “Equity Reinvestment”). After completion of the Transaction, and taking into account the Equity Reinvestment, CSC CUB Holdings is expected to indirectly hold 66.7 percent of the equity and voting securities of Network Communications. Existing management and other investors (including those who participate in the Equity Reinvestment) are expected to hold a combined interest of 33.3 percent of the equity and voting securities of Network Communications.

A diagram depicting the ownership of Conterra Holdings and its Affiliates, including Network Communications, after consummation of the Transaction is provided in Exhibit C. Other than CSC Fund III and the holding companies described above and depicted in Exhibits B and C, following consummation of the Transaction, no individual or entity will directly or indirectly hold 10 percent or more of the equity of Network Communications.

IV. PUBLIC INTEREST STATEMENT

Applicants submit that the Transaction will serve the public interest. Network Communications and Conterra Holdings (and its Affiliates) have distinct yet complementary networks and geographic footprints. Ultimately, by acquiring Network Communications, Conterra Holdings and its Affiliates will be able to expand their network and services so that the combined companies will become a stronger competitor able to serve more locations, across a

wider area, and with more service options. Network Communication's existing management and operational personnel are expected to continue to be actively involved in the management and operation of Network Communications, and no significant reduction in management or operational personnel is expected to occur as a result of the Transaction. In addition, Network Communications will have access to the operational and managerial resources of Conterra, including those of Court Square. Such support will strengthen the competitive position of Network Communications to the benefit of the telecommunications marketplace. Completion of the Transaction will also enable Conterra Holdings and its subsidiaries to expand their current network footprint and service offerings.

The Transaction also will not materially affect competition for the provision of telecommunications in the jurisdictions currently served by Network Communications because all of the customers served by Network Communications have, and following consummation of the Transaction will continue to have, access to competitive alternatives.

Furthermore, the Transaction will provide Network Communications with a new parent corporation and will only result in a change in the ownership of Network Communications. No assignment of licenses, assets, or customers will occur as a consequence of the proposed Transaction. Immediately following the consummation of the Transaction, Network Communications will continue to provide service to their existing customers pursuant to the same rates, terms, and conditions.⁵ Accordingly, this Transaction will be, for all practical purposes, imperceptible to the customers of Network Communications.

Following consummation of the Transaction, Network Communications will continue to provide high-quality communications services to its customers without interruption and without

⁵ Any future changes in the rates, terms and conditions of service to Network Communications' customers will be undertaken in conformance with the applicable federal and state law, including notice and tariff requirements.

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(a)(4) Ownership Information:

The following entity will directly own 100 percent (100%) of Network Communications upon completion of the transaction:

- | | | |
|-----|---------------------|---|
| (1) | Name: | Conterra Ultra Broadband Holdings, Inc. |
| | Citizenship: | Delaware |
| | Percentage Owned: | 100% |
| | Principal Business: | Holding Company |

The following persons or entities, will, upon completion of the Transaction, own or control a 10% or greater indirect interest in Network Communications:

- (1) At closing, the following entities will own or control ten percent (10%) or more of Licensee:

Name:	Conterra Holdings
Citizenship:	Delaware
Percentage Owned:	100%
Principal Business:	Holding Company

- (2) At closing, the following entities will own or control ten percent (10%) or more of Conterra Holdings:

Name:	CUB Parent, Inc.
Citizenship:	Delaware
Percentage Owned:	100%
Principal Business:	Holding Company

- (3) At closing, the following entities will own or control ten percent (10%) or more of CUB Parent:

Name: CSC CUB Holdings, LP
Address: c/o Court Square Capital Partners
Park Avenue Plaza, 34th Floor
55 East 52nd Street
New York, New York 10055
Citizenship: U.S.
Percentage Owned: 66.7% equity
Principal Business: Finance/ Investment Fund

Name: Court Square Capital GP III, LLC
Address: c/o Court Square Capital Partners
Park Avenue Plaza, 34th Floor
55 East 52nd Street
New York, New York 10055
Citizenship: U.S.
Percentage Owned: 66.7% voting (as sole general partner of CSC CUB Holdings, LP)
Principal Business: Finance/ Investment Manager

- (4) At closing the following entities will own or control ten percent (10%) or more of CSC CUB Holdings:

Name: Court Square Capital Partners III, LP
Address: c/o Court Square Capital Partners
Park Avenue Plaza, 34th Floor
55 East 52nd Street
New York, New York 10055
Citizenship: U.S.
Percentage Owned: 81.4%
Principal Business: Finance/ Investment Fund

Name: Court Square Capital GP III, LLC
Address: c/o Court Square Capital Partners
Park Avenue Plaza, 34th Floor
55 East 52nd Street
New York, New York 10055
Citizenship: U.S.
Percentage Owned: 0.24% equity/ 100% voting (as sole general partner of the Funds, including CSC Fund III)
Principal Business: Finance/ Investment Manager

As stated in **Section III**, other than the foregoing, following the consummation of the Transaction, no other person or entity (including any limited partner in the Funds) will directly or

indirectly own or control ten percent (10%) or more (in the aggregate) of the equity or voting interest of Network Communications.

(a)(5) Anti-Drug Certification:

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.

(a)(6) Description of Transaction:

A description of the proposed Transaction is set forth in **Section III** above.

(a)(7) Geographic Service Areas:

As described in **Section II.B** above, Court Square currently controls Conterra Holdings, and its regulated subsidiaries, including Conterra Ultra Broadband, LLC, Detel Wireless, LLC, Network USA, Inc., Sun America Communications, LLC and Broadplex, LLC.

Conterra Ultra Broadband, LLC provides backhaul and fronthaul transport for wireless carriers and access and broadband networks for K-12, healthcare, and government entities in the following states: Alabama, Arizona, Arkansas, Colorado, Georgia, Illinois, Iowa, Kansas, Mississippi, Montana, Nevada, New Mexico, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia, and Washington.

Detel provides competitive local exchange and interexchange telecommunications services in Mississippi and Louisiana.

Network USA and Sun America provide access and transport services to certain enterprise customers and wholesale carriers in Louisiana, Arkansas, Mississippi and Texas.

As described in **Section II.B** above, Court Square also owns digital media company Encompass and its FCC regulated subsidiary BFI.

Funds managed by Court Square are currently in the process of acquiring MBS Holdings, Inc., and its subsidiaries Alteva of Warwick, LLC (“Alteva of Warwick”), Alteva Long-Distance, Inc., and Momentum Telecom, Inc. (“Momentum”).⁶ Alteva of Warwick is a New York corporation that operates as the incumbent local exchange carrier (“ILEC”) in the contiguous towns of Warwick, Goshen and Wallkill, New York, and the adjacent townships of West Milford, Vernon, and Franklin Borough, New Jersey. Alteva of Warwick also offers its local exchange customers broadband services (via xDSL), as well as a package of satellite video services via an arrangement with DirecTV. Alteva of

⁶ See, WC Docket No. 18-84, ITC-ASG-20180413-00075 and ITC-T/C-20180316-00057 approving this transaction.

Warwick also operates as a competitive local exchange carrier (“CLEC”) in Middletown and Scotchtown, New York, and Vernon, New Jersey, serving approximately 320 business and residential customers via its CLEC operations.

Momentum is a leading provider of wholesale hosted Voice Over Internet Protocol (“VoIP”) and unified communications services and serves as the wholesale “CLEC partner” and broadband system manager to Tier II and Tier III cable providers. Momentum is authorized to operate as a CLEC in the following states: Alabama, California, Florida, Georgia, Kentucky, Louisiana, New Jersey, North Carolina, Pennsylvania, South Carolina, Tennessee, and the U.S. Virgin Islands. Momentum also holds Section 214 authority from the FCC to provide international telecommunications services. *See* ITC-214-20081400480. The parties have not yet consummated the transaction, however, Court Square has been granted federal and state approvals regarding the transfer of those licenses.

Except for interests in the entities described above, none of Conterra Holdings, CSC CUB Holdings or Court Square provides telecommunications services or are affiliated with any other telecommunications carrier.

(a)(8) Eligibility for Streamlined Processing:

A statement showing how the Application qualifies for streamlined processing is provided in Section II above.

(a)(9) Other Commission Applications:

No other applications are being filed with the Commission with respect to this transaction.

(a)(10) Special Processing Consideration:

Neither party to the transaction is facing imminent business failure. Prompt completion of the proposed transaction, however, is critical to ensure that Applicants can obtain the benefits described in the foregoing application. Accordingly, Applicants respectfully request that the Commission approve this Application expeditiously in order to allow Applicants to consummate the proposed transaction as soon as possible.

(a)(11) Separately Filed Waiver Requests

Not applicable.

(a)(12) Public Interest Statement

A statement showing how grant of the application will serve the public interest, convenience and necessity is provided in **Section IV** 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 for the above-described transaction. Applicants respectfully request expedited treatment to permit the Applicants to complete the transaction as soon as possible.

Respectfully submitted,

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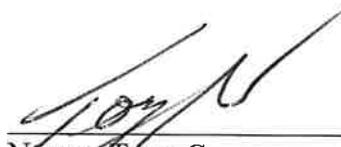
Dated: June 11, 2018

DECLARATION

I, Tony Cason, hereby declare that:

- (1) I am President and Chief Executive Officer of Tim Ron Enterprises, LLC d/b/a Network Communications Telecom (“Network Communications”);
- (2) I am authorized to make this declaration on behalf of Network Communications;
and
- (3) The statements in the foregoing application relating to Network Communications are true and correct to the best of my knowledge and belief.

I declare under penalty of perjury that the foregoing is true and correct. Executed this 11 day of June 2018.



Name: Tony Cason
Title: President and Chief Executive Officer

DECLARATION

I, Shane Turley, hereby declare that:

- (1) I am Senior Vice President and General Counsel of Conterra Ultra Broadband Holdings, Inc. (“Conterra Holdings”);
- (2) I am authorized to make this declaration on behalf of Conterra Holdings; and
- (3) The statements in the foregoing application relating to Conterra Holdings are true and correct to the best of my knowledge and belief.

I declare under penalty of perjury that the foregoing is true and correct. Executed this 11th day of June 2018.



Name: Shane Turley

Title: Senior Vice President and General Counsel

LIST OF EXHIBITS

Exhibit A	Diagram depicting current (pre-closing) ownership of Tim Ron Enterprises, LLC d/b/a Network Communications Telecom
Exhibit B	Diagram depicting current (pre-closing) ownership of Conterra Holdings and its affiliates
Exhibit C	Diagram depicting the post-closing ownership of Conterra Holdings and its affiliates (including Tim Ron Enterprises, LLC d/b/a Network Communications Telecom)

EXHIBIT A

**Diagram depicting current (pre-closing) ownership of Tim Ron Enterprises,
LLC d/b/a Network Communications Telecom**

**CURRENT (PRE-CLOSING) OWNERSHIP OF TIM RON ENTERPRISES, LLC
D/B/A NETWORK COMMUNICATIONS TELECOM**

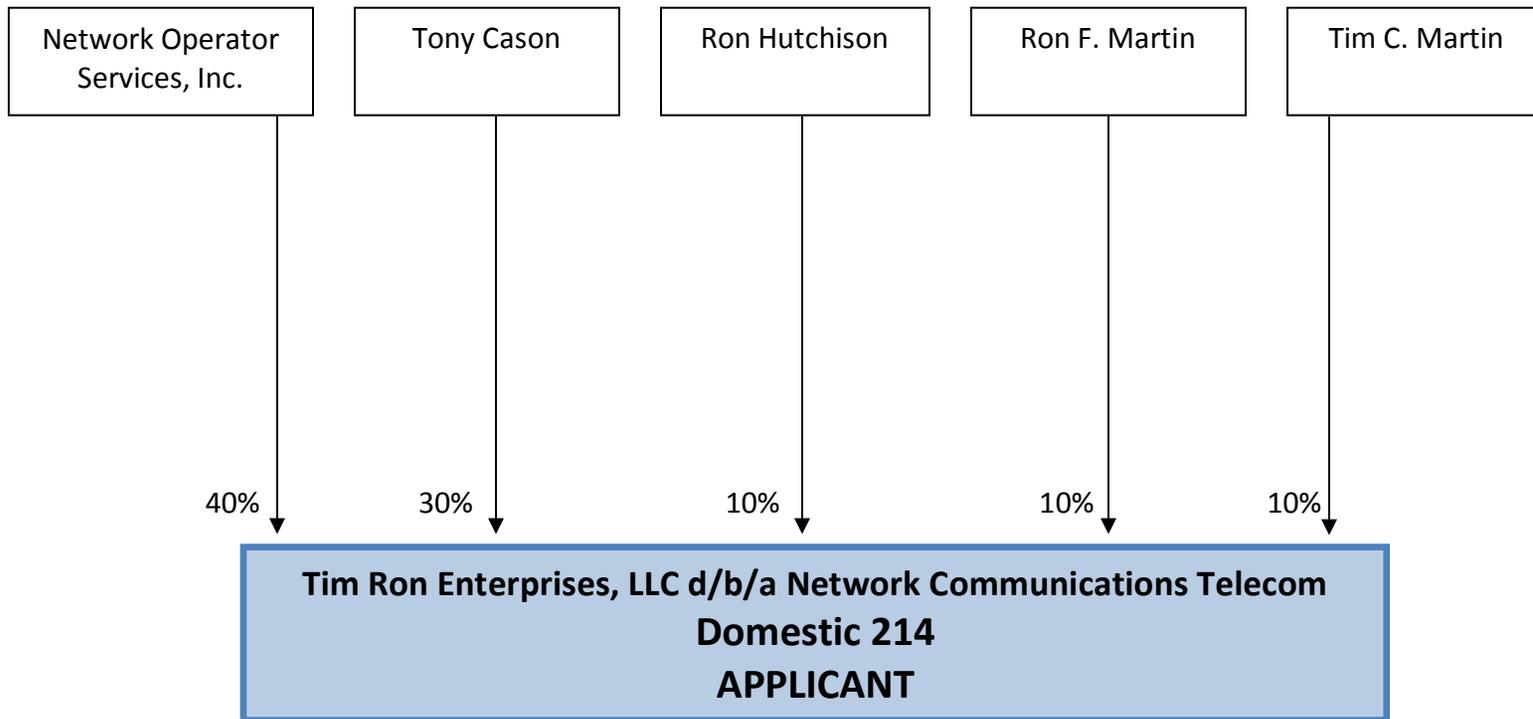
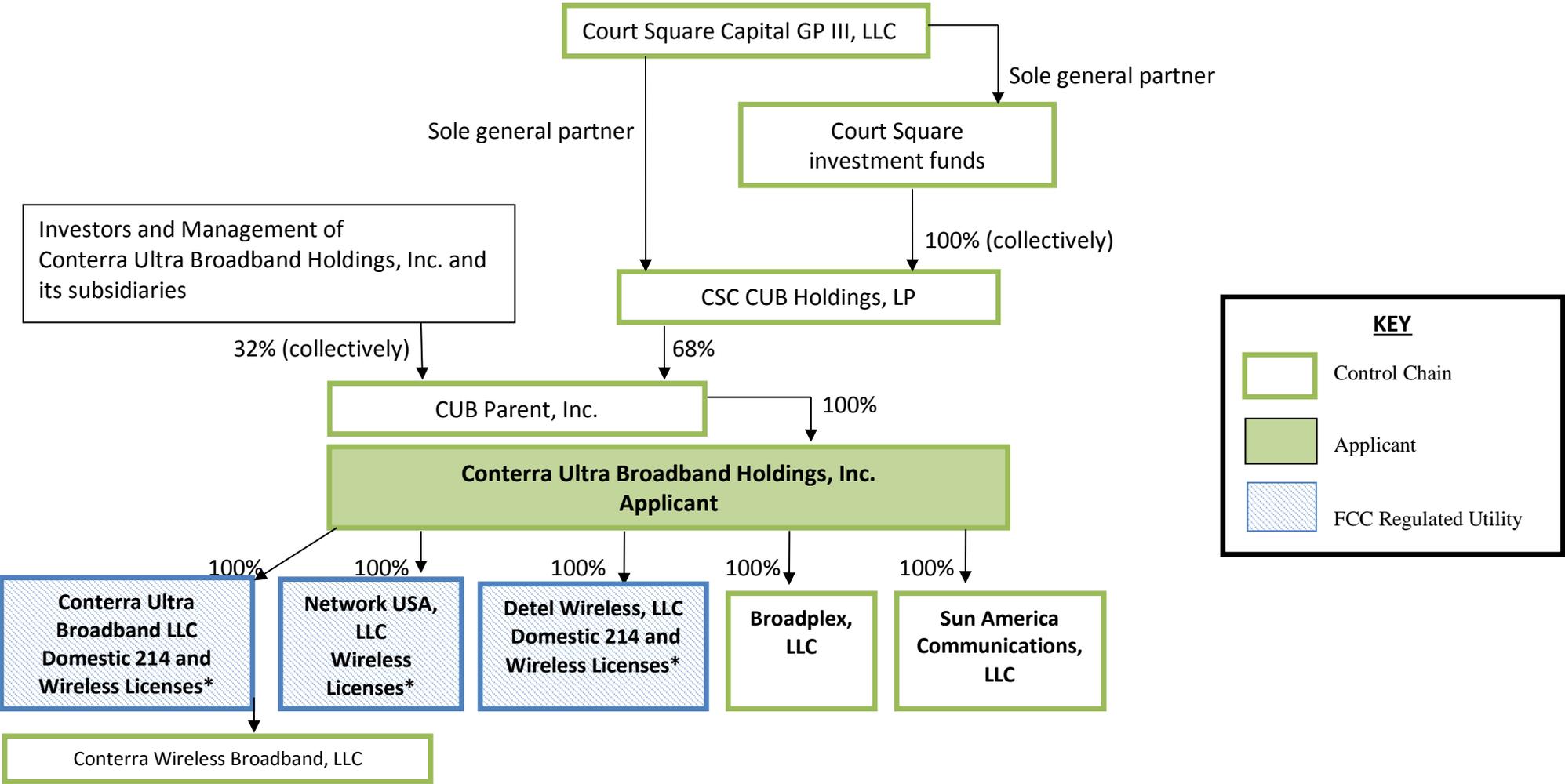


EXHIBIT B

Diagram depicting current (pre-closing) ownership of Conterra Holdings and affiliates

CURRENT (PRE-CLOSING) OWNERSHIP OF CONTERRA HOLDINGS AND AFFILIATES



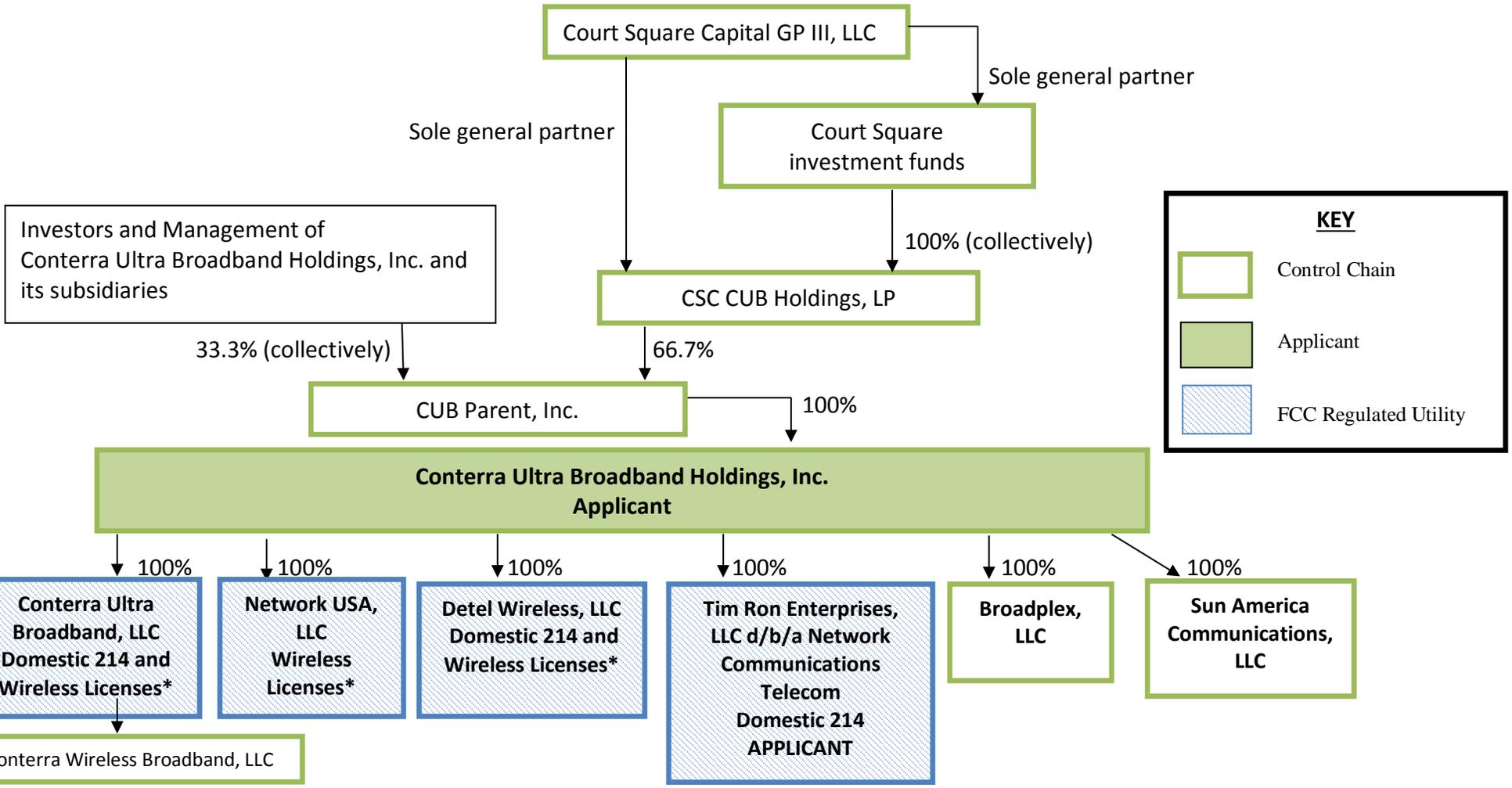
KEY

- Control Chain
- Applicant
- FCC Regulated Utility

* Holds Common Carrier Fixed Point-to-Point Microwave Service Licenses.

EXHIBIT C

Diagram depicting the post-closing ownership of Conterra Holdings and its affiliates (including Tim Ron Enterprises, LLC d/b/a Network Communications Telecom)



* Holds Common Carrier Fixed Point-to-Point Microwave Service Licenses.