



August 16, 2019

Assistant Attorney General for National Security  
United States Department of Justice  
National Security Division  
950 Pennsylvania Avenue NW,  
Washington, DC 20530

Subject: Clarity-NTS Transaction  
(FCC IBFS Nos.  
ITC-T/C-20190128-00006 (XFone: ITC-214-20040706-00251);  
ITC-T/C-20190128-00007 (NTS-Comm: ITC-214-19971024-00657); and  
WC Docket No. 19-7 (NTS-Comm, NTS-Tel, PRIDE, XFone));

Python Transaction  
(FCC IBFS Nos.  
ITC-T/C 20190128-0004 (XFone: ITC-214-20040706-00251);  
ITC-T/C 20190128-0005 (NTS-Comm: ITC-214-19971024-00657);  
ITC-T/C 20190128-0003 (Clarity: ITC-214-19990625-00428; ITC-214-  
20020619-00300);  
WC Docket No. 19-16 (NTS-Comm, NTS-Tel, PRIDE, XFone, Clarity));

Applications by Clarity Telecom, LLC DBA Vast Broadband, T3 North  
Intermediate Holdings, Inc., Python Intermediate II, LLC, and PC III CTH  
Holdings, L.P. for authority pursuant to Section 214 of the Communications  
Act of 1934, as amended, to transfer control of international Section 214  
authorizations.

Dear Sir/Madam:

This Letter of Agreement (“LOA” or “Agreement”) sets forth the commitments made by Clarity Telecom, LLC DBA Vast Broadband (“Clarity”) and NTS, Inc. (“NTSI”)<sup>1</sup> to the U.S. Department of Justice (“DOJ”) in order to address national security, law enforcement, and public safety concerns arising from the above-referenced applications to the Federal Communications Commission (“FCC”) requesting authority to transfer control of international Section 214 authorizations pursuant to Section 214 of the Communications Act of 1934, as amended. 47 U.S.C. § 214.

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<sup>1</sup> NTSI includes wholly owned NTSI subsidiaries NTS Communications, Inc. (“NTS-Comm”), PRIDE Network (“PRIDE”), NTS Telephone Company, LLC (“NTS-Tel”) and XFone USA, LLC (“XFone”) (collectively, “NTS Licensees”).

Clarity 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. NTSI is a holding and management company that, through its wholly owned subsidiaries NTS Licensees, provides integrated communications services that include voice, video, and data over its Fiber to the Premises (“FTTP”) and other networks primarily in Louisiana and Texas. The NTS Licensees also provide certain telecommunications services in Arizona, Mississippi, New Mexico, and Oklahoma.

The above-referenced applications were filed pursuant to agreements to execute two successive transactions. In the first transaction (the “Clarity-NTS Transaction”), Clarity will acquire all outstanding equity interests in NTSI. Upon completion of the Clarity-NTS Transaction, NTSI will be a direct, wholly owned subsidiary of Clarity. The NTS Licensees will remain wholly owned subsidiaries of NTSI and, therefore, the NTS Licensees will become indirect, wholly owned subsidiaries of Clarity. As part of the Clarity-NTS Transaction, NTSI, NTS-Comm, PRIDE, and XFone will convert to limited liability companies prior to closing. In the second transaction (the “Python Transaction”), Python Intermediate II, LLC will directly or indirectly acquire all of the issued and outstanding equity interests of Clarity Telecom Holdings, LLC, the parent entity of Clarity. Python Intermediate II, LLC is an indirect wholly owned subsidiary of Python Holdings, L.P. which is primarily owned and controlled by funds and entities affiliated with Pamlico Capital and Oak Hill Capital Partners, which are private equity funds based in the United States. Control of the Python Holding, L.P. funds ultimately rests in U.S. entities or citizens.

## **1. Definitions Used in the LOA**

1.1. “Access” means the ability to undertake physically or logically any of the following actions:

- a) to read, copy, divert, or otherwise obtain non-public information or technology from or about software, hardware, a database or other system, or a network;
- b) to add, edit, delete, reconfigure, provision, or alter information or technology stored on or by software, hardware, a system or network;
- c) to alter the physical or logical state of software, hardware, a system or network.

1.2. “Call Detail Record” (“CDR”) means the data records or call log records that contain information about each call made by a user and processed by switch, call manager, or call server.

1.3. “Clarity” means Clarity Telecom, LLC, Clarity Telecom Holdings, LLC, subsidiaries, and all successors-in-interest.

1.4. “Customer Proprietary Network Information” or “CPNI” means as set forth in 47 U.S.C. § 222(h)(1).

1.5. “Date of this LOA” means the date on which Clarity and NTSI execute this LOA.

1.6. “Days” means calendar days unless otherwise specified.

1.7. “Domestic Communications” or “DC” means

- a) wire communications, or electronic communications (whether stored or not), from one location within the United States to another location within the United States; or
- b) The United States portion of a wire communication, or electronic communication (whether stored or not), that originates or terminates in the United States.

1.8. “Domestic Communications Infrastructure” or “DCI” means any systems, equipment, hardware, software, or applications that capture or control, or transmit the flow of domestic communications on behalf of Clarity and/or NTSI, including information technology supporting such networks.

1.9. “Electronic Surveillance” means:

- a) the interception of wire, oral, or electronic communications as set forth in 18 U.S.C. § 2510(1), (2), (4) and (12), respectively, and electronic surveillance as set forth in 50 U.S.C. § 1801(f);
- b) access to stored wire or electronic communications, as referred to in 18 U.S.C. § 2701 et seq.;
- c) acquisition of dialing, routing, addressing, or signaling information through pen register or trap and trace devices or other devices or features capable of acquiring such information pursuant to law as set forth in 18 U.S.C. § 3121 et seq. and 50 U.S.C. § 1841 et seq.;
- d) acquisition of location-related information concerning a subscriber or facility;
- e) preservation of any of the above information pursuant to 18 U.S.C. § 2703(f);
- f) access to or acquisition, interception, or preservation of, wire, oral, or electronic communications or information as described in (i) through (v) above and comparable state laws.

1.10. “Foreign” means non-United States.

1.11. “Government” means any government, or governmental, administrative, or regulatory entity, authority, commission, board, agency, instrumentality, bureau or political subdivision, and any court, tribunal, judicial or arbitral body.

1.12. “Lawful U.S. Process” means U.S. federal, state, or local court orders, subpoenas, warrants, processes, directives, certificates, or authorizations, and other orders, legal process, statutory authorizations, and certifications for Electronic Surveillance, physical search and seizure, production of tangible things, or access to, or disclosure of, Domestic Communications, call-associated data, transactional data, subscriber information, associated records, or other information described in such lawful materials.

1.13. “Managed Network Service Provider” or “MNSP” means any third party that has Access to Principal Equipment for the purpose of:

- a) network operation; provisioning of Internet and telecommunications services; routine, corrective, and preventative maintenance, including switching, routing, and testing; network and service monitoring; network performance, optimization, and reporting; network audits, provisioning, and creation and implementation of modifications or upgrades; or
- b) provisioning DC or operating DCI, including: customer support; OSS;<sup>2</sup> BSS;<sup>3</sup> Network Operations Centers (“NOCs”); information technology; cloud operations/services; 5G (SDN,<sup>4</sup> NFV,<sup>5</sup> Applications); and datacenter services and operations.

1.14. “Network Operations Center” or “NOC” means any locations and facilities performing network management, monitoring, accumulating accounting and usage data, maintenance, user support, or other operational functions for DC.

1.15. “Network Systems Security Plan” or “NSSP” means a network systems security plan that addresses information security, remote access, physical security, cybersecurity, third-party contractors (managed service providers), Outsourcing and Offshoring, maintenance and retention of system logs, protection of Lawful U.S. Process, protection of U.S. Records obtained by Clarity and/or NTSI from customers or through provision of services, and data breach notifications.

1.16. “NIST-Compliant Cybersecurity Plan” means a cybersecurity plan that complies with the most recently published version of the National Institute of Standards and Technology (NIST) Cybersecurity Framework, available at <https://www.nist.gov/cyberframework>.

1.17. “NTS Licensees” means NTS Communications, Inc. (“NTS-Comm”), PRIDE Network (“PRIDE”), NTS Telephone Company, LLC (“NTS-Tel”) and XFone USA, LLC (“XFone”).

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<sup>2</sup> OSS is operations support system.

<sup>3</sup> BSS is business support system.

<sup>4</sup> SDN is software-defined networking.

<sup>5</sup> NFV is Network Functions Virtualization.

1.18. “NTSI” means NTS, Inc., and its subsidiaries and successors-in-interest (including NTS Licensees, and limited liability companies that NTSI and NTS Licensees will convert to prior to the close of the transactions referenced in this LOA).

1.19. “Offshore” means performing obligations of this LOA using entities and personnel outside of the territorial limits of the United States, whether or not those entities or personnel are employees of Clarity and/or NTSI (including NTS Licensees).

1.20. “Outsource” means, with respect to DC, supporting the services and operational needs of Clarity and/or NTSI at issue in this LOA using contractors or third parties.

1.21. “Person” means any natural person or legal entity.

1.22. “Personally Identifiable Information” or PII means any information that uniquely identifies and correlates to a natural Person or can be used to distinguish or trace a natural Person's identity, alone, including his or her name, social security number, or biometric records, or when combined with other personal or identifying information that is linked or linkable to a specific individual, including date and place of birth, or parent's surname, including any "personal identifier information" as set forth in 31 C.F.R. § 800.402(c)(6)(vi)(B).

1.23. “Principal Equipment” means all primary telecommunications and information network (*e.g.*, wireline, wireless, subsea, satellite, LAN, WAN, WLAN, SAN, MAN, IP, MPLS, FR, Wi-Fi, 3G/4G/LTE, 5G, etc.) equipment (*e.g.*, hardware, software, platforms, OS, applications, protocols) that supports core telecommunications or information services (*e.g.*, voice, data, text, MMS, FAX, video, Internet, OTT, Apps), functions (*e.g.*, network/element management, maintenance, provisioning, NOC, etc.), or operations (*e.g.*, OSS/BSS, customer support, billing, backups, cloud services, etc.), including but not limited to routers, servers, circuit switches or soft-switches, PBXs, call processors, databases, storage devices, load balancers, radios, smart antennas, transmission equipment (RF/Microwave/Wi-Fi/Fiber Optic), RAN, SDR, equalizers/amplifiers, MDF, digital/optical cross-connects, PFE, multiplexers, HLR/VLR, gateway routers, signaling, Network Function Virtualizations, hypervisors, EPC, BSC, BT, or eNodeB.

1.24. “Security Incident” means

- a) Any known or suspected breach of this LOA, including a violation of any approved policy or procedure under this LOA;
- b) Any unauthorized Access to, or disclosure of, customer PII;
- c) Any use of or Access to the equipment or facilities supporting those portions of Clarity and NTSI's DCI necessary for conducting Electronic Surveillance where such use or Access would violate any U.S. law or the terms of this Agreement or any implementation plans;

- d) Any unauthorized Access to, or disclosure of, information obtained from or relating to Government entities; or
- e) Any one or more of the following which affect the company's computer network(s) or associated information systems: (A) Unplanned disruptions to a service or denial of a service; (B) Unauthorized processing or storage of data; (C) Unauthorized modifications to system hardware, firmware, or software; or (D) Attempts from unauthorized sources to Access systems or data if these attempts to Access systems or data may materially affect company's ability to comply with the terms of this LOA.

1.25. "Subscriber Information" means any information of the type referred to and accessible subject to the procedures set forth in 18 U.S.C. § 2703(c)(2) or 18 U.S.C. § 2709, as amended or superseded.

1.26. "Team Telecom" or "Team Telecom Agencies" means the Department of Justice (DOJ), including the Federal Bureau of Investigation (FBI), the Department of Homeland Security (DHS), and the Department of Defense (DoD).

1.27. "U.S. Records" means Clarity and/or NTSI's customer billing records, Subscriber Information, PII, CDRs, CPNI, and any other information used, processed, or maintained in the ordinary course of business related to the services offered by Clarity and/or NTSI (including NTS Licensees) within the United States, including information subject to disclosure to a U.S. federal or state governmental entity under the procedures set forth in 18 U.S.C. § 2703(c), (d) and 18 U.S.C. § 2709.

## **2. Law Enforcement Point of Contact**

2.1. Clarity and NTSI agree to maintain a law enforcement point of contact ("LEPOC") in the United States subject to approval by DOJ. The LEPOC shall be a U.S. citizen residing in the United States unless DOJ otherwise agrees in writing. The LEPOC must be approved by the DOJ to receive the service of Lawful U.S. Process for U.S. Records and, where possible, to assist and support lawful requests for surveillance or production of U.S. Records by U.S. federal, state, and local law enforcement agencies.

2.2. Clarity and NTSI agree to provide the LEPOC's PII to DOJ within fifteen (15) Days from the Date of this LOA.

2.3. Clarity and NTSI agree to notify DOJ in writing at least 30 Days prior to modifying its LEPOC for DOJ and FBI objection or non-objection (except in the case of the unexpected firing, resignation or death of the LEPOC in which case such written notice must be provided within five (5) Days of such event).

2.4. Clarity and NTSI agree that the LEPOC will have Access to all U.S. Records and, in response to Lawful U.S. Process, will make such records available to U.S. law enforcement agencies promptly and, in any event, no later than five (5) Days after receiving such Lawful U.S. Process unless granted an extension by DOJ.

### **3. Communications Assistance for Law Enforcement Act**

3.1. Clarity and NTSI agree that they will comply with all applicable U.S. lawful interception statutes, regulations, and requirements, including the Communications Assistance for Law Enforcement Act ("CALEA"), 47 U.S.C. § 1001 et seq., its implementing regulations, and all court orders and other legal process for lawfully authorized electronic surveillance and other Lawful U.S. Process.

### **4. Lawful U.S. Process**

4.1. Clarity and NTSI agree to comply with all court orders and Lawful U.S. Process, including process relating to Electronic Surveillance.

4.2. Upon receipt of any Lawful U.S. Process, Clarity and/or NTSI shall place any and all information responsive to the Lawful U.S. process within the territorial boundaries of the United States within the period of time for response specified in the Lawful U.S. Process, or as required by law, and shall thereafter comply with the Lawful U.S. Process.

4.3. Clarity and NTSI agree not to provide, or otherwise allow the disclosure of, or Access to, U.S. Records, Domestic Communications, or any information (including call content and call data) to any Foreign government or Foreign Person without prior written consent of DOJ or a court of competent jurisdiction in the United States.

4.4. Clarity and NTSI agree not to disclose the receipt of Lawful U.S. Process, or compliance with Lawful U.S. Process, to any Foreign Government, Foreign person (other than Foreign persons who have previously been disclosed to DOJ as requiring such information to perform their duties in the normal course of their employment or provision of such Outsourced services), or any person not authorized under the Lawful U.S. Process, without prior written consent of DOJ or a court of competent jurisdiction in the United States.

4.5. Clarity and NTSI agree to ensure that U.S. Records are not made subject to mandatory destruction under any Foreign laws.

### **5. Foreign Access and Requests for Information**

5.1. Clarity and NTSI agree not to provide, or otherwise allow the disclosure of, or Access to, U.S. Records, Domestic Communications, or any information regarding Domestic Communications (including call content and call data) to any Foreign Government or Foreign person (other than Foreign persons who have previously been disclosed to DOJ as requiring such Access to perform their duties in the normal course of their employment or provision of such Outsourced services) without prior written consent of DOJ or a court of competent jurisdiction in the United States.

5.2. Clarity and NTSI agree not to disclose the receipt of Lawful U.S. Process, or compliance with Lawful U.S. Process, to any Foreign Government, Foreign person, or any

person not authorized under the Lawful U.S. Process without prior written consent of DOJ or a court of competent jurisdiction in the United States.

5.3. Clarity and NTSI agree to refer to DOJ any requests for U.S. Records or Access to Domestic Communications from a Foreign Government or Foreign person (other than Foreign persons who have previously been disclosed to DOJ as requiring such Access to perform their duties in the normal course of their employment or provision of such Outsourced services), including any legal process from a Foreign Government, as soon as possible, but in no event later than five (5) business days after such a request or legal process is received by, or made known to Clarity and/or NTSI unless disclosure of the request or legal process would be in violation of U.S. law, or in violation of an order of a court of competent jurisdiction in the United States.

5.4. Clarity and NTSI agree that it will not comply with such requests from any Foreign Government or Foreign person without written approval from DOJ or an order of a court of competent jurisdiction in the United States.

## **6. Measures to Prevent Improper Use or Access**

6.1. Clarity and NTS shall take all practicable measures to prevent the use of or Access to the equipment or facilities (including NOCs) supporting those portions of Clarity and NTSI's DCI necessary for conducting Electronic Surveillance where such use or Access would violate any U.S. law or the terms of this Agreement or any implementation plans;

6.2. Clarity and NTSI agree to take all practicable measures to prevent unauthorized Access to U.S. Records, Domestic Communications, the DCI, NOCs, or any information relating to U.S. Persons.

6.3. Clarity and NTSI agree to take all practicable measures to prevent any unlawful use or disclosure of information relating to U.S. Records, Domestic Communications, or any information relating to U.S. Persons.

## **7. Cybersecurity and Network Systems and Security Plans**

7.1. Clarity and NTSI agree to draft and implement a NIST-Compliant Cybersecurity Plan and a Network Systems Security Plan (NSSP). Clarity and NTSI agree to submit drafts of the NIST-Compliant Cybersecurity Plan and NSSP to DOJ within 60 days of the Date of this LOA to DOJ for approval.

7.2. Clarity and NTSI agree not to allow any person, entity, provider, or subsidiary to sell or collect information such as web activities, contact lists, location data, Internet Protocol addresses, or other information relating to any customer for third party use (including use by MNSPs, or by Clarity and NTSI's parent companies, subsidiaries, or affiliated entities) without receiving express consent from the customer.

7.3. Clarity and NTSI agree to report to DOJ promptly if it learns of information that reasonably indicates:



- a) A Security Incident;
- b) Unauthorized Access to, or disclosure of, any information relating to services provided by Clarity and NTSI, or referring or relating in any way to Clarity and NTSI's customers in the United States or its territories;
- c) Any unauthorized Access to, or disclosure of, Domestic Communications in violation of federal, state, or local law; or
- d) Any material breach of the commitments made in this LOA.

7.4. Clarity and NTSI agree to require any third-party service provider to disclose any data breach of any U.S. Records, or any loss of U.S. Records, whether from a data breach, or other cause, within 48 hours of the third party discovering the breach or loss. To the extent Clarity and NTSI already have agreements with any third-party service providers with Access to U.S. Records, Clarity and NTSI agree to use reasonable efforts to amend those agreements to require those third parties to disclose any breaches, or loss of U.S. Records consistent with this paragraph 7, and shall forward copies of those amended agreements to DOJ within ten (10) Days of executing those amendments.

7.5. Clarity and NTSI agree to notify DOJ in writing of any of the incidents or breaches described in this section. The notification shall take place no later than 15 Days after Clarity and/or NTSI or any third party providing Outsourced or Offshore services to such parties discovers the incident, intrusion, or breach has taken or taking place, or sooner when required by statute or regulations.

7.6. Clarity and NTSI agree to notify the FBI and U.S. Secret Service within seven (7) business days upon learning that a person without authorization, or in exceeding their authorization, has gained Access to, used, or disclosed any of its customer's information, including CPNI, or that of a third party used by Clarity and/or NTSI, and shall report the matter to the central reporting facility through the following portal:

<https://www.cpnireporting.gov>

## **8. Principal Equipment and Equipment Vendor List**

8.1. Clarity and NTSI agree to provide DOJ within 60 Days from the Date of this LOA a Principal Equipment List for DOJ objection or non-objection. The Principal Equipment List shall include the following:

- a) a complete list of all Principal Equipment, including:
  - i. a description of each item and the functions supported,
  - ii. each item's manufacturer, and
  - iii. the model or version number (or both, if applicable) of any hardware or software.
- b) a complete list of vendors, contractors, or subcontractors involved in providing, installing, operating, managing, or maintaining the Principal Equipment.

8.2. Clarity and NTSI agree to provide DOJ for objection or non-objection notice of any changes to the Principal Equipment at least 30 Days prior to any introduction of new

Principal Equipment not previously disclosed to Team Telecom, or 30 Days prior to any changes or modifications to any previously-disclosed Principal Equipment.

8.3. Clarity and NTSI agree to provide DOJ with the names of providers, suppliers, and entities that will perform any maintenance, repair, or replacement that may result in any material modification to its Principal Equipment or systems or software used with or supporting the Principal Equipment.

## **9. Outsourced or Offshored Services and Records Storage**

9.1. Clarity and NTSI agree to notify DOJ in writing at least 30 Days prior to the use of any new Outsourced or Offshore service providers, including but not limited to services provided for:

- a) MNSP services;
- b) Network operation center(s);
- c) Network maintenance services;
- d) Billing or customer support services;
- e) Any operation or service that could potentially expose the DCI, Domestic Communications, or U.S. Records to include CPNI such as CDRs; and
- f) Deploying any network elements, hardware, software, core network equipment, and network management capabilities that are owned, managed, manufactured or controlled by a Foreign Government.

9.2. DOJ agrees to object or non-object to any new Outsourced or Offshore service providers, within 30 Days of receiving notice.

9.3. Clarity and NTSI agree to notify DOJ in writing at least 30 Days prior to storing any U.S. Records outside of the United States for DOJ objection or non-objection. Such notice shall include:

- a) A description of the type of information to be stored outside of the United States;
- b) The custodian of the information (even if such custodian is Clarity or NTSI);
- c) The location where the information is to be stored; and
- d) The factors considered in deciding to store that information outside of the United States.

9.4. Clarity and NTSI agree to notify DOJ in writing at least 30 Days before authorizing any Foreign entity (including any MNSP) to access U.S. Records from any Foreign location or store U.S. Records at any Foreign location, and agrees to obtain written approval from DOJ before doing so.

## **10. Change in Ownership and Service Portfolio**

10.1. Clarity and NTSI agree to provide DOJ with notice of any changes to its business, including but not limited to corporate structure changes, ownership changes requiring notice to or consent from the FCC, corporate name changes, business model changes, corporate headquarter location changes, or business operation location changes at least 30 Days in advance of such change.

10.2. Clarity and NTSI agree to provide DOJ with notice of any material change to its current portfolio of services offering as last provided to DOJ, including offers of other services beyond its current portfolio at least thirty days in advance of such change.

10.3. Clarity and NTSI agree that material changes to its ownership and services may warrant modification of this LOA and, if requested by DOJ, agrees to negotiate in good faith and promptly with DOJ to enter into a revised LOA.

## **11. NTSI Audit Requirements**

11.1. **Initial Audit (2019):** Clarity and NTSI agree to pay for and undergo a neutral third-party financial audit of the consolidated financial statements (*e.g.*, of total assets, liabilities, total net assets, cash flows, accounts payable/receivable records, investments, tax liabilities, beginning and ending net assets, including its corporate bank accounts and loans) for the calendar year ending December 31, 2019, of Clarity and its subsidiaries including NTSI and NTS Licensees (*e.g.*, NTS-Comm, NTS-Tel, XFone, and PRIDE) (the “Initial Audit”). Clarity and NTSI agree to designate an auditor that is mutually acceptable to DOJ, Clarity and NTSI. The Initial Audit shall be conducted in accordance with generally accepted accounting principles (GAAP). Unless otherwise agreed to by DOJ, the Initial Audit report shall be submitted to DOJ by the auditor on or before the due date for the Annual Report in 2020.

11.2. **Subsequent Audits (2020-2021):** Clarity and NTSI agree that DOJ may request a different auditor for subsequent audits. Clarity and NTSI agree that, unless otherwise directed by DOJ, they will pay for and undergo a neutral third-party financial audit during fiscal years 2020 and 2021. Unless otherwise agreed to by DOJ, the subsequent audit reports shall be submitted to DOJ by the auditor on or before the respective due dates for the Annual Report in 2021 and 2022.

11.3. **Requested Audit (2022):** Clarity and NTSI agree that, if requested by DOJ, they will pay for and undergo a neutral third-party financial audit during fiscal year 2022. Unless otherwise agreed to by DOJ, the requested audit report shall be submitted to DOJ by the auditor on or before the due date for the Annual Report in 2023.

## **12. Peering Agreements and Interconnecting Carriers**

12.1. Clarity and NTS agree to provide lists of its peering agreements and interconnecting carriers on a quarterly basis for the first two years, and on an annual basis thereafter. The quarterly lists will be due on October 1, 2019; January 2, 2020; April 1, 2020; July 1, 2020; October 1, 2020; January 4, 2021; April 1, 2021; and July 1, 2021. The annual lists will be submitted with the Annual Report beginning in 2022.

12.2. Clarity and NTS further agree to provide additional lists of its peering agreements and interconnecting carriers within 14 Days upon request by DOJ.

## **13. Annual Report and Compliance Monitoring**

13.1. Clarity and NTSI agree to provide DOJ timely access to personnel, information, and facilities to verify Clarity and NTSI's compliance with the substantive terms of this mitigation agreement on an as-needed basis.

13.2. Clarity and NTSI agree to provide an annual report to DOJ regarding their compliance with this Agreement. The annual report will include:

- a) Certification that there were no changes to information required by paragraphs 2-12 (where no changes were reported to DOJ during the preceding year);
- b) Notice(s) regarding Clarity and NTSI's handling of U.S. Records, Domestic Communications, and Lawful U.S. Process (*i.e.*, whether handled properly and in accordance with the assurances contained herein) including a list of individuals with Access to U.S. Records;
- c) Notification(s) of the installation and/or purchase or lease of any foreign-manufactured telecommunication equipment (including, but not limited to, switches, routers, software, hardware) not previously identified in the Principal Equipment list;
- d) Notification(s) of any relationships with Foreign-owned telecommunications partners, including any network peering (traffic exchange) relationships and use of interconnecting carriers;
- e) Lists of customers;
- f) Lists of U.S. Government contracts (including loans and grants);
- g) Lists of peering agreements and interconnecting carriers;
- h) Reports of financial audits required by this LOA;
- i) Updated network diagrams showing all network points of presence and devices;
- j) Updated NSSP and NIST-Compliant Cyber Security Plans;
- k) Report(s) of any occurrences of Security Incidents including but not limited to cyber-security incidences, network and enterprise breaches, and unauthorized Access to U.S. Records;

- l) Recertification of the services that Clarity and NTSI provide or confirmation that no additional services are being offered;
- m) A re-identification of the name of and contact information of the LEPOC and Compliance Officer; and
- n) Notifications regarding any other matter of interest to this LOA.

The annual report will be due each calendar year beginning one (1) year from the Date of this LOA, and shall be addressed as required of all Notices required or permitted by this Agreement.

#### **14. Notices**

14.1. All notices required or permitted by this Agreement shall be submitted in writing and delivered by hand delivery, overnight courier, or pre-paid certified or registered mail, with proof of delivery, and must also be transmitted by e-mail to DOJ.

14.2. Any such notice shall be deemed to have been given on the day that DOJ provides confirmation of receipt.

14.3. Notices shall be delivered to the mailing addresses as follows:

To Clarity and NTSI:

Keith Davidson  
Chief Financial Officer and Secretary  
Vast Broadband  
912 S. Main St., Suite 106  
Sikeston, MO 63801  
573-481-2265 (work)  
573-380-6428 (mobile)  
Keith.Davidson@vastbroadband.com

To DOJ:

Assistant Attorney General for National Security  
U.S. Department of Justice  
National Security Division  
950 Pennsylvania Avenue NW  
Washington, DC 20530  
Attention: Foreign Investment Review Section / Team Telecom

With a second copy to:

Foreign Investment Review Section / Team Telecom  
U.S. Department of Justice  
National Security Division  
3 Constitution Square, 175 N Street NE  
Washington, DC 20002  
(202) 233-0751

14.4. Notices shall also be delivered to the e-mail addresses as follows:

To DOJ: FIRS Team (FIRS-TT@usdoj.gov); Alice Suh Jou (Alice.S.Jou2@usdoj.gov) and Loyaan Egal (Loyaan.Egal@usdoj.gov)

## **15. Representations and Warranties**

15.1. Clarity and NTSI represent and warrant as true and correct all statements made by Clarity and NTSI and its representatives (including counsel) have made to DOJ, other Team Telecom Agencies, and the FCC, including any statements during the application review process. Clarity and agrees that any material misrepresentation to DOJ, FCC or Team Telecom Agencies during the application review process constitutes a breach of the commitments of this LOA.

## **16. Miscellaneous**

16.1. Clarity and NTSI agree to designate one individual as a “Compliance Officer” to oversee compliance with the terms of this LOA, who shall be a person at the executive-level of the company with sufficient experience, and Clarity and NTSI shall notify DOJ of the identity of this individual no later than 30 Days after the Date of this LOA.

16.2. Clarity and NTSI agree that DOJ will review the terms of this LOA each year for the first two years after the FCC approves the application to evaluate, in light of Clarity and NTSI’s compliance with this LOA and any changes to Clarity and/or NTSI’s business or portfolio of services offerings, whether the terms of the LOA remain sufficient to resolve all national security, law enforcement, or public safety concerns.

16.3. Clarity and NTSI agree to negotiate in good faith and promptly with DOJ if DOJ finds that the terms of this LOA are inadequate to resolve any national security, law enforcement, or public safety concerns.

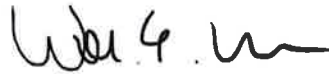
14.4. Clarity and NTSI agree that in the event that Clarity or NTSI breaches the commitments set forth in this LOA, DOJ may request that the FCC modify, condition, revoke, cancel, terminate, or render null and void any relevant license, permit, or other authorization granted by the FCC, or its successors-in-interest, in addition to pursuing any other remedy available in law or equity.

14.5. Clarity and NTSI understand that, upon execution of this LOA by an authorized representative or attorney, or shortly thereafter, DOJ agrees to notify the FCC that Team Telecom does not object to the FCC's grant of Clarity and NTSI's applications conditioned upon compliance with this LOA.

Sincerely,



J. Keith Davidson  
Chief Financial Officer  
Clarity Telecom Holdings, Inc.  
Clarity Telecom, LLC d/b/a Vast Broadband



William Morrow  
Chief Executive Officer  
NTS, Inc.

**Attachment 1 - Required or Permitted Notices**

<b>Required Notice</b>	<b>LOA Provision</b>	<b>Due date (from Date of LOA)</b>
LEPOC's PII	2.2	+15 days
NIST-Compliant Cybersecurity Plan Network Systems Security Plan	7.1	+ 60 days
Principal Equipment and Equipment Vendor List	8.1	+60 days
Initial Audit Report (NTSI)	11.1	On or before due date for Annual Report in 2020
Subsequent Audit Reports (NTSI)	11.2	On or before due date Annual Report in 2021 and 2022
Lists of Peering Agreements and Interconnecting Carriers	12.1	Oct. 1, 2019; Jan. 2, 2020; Apr. 1, 2020; July 1, 2020; Oct. 1, 2020; Jan. 4, 2021; Apr. 1, 2021; July 1, 2021.
Annual Report	11.2	+1 year; yearly thereafter
Designation of Compliance Officer	16.1	+ 30 days

<b>Permitted Notice</b>	<b>LOA Provision</b>	<b>Due date</b>
Change to the LEPOC	2.3	30 days before change
Amendments to agreements with third-party service providers	7.4	10 days of executing amendments
Discovery of Security Incident, other incidents or breaches	7.5	15 days after discovery
Discovery of unauthorized access to customer information	7.6	7 business days upon after discovery
Change to Principal Equipment List	8.1	30 days before change
Outsourced or Offshored services and records storage	9.1-9.3	30 days before using
Change in ownership and services	10.1	30 days before change
Requested Audit Report (NTSI)	11.3	If requested by DOJ, with Annual Report in 2023
Lists of Peering Agreements and Interconnecting Carriers	12.2	Within 7 days after request by DOJ