

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

In the Matter of the Joint Application of)
)
SCTG, LLC)
SOUTH CAROLINA NET, INC. D/B/A SPIRIT)
TELECOM)
SOUTH CAROLINA) WC Docket No. 17-_____
TELECOMMUNICATIONS GROUP)
HOLDINGS, LLC) IB File No. ITC-T/C-2017_____
PALMETTONET INC.)
FRC, LLC)
)
and)
CLEMSON BIDCO, LLC)
)
for authority pursuant to Section 214 of the)
Communications Act of 1934, as amended,)
to Transfer Indirect Control of Domestic and)
International Section 214 Authorization Holders to)
Clemson BidCo, LLC)
)
)

JOINT APPLICATION

Pursuant to Section 214 of the Communications Act of 1934, as amended (“the Act”),¹ and Sections 63.04, 63.18 and 63.24 of the Commission’s rules,² South Carolina Net, Inc. d/b/a Spirit Telecom (“SCNet”); South Carolina Telecommunications Group Holdings, LLC (“SCTG”); FRC, LLC (“FRC”); PalmettoNet Inc. (“PalmettoNet”) (collectively “Licensees”); SCTG, LLC dba Spirit Communications (“Spirit Parent”) (collectively with Licensees “Spirit”); and Clemson BidCo, LLC (“Clemson”) (collectively, “Applicants”) request Commission consent to transfer indirect control of Spirit Parent and Licensees — its wholly owned subsidiaries that

¹ 47 U.S.C. § 214.

² 47 C.F.R. §§ 63.04, 63.18 and 63.24.

hold domestic and/or international Section 214 authorizations — to Clemson. Such authority is necessary to complete the Transaction (as defined below) among Applicants. The Section 214 authorizations currently held by the Licensees will continue to be held by those same entities following consummation of the proposed Transaction.³

As discussed in more detail below, the Applicants have entered into a Membership Unit Purchase Agreement whereby Clemson will acquire all of the ownership interests in Spirit Parent and, indirectly, in Licensees. The Transaction will not result in any loss or impairment of service for any Spirit customers and will have no adverse effects upon competition in any areas where Spirit provides telecommunications service. Indeed, as a result of the proposed Transaction, Spirit Parent will enjoy access to the financial resources and expertise of Clemson and its affiliated companies in the EQT Infrastructure III Fund family, including the pending application for the transfer of control Lumos Networks Corp.⁴ Consequently, the Commission should find that the change in the ownership of Licensees will serve the public interest.

Pursuant to Section 63.04(b) of the Commission's rules, 47 C.F.R. § 63.04(b), the Applicants are filing a combined application for the proposed transfer of control of Licensees, including domestic and international authorizations. The Applicants provide below the information required by Sections 63.24(e)(2) and 63.04(a)(6) through (a)(12) of the Commission's Rules, 47 C.F.R. §§ 63.24(e)(2), 63.04(a)(6)-(12). In support of this Application, Applicants provide the following information:

³ See Public Interest Statement, *infra* Section IV.

⁴ Public Notice, *Domestic Section 214 Application Filed For The Transfer Of Control Of Lumos Networks Corp. To MTN Infrastructure Topco, Inc.*, WC Docket No. 17-60, DA 17-303 (March 30, 2017). *See also* ITC-T/C-20170302-00027. On April 18, 2017 the U.S. Department of Justice, requested that the Commission defer action until the DOJ, in concurrence with the Department of Defense, Department of Homeland Security complete their review of the transaction for any national security, law enforcement and public safety issues.

I. DESCRIPTION OF THE APPLICANTS

A. Transferee – Clemson BidCo, LLC

Clemson (“Transferee”), a Delaware limited liability company, is a holding company created to aggregate the ownership of various investment funds ultimately managed by an affiliate of EQT AB (“EQT”) in connection with the Transaction. EQT, founded in Sweden in 1994, is a leading alternative investments firm with approximately EUR 37 billion in raised capital across 24 funds. EQT and its affiliates acting as the manager or advisers to such funds are committed to the growth and development of the portfolio companies under such funds’ ownership, and seek to develop and grow the core strengths of such portfolio companies. EQT funds have portfolio companies in United States, Europe, and Asia with total sales of more than EUR 15 billion and approximately 110,000 employees. Investment funds managed by affiliates of EQT have successfully invested in several fiber-based companies, including Tampnet, Inc. (Norway, United Kingdom, United States); BroadNet (Norway); IslaLink (France, Spain); IP-Only (Sweden, Denmark, Finland, Norway); Adamo Telecom Iberia SA (Spain); Global Connect (Denmark, Germany); Delta Comfort (Netherlands); and Bjørvika IKT AS (Norway). Currently, each of these companies operate independently of each other, and following the transaction, although each will become affiliated with Spirit, each company and Spirit will continue to operate independently with independent management teams.⁵ EQT, through its affiliate MTN Infrastructure TopCo, Inc., is the proposed Transferee in a pending Section 214 Transfer of Control Application.⁶

⁵ More detailed descriptions of these entities are set forth below in Section III(j).

⁶ See n.4 *supra*.

B. Transferor – Spirit Parent

SCTG LLC, dba Spirit Communications (“Spirit Parent”), is a privately held company, with its principal offices located at 1500 Hampton Street, Columbia, SC, 29201. Spirit is owned by a group of independent Incumbent Local Exchange Carriers (ILECs) and their affiliated entities in South Carolina.

C. Licensees - SCNet; SCTG; FRC; PalmettoNet

Licensees provide broad network coverage to enterprise, carrier and government customers. In particular, Spirit provides end-to-end data, internet, and voice service connectivity in South Carolina, North Carolina, and Georgia. Additional information on Licensees, including jurisdiction of formation, type of service provider, FCC registration numbers (“FRNs”) and the states in which services are provided, is set forth in Sections III and IV.

II. DESCRIPTION OF THE TRANSACTION (ANSWER TO QUESTION 13)

Pursuant to the Membership Unit Purchase Agreement (the “Agreement”), dated August 4, 2017, by and among Clemson BidCo, LLC, SCTG and the current Members of Spirit Parent,⁷ Clemson will acquire from the Members all of the outstanding membership interests in Spirit Parent (the “Transaction”). Following the Transaction, Spirit Parent President and CEO Robert Keane and current Spirit Parent Chairman of the Board Brian Singleton are each expected to be appointed to the new Board of Directors.

⁷ The current Members of SCTG, LLC are Chester Telephone Company; Comporium, Inc. ((f/k/a Rock Hill Telephone Company) which has the following affiliated ILEC operating companies: PBT Telecom, Inc., Lancaster Telephone Company and Fort Mill Telephone Company); FTC Management Group, Inc.; Hargray Telephone Company, Inc. and its operating company affiliates: Low Country Carriers, Inc. and Bluffton Telephone Company; Home Wireless, Inc.; Horry Telephone Cooperative, Inc.; Palmetto Rural Telephone Cooperative, Inc.; Piedmont Rural Telephone Cooperative, Inc.; Sandhill Telephone Cooperative, Incorporated; and West Carolina Rural Telephone Cooperative, Inc.

The Transaction will be transparent to Licensees' customers. All existing customers of Licensees will continue to be served under their existing authorizations, as well as under existing tariffs and contracts. Post-transaction, it is currently anticipated that the company will retain the name Spirit Communications and will remain headquartered in Columbia, South Carolina. Moreover, the Applicants intend that Spirit Parent's existing management team and personnel will largely remain in place, ensuring that Spirit Parent's managerial, technical and operational standards will be maintained. The only change resulting from the Transaction will be that Spirit will be owned by Clemson rather than the current Members. Following closing, Spirit will enjoy access to the financial resources of Clemson and the broader expertise of the advisers to the investment funds that own Clemson.

As a result of Transaction, the Licensees will become indirect subsidiaries of Clemson. Diagrams depicting the pre-and post-Transaction corporate ownership structures are appended hereto as **Exhibit B**.

III. INFORMATION REQUIRED BY SECTION 63.24(e)

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

(a) Name, address and telephone number of each Applicant:

Transferee:

Clemson BidCo, LLC
c/o EQT Partners Inc.
1114 Avenue of the Americas, 45th Floor
New York, NY 10036
(917) 281-0850

FRN: **0026746370**

Transferor:

SCTG, LLC

FRN: **0022464473**

1500 Hampton Street
Suite 101
Columbia, SC 29201
803-726-4478

Licensees:

SCNet
1500 Hampton Street
Suite 101
Columbia, SC 29201
803-726-4478

FRN: **0003735040**

SCTG
1500 Hampton Street
Suite 101
Columbia, SC 29201
803-726-4478

FRN: **0022464648**

PalmettoNet Inc.
1500 Hampton Street
Suite 101
Columbia, SC 29201
803-726-4478

FRN: **0016195646**

FRC, LLC
1500 Hampton Street
Suite 101
Columbia, SC 29201
803-726-4478

FRN: **0016289258**

(b) Jurisdiction of Organizations:

Transferee: Clemson BidCo, LLC is a limited liability company formed under the laws of Delaware.

Transferor: Spirit Parent is a limited liability company formed under the laws of South Carolina.

Licensees: SCNet is a South Carolina corporation; SCTG is a limited liability company formed under the laws of South Carolina, PalmettoNet is a South Carolina corporation and FRC is a South Carolina limited liability company.

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

be sent to:

For Transferee:

Andrew D. Lipman
Russell M. Blau
Joshua M. Bobeck
MORGAN, LEWIS & BOCKIUS LLP
1111 Pennsylvania Ave. NW
Washington, DC 20004
Tel: 202-739-3000
Fax: 202-739-3001
andrew.lipman@morganlewis.com
russell.blau@morganlewis.com
joshua.bobeck@morganlewis.com

For Transferor and Licensees:

Michael D. Baldwin
Vice President, Business & Legal Affairs
Spirit Communications
1500 Hampton Street
Columbia, SC 29201
Tel: 803-726-4053
Fax: 803-726-0726
Mike.Baldwin@spiritcom.com

With a copy to:

Marc Machlin
Gregory Dorris
PEPPER HAMILTON LLP
Hamilton Square
600 Fourteenth Street, N.W.
Washington, D.C. 20005-2004
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Fax: 202-220-1665
machlinm@pepperlaw.com
dorrisg@pepperlaw.com

(d) *(Answer to Question 10 Continued)* Section 214 Authorizations

Transferee: Clemson (FRN: 0026746370) holds no international Section 214 authority. Its affiliate, Tampnet, Inc., holds international Section 214 authority to provide global or limited global facilities-based service and global or limited global resale service, granted in IB File No. ITC-214-20150901-00218. Upon anticipated closing of the MTN Infrastructure Topco, Inc.-Lumos Networks Corp. Transaction,⁸ Lumos Networks Corp. and Licensees will be affiliates.

⁸ WC Docket No. 17-60; IB File No. ITC-T/C-20170302-00027.

Transferor: Spirit Parent functions as a holding company and does not hold authority to provide telecommunications services in its own right.

Licensees: Each Licensee is authorized to provide interstate service by virtue of blanket domestic Section 214 authority. 47 C.F.R. § 63.01.

SCTG (FRN:0022464648), which holds an international Section 214 authorization for Global or Limited Global Resale Service, granted in IB File No. ITC-214-19930512-00081, which was originally issued to SCNet in IB File No. ITC-93-196. The Commission approved SCNet's assignment of this 214 license to SCTG in File No. ITC-ASG-20141208-00317 in 2014. SCNet, to the extent it now provides international services, does so pursuant to SCTG's international Section 214 Authority under section 63.21(h) of the Commission's rules.⁹

(h) (*Answer to Questions 11 & 12*) Please see **Exhibit B** for a complete corporate structure. Upon completion of the proposed Transaction, the following entities will hold a 10% or greater, direct or indirect interest¹⁰ in Licensee **FRC:**

SCTG Communications, Inc.
1500 Hampton Street
Suite 101
Columbia, SC 29201
Citizenship: United States (SC)
Principal Business: Holding Company
Ownership Percentage: 50% (direct).

PalmettoNet, Inc.
1500 Hampton Street
Suite 101
Columbia, SC 29201
Citizenship: United States (SC)
Principal Business: Telecommunications
Ownership Percentage: 50% (direct).

⁹ 47 C.F.R. § 63.21(h).

¹⁰ Unless otherwise indicated, the ownership interests provided herein represent both equity and voting interests.

Upon completion of the proposed Transaction, the following entities will hold a 10% or greater, direct or indirect interest in Licensee **PalmettoNet**.

South Carolina Net, Inc.

1500 Hampton Street

Suite 101

Columbia, SC 29201

Citizenship: United States (SC)

Principal Business: Telecommunications

Ownership Percentage: 100% (directly in PalmettoNet and SCTG Communications, Inc.).

Upon completion of the proposed Transaction, the following entities will hold a 10% or greater, direct or indirect interest in Licensee **SCNet**.

South Carolina Telecommunications Group Holdings, LLC

1500 Hampton Street

Suite 101

Columbia, SC 29201

Citizenship: United States (SC)

Principal Business: Telecommunications

Ownership Percentage: 100% (direct)

Upon completion of the proposed Transaction, the following entities will hold a 10% or greater, direct or indirect interest in Licensee **SCTG**.

SCTG, LLC

1500 Hampton Street

Suite 101

Columbia, SC 29201

Citizenship: United States (SC)

Principal Business: Holding Company

Ownership Percentage: 100% (direct)

Upon completion of the proposed Transaction, the following entities will hold a 10% or greater, direct or indirect interest in **SCTG, LLC (“Spirit Parent”)**.

Clemson BidCo, LLC

c/o EQT Partners Inc.

1114 Avenue of the Americas, 45th Floor

New York, NY 10036

Citizenship: United States (DE)

Principal Business: Holding Corporation

Ownership Percentage: 100% (directly)

Clemson MidCo, LLC

c/o EQT Partners Inc.

1114 Avenue of the Americas, 45th Floor

New York, NY 10036

Citizenship: United States (DE)
Principal Business: Holding Corporation
Ownership Percentage: 100% (indirectly as 100% owner of Clemson Bidco, LLC)

MTN Infrastructure TopCo, Inc.
c/o EQT Partners Inc.
1114 Avenue of the Americas, 45th Floor
New York, NY 10036

Citizenship: United States (DE)
Principal Business: Holding Corporation
Ownership Percentage: 100% (indirectly as 100% owner of Clemson Midco, LLC)

MTN Infrastructure Intermediate, LP
c/o EQT Partners Inc.
1114 Avenue of the Americas, 45th Floor
New York, NY 10036
Citizenship: United States (DE)
Principal Business: Holding Partnership
Ownership Percentage: 100% (indirectly as 100% owner of MTN Infrastructure TopCo, Inc.)

MTN Infrastructure Intermediate GP, Inc.
c/o EQT Partners Inc.
1114 Avenue of the Americas, 45th Floor
New York, NY 10036
Citizenship: United States (DE)
Principal Business: Holding Company
Ownership Percentage: 100% (indirectly as sole General Partner of MTN Infrastructure Intermediate, LP.)

MTN Infrastructure TopCo Blocker, Inc.
c/o EQT Partners Inc.
1114 Avenue of the Americas, 45th Floor
New York, NY 10036
Citizenship: United States (DE)
Principal Business: Holding Corporation
Ownership Percentage: 100% (as sole Limited Partner of MTN Infrastructure Intermediate LP and 100% owner of MTN Infrastructure Intermediate GP, Inc.)

MTN Infrastructure TopCo, LP
c/o EQT Partners Inc.
1114 Avenue of the Americas, 45th Floor
New York, NY 10036
Citizenship: United States (DE)
Principal Business: Holding Company
Ownership Percentage: 100% (indirectly as 100% owner of MTN Infrastructure TopCo Blocker, Inc.)

MTN Infrastructure TopCo GP, LLC
c/o EQT Partners Inc.
1114 Avenue of the Americas, 45th Floor
New York, NY 10036
Citizenship: United States (DE)
Principal Business: Holding Company
Ownership Percentage: 100% (indirectly as sole General Partner of MTN Infrastructure TopCo, LP)

Upon completion of the proposed Transaction, the following entities will each be a limited partner of MTN Infrastructure TopCo, LP and as a result may hold a 10% or greater indirect interest in Spirit Parent. Applicants anticipate that none of these limited partners will hold a greater than 50% equity interest in MTN Infrastructure TopCo, LP. While all of the investors are reflected in this filing, the precise equity interests of investors in these entities have not been finalized. Thus, the precise allocation of ownership of MTN Infrastructure TopCo, LP among its limited partners is uncertain at this time. The immediate controlling owner of each of these limited partners, however, is EQT Infrastructure III (GP) SCS,¹¹ and that entity's owners are the ultimate owners of Spirit Parent. Information regarding each of these entities is set forth below, which are identified below consistent with the Commission's rules.

MTN Infrastructure Lux II S.à r.l.¹²
23, rue Aldringen
L-1118 Luxembourg
Citizenship: Luxembourg
Principal Business: Holding Company
Ownership Percentage: Indirect intermediate interest as limited partner of MTN Infrastructure TopCo, LP

¹¹ Each of the entities listed in this section is itself a limited partnership or limited liability company, which will have certain other members that are insulated in accordance with Commission rules and will not exercise any control over the entity. None of these other members will have a 10% indirect ownership interest in Spirit Parent. If any investment causes an entity or individual not already disclosed herein to obtain a 10% or greater interest in Transferee, Applicants will update the information in this Application.

¹² A Luxembourg Société à responsabilité limitée ("S.à.r.l") is most similar to a U.S. limited liability company.

MTN Infrastructure Lux III S.à r.l.
23, rue Aldringen
L-1118 Luxembourg
Citizenship: Luxembourg
Principal Business: Holding Company
Ownership Percentage: Indirect intermediate interest as limited partner of MTN Infrastructure TopCo, LP

MTN Infrastructure Co-invest 1 SCSp¹³
23, rue Aldringen
L-1118 Luxembourg
Citizenship: Luxembourg
Principal Business: Holding Company
Ownership Percentage: Indirect intermediate interest as limited partner of MTN Infrastructure TopCo, LP

MTN Infrastructure Co-invest 2 SCSp
23, rue Aldringen
L-1118 Luxembourg
Citizenship: Luxembourg
Principal Business: Holding Company
Ownership Percentage: Indirect intermediate interest as limited partner of MTN Infrastructure TopCo, LP

MTN Infrastructure Sidecar 1 SCSp
23, rue Aldringen
L-1118 Luxembourg
Citizenship: Luxembourg
Principal Business: Holding Company
Ownership Percentage: Indirect intermediate interest as owner of 96% of the equity in MTN Infrastructure Lux II S.à r.l. and 96% of the equity of MTN Infrastructure Lux III S.à r.l.

MTN Infrastructure Sidecar 2 SCSp
23, rue Aldringen
L-1118 Luxembourg
Citizenship: Luxembourg
Principal Business: Holding Company
Ownership Percentage: Indirect intermediate interest as limited partner of MTN Infrastructure TopCo, LP

¹³ A Luxembourg Société en Commandite Simple Spéciale (“SCSp”) is most similar to a U.S. limited partnership.

Upon completion of the proposed Transaction, the following entities will hold a 10% or greater interest in MTN Infrastructure TopCo GP, LLC and thus an indirect 10% or greater interest in Spirit Parent:

EQT Infrastructure III (GP) SCS¹⁴

23, rue Aldringen

L-1118 Luxembourg

Citizenship: Luxembourg

Principal Business: General Partner

Ownership Percentage: 100% (indirectly as 100% owner of MTN Infrastructure TopCo GP, LLC and General Partner of the following entities: MTN Infrastructure Co-invest 1 SCSp, MTN Infrastructure Co-invest 2 SCSp, MTN Infrastructure Sidecar 1 SCSp, and MTN Infrastructure Sidecar 2 SCSp)

EQT Fund Management S.à r.l.

23, rue Aldringen

L-1118 Luxembourg

Citizenship: Luxembourg

Principal Business: General Partner

Ownership Percentage: 100% (indirectly by exercising management control of EQT Infrastructure III (GP) SCS)

EQT Infrastructure III General Partner S.à r.l.¹⁵

23, rue Aldringen

L-1118 Luxembourg

Citizenship: Luxembourg

Principal Business: General Partner

Ownership Percentage: 100% (indirectly as 5% equity holder and General Partner of EQT Infrastructure III (GP) SCS)

EQT Holdings Infrastructure III B.V.¹⁶

World Trade Center Schiphol, H-Tower

Floor 4, Schiphol Boulevard 355 1118

BJ Schiphol, The Netherlands

Citizenship: Netherlands

Principal Business: Limited Partner

¹⁴ A Luxembourg Société en Commandite Simple (“SCS”) is most similar to a U.S. limited partnership.

¹⁵ See note 8 *supra*.

¹⁶ A Dutch Besloten Vennootschap (“BV”) is most similar to a U.S. limited liability company.

Ownership Percentage: 94.9% (indirectly as Limited Partner of EQT Infrastructure III (GP) SCS)

EQT Holdings B.V.

World Trade Center Schiphol, H-Tower

Floor 4, Schiphol Boulevard 355 1118

BJ Schiphol, The Netherlands

Citizenship: Netherlands

Principal Business: Limited Partner

Ownership Percentage: 94.9% (indirectly as 100% direct owner of EQT Holdings Infrastructure III B.V.)

EQT AB¹⁷

Hovslagargatan 3, 103 27

Stockholm, Sweden

Citizenship: Sweden

Principal Business: Investments/Holding Company

Ownership Percentage: 100% (indirectly as 100% direct owner of EQT Holdings BV and 100% direct owner of EQT Infrastructure III General Partner S.à r.l)

Upon completion of the proposed Transaction, the following entities will hold a 10% or greater interest in MTN Infrastructure TopCo GP, LLC and thus an indirect 10% or greater interest in Spirit Parent through their ownership of **EQT AB**. No other owner of EQT AB will indirectly own or control 10% or more of Spirit Parent.

EQT International Holdings B.V.

World Trade Center Schiphol, H-Tower

Floor 4, Schiphol Boulevard 355 1118

BJ Schiphol, The Netherlands

Citizenship: Netherlands

Principal Business: Holding Company

Ownership Percentage: 100% (indirectly as 81% equity owner of EQT AB)

EQT Holdings Coöperatief W.A.¹⁸

World Trade Center Schiphol, H-Tower

Floor 4, Schiphol Boulevard 355 1118

BJ Schiphol, The Netherlands

Citizenship: Netherlands

¹⁷ A Swedish Aktiebolag (“AB”) is most similar to a U.S. corporation or limited liability company; the AB entities in this Application are most similar to a U.S. Corporation.

¹⁸ A W.A. entity is a Dutch cooperative association of members.

Principal Business: Members Association

Ownership Percentage: 100% (indirectly as 100% equity owner of EQT International Holdings B.V.)

Investor Investment Holding AB

Arsenalgatan 8C, 103 32

Stockholm, Sweden

Citizenship: Sweden

Principal Business: Holding Company

Ownership Percentage: 19% (indirectly as 19% owner of EQT AB)

Investor Holding AB

Arsenalgatan 8C, 103 32

Stockholm, Sweden

Citizenship: Sweden

Principal Business: Holding Company

Ownership Percentage: 19% (indirectly as 100% owner of Investor Investment Holding AB)

Investor AB

Arsenalgatan 8C, 103 32

Stockholm, Sweden

Citizenship: Sweden

Principal Business: Holding Company

Ownership Percentage: 19% (indirectly as 100% owner of Investor Holding AB)

Investor AB is a publicly traded company listed on the Nasdaq Stockholm stock exchange (ticker symbol INVEB). The ownership of Investor AB is broadly held and no single individual or entity owns or controls 50% or more of Investor AB. Thus no individual or entity will have a 10% or greater interest in EQT AB or Spirit Parent at the close of the proposed transaction, either by virtue of voting rights or economic interests in Investor AB or by operation of the Commission's ownership disclosure rules.

Investor AB, consistent with Swedish corporate law (and similar to U.S. public corporations), selects its directors pursuant to a public meeting of the company's shareholders. These shareholders exercise their vote for members of the Board of Directors consistent with the voting rights to which they are entitled based on the number and class of shares they own. The elected Board of Directors of Investor AB is authorized to appoint a President, who then holds authority

to appoint other executives to facilitate the effective operation of the company. The current corporate officers and directors of Investor AB (and their country of citizenship) are listed on **Exhibit B**.

EQT Coöperatief is not a corporation but is a Dutch cooperative association of its members. The members vote, based on their voting rights, to appoint managers of the organization. No single member of EQT Coöperatief owns 10% or more of the economic rights in the organization. Similarly, no member of EQT Coöperatief holds 10% or more of the voting rights under EQT Coöperatief's articles of formation. Instead, those articles provide for relatively equal voting rights for each member, and there are enough members so that no one member has 10% or more of the voting rights in EQT Coöperatief pursuant to such articles.

There is, however, a voting agreement among the members of EQT Coöperatief that allocates voting rights for operational issues differently. While these voting rights are also broadly dispersed among EQT Coöperatief's members, one member of EQT Coöperatief exercises 12.97% of the voting rights for operational issues under the agreement. The ownership information for this member is provided below.

Qarlbo Netherlands B.V.
World Trade Center Schiphol, H-Tower
Floor 4, Schiphol Boulevard 355 1118
BJ Schiphol, The Netherlands
Citizenship: Netherlands
Principal Business: Holding Company
Ownership Percentage: 12.97% voting (indirectly as 12.97% owner of EQT Holdings Coöperatief W.A.)

Conni Yngve Jonsson
PO Box 164 09
103 27 Stockholm, Sweden
Citizenship: Sweden
Principal Business: Individual Investor
Ownership Percentage: 12.97% voting (indirectly as 100% owner of Qarlbo Netherlands B.V.)

Under the voting agreement, no other owner of EQT Coöperatief controls 10% or more of the voting power. The managers of EQT Coöperatief, appointed by majority vote of the members of EQT Coöperatief in accordance with the members' agreement, are Victor Alexander de Roo, a citizen of the Netherlands, and Martijn van der Schaaf, also a citizen of the Netherlands. Neither manager is a member of EQT Coöperatief.

There will be no interlocking directorates.

(i) **(Answer to Question 14)** Applicants certify that they are not foreign carriers within the meaning of Section 63.09(d) of the Commission's Rules, 47 C.F.R. § 63.09(d). Post-closing, Licensees will be affiliated with the foreign carriers identified in subsection (j) below.

(j) **(Answer to Question 15)** Post-closing, Applicants certify that Licensees intend to provide international telecommunications services to destination countries in which entities that, post-transaction, will both control and own more than 25% of Applicants, will also either: (i) control foreign carriers; and/or (ii) own more than 25% of the foreign carriers listed below:

- **Tampnet AS** - Tampnet is an independent supplier of high capacity communication to offshore oil and gas installations in the North Sea and in the Gulf of Mexico. The company owns and operates an offshore high capacity communication network, consisting of an infrastructure of fibers, radio links, WiMAX technology and LTE base stations, and leases capacity in additional fiber. Tampnet operates in Norway, the United Kingdom and the United States (as Tampnet, Inc.). For further information, see www.tampnet.com.
- **BroadNet** - BroadNet is a Norwegian provider of data and telecom solutions offering VPN, Internet, Ethernet and dedicated capacity to both end user and wholesale customers. The company controls an optical fiber backbone network as well as regional and local networks in Norway. The company provides access to its fiber optic network to telecommunication service providers, mobile and fixed telephone operators, governmental institutions and digital and multimedia distributors who enter into contracts in order to deliver content to their end-user customers. For further information, see www.broadnet.no.
- **IslaLink** - IslaLink deploys and operates submarine cables in underserved routes to provide telecom operators with the managed bandwidth services required for their retail operations. The company owns and operates one of the fiber optic cables connect-

ing the Balearic Islands to mainland Spain and manages international IP traffic in Marseilles (France). For more information, see www.islalink.com.

- IP-Only - IP-Only is an established, niche provider of powerful telecommunications and data communications services to business customers in the Nordics. The company owns its own fiber network, linking the Nordic capitals of Sweden, Denmark, Finland and Norway, which is one of the most powerful on the market in terms of installed capacity. IP-Only also owns a Metro Area Network in Uppsala, Sweden, and several data centers offering co-location and cloud-based products to corporate clients. IP-Only combines its fiber network and other assets with a strong focus on personalized customer service for its business customers. For further information, see www.ip-only.se.
- Adamo Telecom Iberia SA.- Adamo Telecom provides high speed Internet and voice services in Spain over its own fiber-based access network which covers over 100,000 households. Adamo has offices in Barcelona and Madrid and employs 58 employees. For further information, see www.adamo.es.
- GlobalConnect - GlobalConnect is a Danish alternative provider of business data communication services, owning and operating 12,500 km of fiber. The Company's fiber infrastructure passes more than 30,000 companies in Denmark and 9,000 companies in Germany. GlobalConnect is also a data center provider with a capacity of approximately 13,000 sqm of secure co-location space.
- Delta Comfort - Delta Comfort is a telecom infrastructure owner and operator, provider of multimedia services (broadband, TV, telephony) and supplier of energy, serving over 140,000 households and businesses, mainly in the Dutch province of Zeeland. Delta Comfort's hybrid fiber-coaxial network of over 6,000 km passes 192,000 homes, which corresponds to approximately 90% of the total number of homes in Zeeland.
- Bjørvika IKT AS - Bjørvika IKT AS develops, manages and allocates Information Communication Technology infrastructure in Bjørvika Bispevika in Oslo and related areas of Norway.

Applicants certify that the remaining provisions of Section 63.18(j) will not apply.

(k) Transferee certifies that each country referenced in (i) and listed in (j) above is a Member of the World Trade Organization ("WTO"). None of the foreign carriers listed in (j) above is on the Commission's List of Foreign Telecommunications Carriers that are Presumed to Possess Market Power in Foreign Telecommunications Markets, released on January 26, 2007.

In addition, each of these foreign carriers offers services in competition with dominant foreign carriers and others.

(m) (*Answer to Question 16*) Transferee qualifies for a presumption of non-dominance under Section 63.10(a)(1) and (3) of the Commission's rules, 47 C.F.R. § 63.10(a)(1, 3), because Transferee is not a foreign carrier itself and is affiliated only with foreign carriers that do not have more than a 50% market share in the international transport and local access markets in the countries they serve. Post-closing, Spirit will qualify for a presumption of non-dominance for the same reasons.

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

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

(p) No party is requesting streamlined processing pursuant to Section 63.12(a)-(b) of the Commission's rules, 47 C.F.R. § 63.12(a)-(b).

IV. INFORMATION REQUIRED BY SECTION 63.04

Pursuant to Commission Rule 63.04(b), 47 C.F.R. § 63.04(b), Applicants submit the following information in support of their request for domestic Section 214 authority to transfer indirect control of Licensees to Clemson as specified in Commission Rule 63.04(a)(4) and 63.04(a)(6)-(12):

(a)(4) The following entities, as of today, hold 10% or more of the equity in Spirit Parent, although they will not hold such interests following the Transaction:¹⁹

Chester Telephone Company (dba TruVista)
112 York Street
Chester, SC 29706
Citizenship: United States (SC)
Principal Business: Telecommunications
Ownership Percentage: 10.35%

Comporium, Inc.
330 E. Black St.
Rock Hill, SC 29730
Citizenship: United States (SC)
Principal Business: Telecommunications
Ownership Percentage: 23.72%

FTC Management Group, Inc.
c/o Farmers Telephone Cooperative, Inc.
1101 E. Main Street
Kingstree, SC 29556
Citizenship: United States (SC)
Principal Business: Telecommunications
Ownership Percentage: 23.76%

Horry Telephone Cooperative, Inc.
3480 Highway 701 North
Conway, SC 29528

¹⁹ The current 10% owners of Spirit Parent are Chester Telephone Company; Comporium, Inc. ((f/k/a Rock Hill Telephone Company) which has the following affiliated ILEC operating companies: PBT Telecom, Inc., Lancaster Telephone Company and Fort Mill Telephone Company); and Horry Telephone Cooperative, Inc. The remaining members, each of which currently owns and/or controls less than 10% of Spirit Parent are Hargray Telephone Company, Inc. and its operating company affiliates: Low Country Carriers, Inc. and Bluffton Telephone Company; Home Wireless, Inc.; Palmetto Rural Telephone Cooperative, Inc.; Piedmont Rural Telephone Cooperative, Inc.; Sandhill Telephone Cooperative, Incorporated; and West Carolina Rural Telephone Cooperative, Inc. all operating in rural markets in South Carolina. Neither Clemson nor any of the entities in the Transferee's chain of ownership currently owns or controls an ILEC, but upon closing of the proposed transaction with Lumos, Applicants will be affiliated with Lumos Networks Corp.'s two ILEC subsidiaries in Virginia — Lumos Telephone of Botetourt Inc. and Lumos Telephone Inc. Neither the ILECs that currently own Spirit nor Spirit operate in Virginia; and the only Lumos subsidiary operating in South Carolina, LMK Communications, LLC, has not deployed any last-mile fiber connections to any end user locations in the territories of any of the above-listed ILECs.

Citizenship: United States (SC)

Principal Business: Telecommunications

Ownership Percentage: 11.60%

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

(a)(7) Spirit Parent does not provide telecommunications services. The Licensees provide telecommunications services domestically as follows:

Licensee	Type	States Served
SCTG	CLEC and IXC	South Carolina, North Carolina
SCNet	CLEC and IXC	Georgia, South Carolina, North Carolina
PalmettoNet, Inc.	IXC and/or Carrier's Carrier	Georgia, North Carolina, South Carolina
FRC	CLEC	South Carolina, North Carolina

Clemson does not provide telecommunications services. Clemson's affiliate, Tampnet, Inc., supplies high capacity communication to offshore oil and gas installations in the Gulf of Mexico. The company owns and operates an offshore high capacity communication network, consisting of an infrastructure of fibers, radio links, WiMAX technology and LTE base stations, and leases capacity in additional fiber. For further information, *see* www.tampnet.com.

(a)(8) No party is requesting streamlined processing pursuant to Sections 63.03 of the Commission's Rules, 47 C.F.R. §63.03.

(a)(9) Through this Application, Applicants seek authority with respect to both international and domestic Section 214 authorizations in compliance with Section 63.04(b) of the Commission's rules.

(a)(10) No party is requesting special consideration because it is facing imminent business failure.

(a)(11) Not applicable.

(a)(12) Public Interest Statement

Approval of this Application and the proposed Transaction is consistent with the public interest. Spirit has a long history of providing competitive high bandwidth services to enterprise and carrier customers via its owned fiber network in South Carolina, North Carolina and Georgia.

Spirit's predecessor, PalmettoNet Inc., was formed in 1985 by a group of independent South Carolina-based Rural Local Exchange Companies (RLECs) in an effort to create a competitive statewide fiber optic network. Today, Spirit is a leading fiber-based service provider offering a full complement of internet, data and voice services in the southeastern United States. Spirit offers end-to-end connectivity in 17 markets in South Carolina, North Carolina, and Georgia. With a fiber network in excess of 9,000 route-miles, Spirit connects 20 data center locations, 14 Wireless Metropolitan Switch Centers (MSCs), 154 Points of Presence (POPs), and over 2,400 On-Net building locations.

The Applicants anticipate that the Transaction will allow for expanded investment in Spirit's fiber footprint and services. Following closing, Spirit Parent will enjoy access to the financial resources of Clemson and the broader expertise of the advisers to the investment funds that own Clemson.

Further, Clemson is financially well-qualified to become the new owner of Spirit Parent, which will be able to maintain and advance its fiber network and bring even more innovative service offerings to its customers. As noted, Clemson is an indirect subsidiary of EQT. Founded in Sweden in 1994, EQT is a leading alternative investments firm with approximately EUR 37 billion in raised capital across 24 funds. EQT funds have portfolio companies in Europe, Asia and the United States with total sales of more than EUR 15 billion and approximately 110,000 employees. EQT has successfully invested in several fiber-based companies abroad.

EQT is also involved in the acquisition of Lumos Networks Corp., as described in the application pending before the Commission in WC Docket 17-60 and ITC-T/C-20170302-00027. The Lumos and Spirit networks are complementary, and EQT's control of both Lumos and Spirit will not diminish competition anywhere. Lumos is currently licensed as a CLEC, through its recently acquired affiliate LMK Communications, LLC, in the three states where Spirit operates: Georgia, North Carolina and South Carolina.²⁰ Lumos and Spirit do not own overlapping last-mile facilities in any of those three states (i.e., they do not both serve the same end user location over their own last-mile facilities). Neither LMK nor Spirit is a dominant carrier in any market.

In addition, the Transaction will be seamless to customers. Given that the Transaction is only a change of ownership at the holding company level, it will not affect any of the operations or legal identities of the Licensees. After the transfer of control, Licensees will continue to provide high-quality communications services under the Spirit brand name on reasonable terms and conditions to existing customers, and there will be no interruption of service.

Specifically, the Transaction will not cause customers to experience any changes in services, or rates, terms and conditions of service. The Licensees' existing tariffs will not be affected by the Transaction, and will remain in effect (subject to change in the ordinary course of business). Future changes, if any, in rates, terms and conditions of service will be made in accordance with applicable rules and notice requirements.²¹ The Applicants further intend that

²⁰ See Public Notice, Notice of Domestic Section 214 Authorizations Granted, 31 FCC Rcd. 13446 (2016).

²¹ The Transaction does not raise any slamming concerns or necessitate compliance with procedures to notify customers prior to a carrier-to-carrier sale or transfer of subscribers as it does not involve a change in any customer's existing service provider. The customers of each Licensee will remain with their carrier and will continue to be served under such Licensee's existing authorizations. Accordingly, there are no changes in customers' preferred carrier, and no

Spirit Parent's existing management team and personnel will largely remain in place, ensuring that Spirit Parent's managerial, technical and operational standards will be maintained.

V. 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 transfer of indirect ownership and control of Licensees to Transferee.

Respectfully submitted,

/s/ Michael D. Baldwin

/s/ Joshua M. Bobeck

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d/b/a Spirit Telecom, South Carolina
Telecommunications Group Holdings, LLC;
FRC, LLC; PalmettoNet Inc.; SCTG, LLC*

Dated: August 21, 2017

further filings or authorizations are required under the Commission's carrier selection rules, 47 C.F.R. §64.1120 *et seq.*, or under analogous state rules.

EXHIBIT A

Diagrams of the Pre- and Post-Transaction Corporate Ownership Structures

SPIRIT PARENT PRE-TRANSACTION CORPORATE OWNERSHIP STRUCTURE

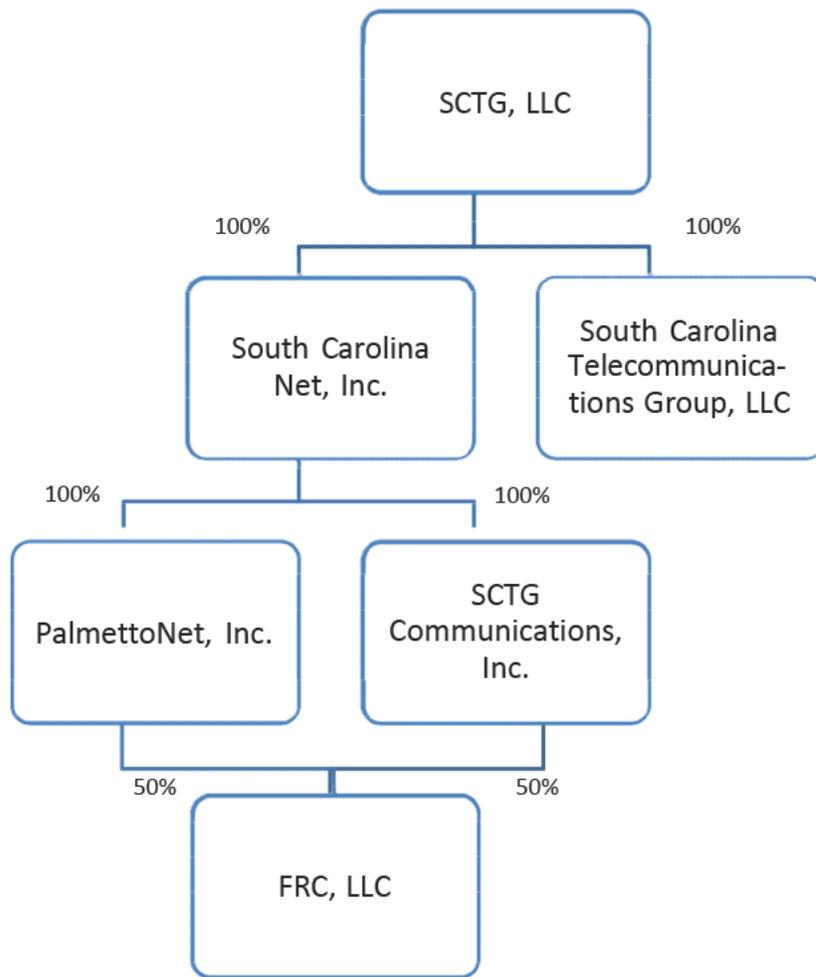


EXHIBIT B

Directors and Officers of Investor AB

Board of Directors²²

Jacob Wallenberg, Sweden
Marcus Wallenberg, Sweden
Josef Ackerman, Switzerland
Gunnar Brock, Sweden
Johan Forsell, Sweden
Magdalena Gerger, Sweden
Tom Johnstone, Great Britain
Grace Reksten Skaugen, Norway
Hans Stråberg, Sweden
Lena Treschow Torell, Sweden
Sara Öhrvall, Sweden

Officers

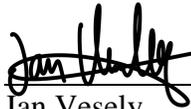
Johan Forsell, President and CEO, Sweden
Helena Saxon, CFO, Sweden
Petra Hedengran, General Counsel and Head of Corporate Governance and Compliance, Sweden
Daniel Nodhäll, Head of Listed Core Investments, Sweden
Stefan Stern, Head of Corporate Relations, Sustainability and Communications, Sweden
Christian Cederholm, Co-Head of Patricia Industries, Sweden
Noah Walley, Co-Head of Patricia Industries, United States and Great Britain

²² <https://www.investorab.com/about-investor/organization/>

VERIFICATION

I, Jan Vesely, am President and Secretary of Clemson BidCo, LLC (“Transferee”); that I am authorized to make this Verification on behalf of Transferee and its subsidiaries, in the foregoing Application; that the foregoing filing was prepared under my direction and supervision; and that the contents with respect to the Transferee are true and correct to the best of my knowledge, information, and belief.

I declare under penalty of perjury that the foregoing is true and correct. Executed this **18th** day of August, 2017.



Jan Vesely
President and Secretary
Clemson BidCo, LLC

VERIFICATION

I, Robert M. Keane am President and CEO of SCTG, LLC (“Spirit Parent” and Transferor); that I am authorized to make this Verification on behalf of Spirit Parent and its subsidiaries, including the Licensees in the forgoing Application (collectively, the “Company”); that the foregoing filing was prepared under my direction and supervision; and that the contents with respect to the Company are true and correct to the best of my knowledge, information, and belief.

I declare under penalty of perjury that the foregoing is true and correct. Executed this 17th day of August, 2017.



Robert M. Keane
President and CEO
Spirit Communications