

ORIGINAL

COVINGTON & BURLING LLP

BEIJING BRUSSELS LONDON NEW YORK
 SAN DIEGO SAN FRANCISCO SEOUL
 SHANGHAI SILICON VALLEY WASHINGTON

1201 PENNSYLVANIA AVENUE, NW
 WASHINGTON, DC 20004-2401
 T 202.662.6000
 WWW.COV.COM

December 4, 2013

By Hand Delivery and Electronic Filing

Ms. Marlene H. Dortch
 Secretary
 Federal Communications Commission
 445 Twelfth Street, S.W.
 Washington, DC 20554

ACCEPTED/FILED

DEC - 4 2013

Federal Communications Commission
 Office of the Secretary

Re: Supplement to Joint Section 214 Transfer of Control Application
 WC Docket No. 13-269
 File No. ITC-T/C-20131105-00293
 File No. ITC-T/C-20131105-00295

Dear Ms. Dortch:

This letter responds to a joint request by staff of the Wireline Competition Bureau and the International Bureau for supplemental information regarding the above-captioned Applications, which were filed jointly by T3 North Intermediate Holdings, LLC ("T3 Intermediate"), NTS, Inc. ("NTS"), and NTS's wholly owned subsidiary Xfone USA, Inc. ("Xfone," and together with NTS and T3 Intermediate, the "Applicants").

The Applications seek authority under Section 214 of the Communications Act of 1934, as amended, 47 U.S.C. § 214 (the "Act"), to transfer control of the international and domestic Section 214 authorizations held by NTS and its subsidiaries from NTS to T3 Intermediate. T3 Intermediate is a Nevada limited liability company and a wholly owned subsidiary of T3 North Holdings, LLC ("T3 Holdings"), a Delaware limited liability company. Tower Three Partners Fund II LP ("T3P II"), a Delaware limited partnership, holds all of the direct ownership interests in, and exercises voting control of, T3 Holdings. T3P II is directly controlled by its general partner, Tower Three Partners Fund II GP LP ("T3P II GP LP"), and it is ultimately controlled by Tower Three Partners Fund II GP LLC ("T3P II GP LLC"). The managing member of T3P II GP LLC is William D. Forrest, a U.S. citizen.

Tower Three Partners Fund II LP is part of a family of funds advised by Tower Three Partners, LLC ("Tower Three"), an operationally-oriented private equity firm that invests in a

No. of Copies rec'd 0+2
 List ABCDE

Ms. Marlene H. Dortch
December 4, 2013
Page 2

concentrated portfolio of U.S.-based middle market companies. As was noted in footnote 1 of the Applications, certain additional parties directly or indirectly hold 10 percent or more of the economic interests in T3 Intermediate, but such parties have no material involvement, directly or indirectly, in the management or operation of T3 Intermediate, nor will they have any such involvement in NTS or its subsidiaries after consummation of the transaction.

In response to the request of staff of the Wireline Competition Bureau and the International Bureau for additional information, enclosed with this letter is an exhibit identifying the trusts that control all of the aforementioned insulated interests and the trustees for each trust. These trusts were established in the United States for the benefit of certain named individuals. All of the beneficiaries and the trustees are U.S. citizens.

The Applicants respectfully request confidential treatment, pursuant to Section 0.459 of the Commission's rules,¹ with respect to the names and addresses of the trusts and the trustees identified in the enclosed exhibit. These trusts make a variety of investments through private-equity funds, including funds managed by Tower Three. The names of investors for whom Tower Three manages funds, and the names of funds in which the trusts choose to invest, constitute highly sensitive competitive information in the private-equity market. Both Tower Three and the trusts have a strong interest in protecting this information from public disclosure and are diligent in doing so. This information is not available to the public from any source.

In contrast, there is little or no public interest in requiring the Applicants to divulge information about Tower Three's insulated investors to the public at large, given that neither the trusts nor their trustees will have any material direct or indirect operational influence over the conduct of the holders of the Section 214 authorizations at issue. To the contrary, requiring such disclosure under these circumstances would harm the public interest by discouraging private equity funds from investing in American telecommunications companies, thus making it more difficult for competitive telecommunications providers to access an important source of capital.

A redacted copy of the enclosed exhibit is being filed through the Commission's Electronic Comment Filing System in WC Docket No. 13-269. Any questions regarding this matter may be directed to the undersigned.

Respectfully submitted,

T3 North Intermediate Holdings, LLC

¹ 47 C.F.R. § 0.459.

COVINGTON & BURLING LLP

Ms. Marlene H. Dortch

December 4, 2013

Page 3

By:  _____

Matthew S. DelNero
Michael Beder
Covington & Burling LLP
1201 Pennsylvania Avenue NW
Washington, D.C. 20004-2401
Tel: (202) 662-6000
Fax: (202) 662-6291
E-mail: mdelnero@cov.com
mbeder@cov.com

Its attorneys

Enclosure

cc: Jodie May

**T3 NORTH INTERMEDIATE HOLDINGS, LLC
OWNERSHIP INFORMATION**

The following parties are the ultimate holders of the direct or indirect economic interests referred to in footnote 1 of the consolidated Section 214 Applications filed jointly by T3 North Intermediate Holdings, LLC ("T3 Intermediate"), NTS, Inc. ("NTS"), and NTS's wholly owned subsidiary Xfone USA, Inc. These parties have no material involvement, directly or indirectly, in the management or operation of T3 Intermediate, nor will they have any such involvement in NTS or its subsidiaries after consummation of the transaction.

Name: The DEZ Issue Trust
Address: 350 Park Avenue, 11th Floor, New York, NY 10022
Citizenship: Florida
Principal Business: Trust
Indirect Ownership Interest: 22.63%*
Investment Trustee: Daniel M. Ziff, a US citizen

Name: The RDZ Issue Trust
Address: 350 Park Avenue, 11th Floor, New York, NY 10022
Citizenship: Florida
Principal Business: Trust
Indirect Ownership Interest: 29.26%*
Investment Trustee: Robert D. Ziff, a US citizen

Name: The DMZ Issue Trust (Dirk Ziff, grantor)
Address: 350 Park Avenue, 11th Floor, New York, NY 10022
Citizenship: Florida
Principal Business: Trust
Indirect Ownership Interest: 14.78%*
Investment Trustee: Daniel M. Ziff, a US citizen

Name: The DMZ Issue Trust (Robert Ziff, grantor)
Address: 350 Park Avenue, 11th Floor, New York, NY 10022
Citizenship: Florida
Principal Business: Trust
Indirect Ownership Interest: 14.61%*
Investment Trustee: Daniel M. Ziff, a US citizen

* Current as of November 1, 2013 and subject to minor fluctuations.