

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

In the Matter of)
)
Consolidated Communications Holdings, Inc.) Docket No. _____
)
Petition for Declaratory Ruling Under Section)
310(b)(4) of the Communications Act of 1934,)
as Amended)
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**AMENDED AND RESTATED
PETITION FOR DECLARATORY RULING**

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TABLE OF CONTENTS

I.	INTRODUCTION AND SUMMARY	1
II.	BACKGROUND.....	3
A.	Consolidated.....	3
B.	Searchlight Aggregator	4
C.	Description of the Transaction	4
III.	PROPOSED FOREIGN OWNERSHIP AND REQUESTS FOR SPECIFIC APPROVAL	9
IV.	GRANT OF THIS PETITION IS IN THE PUBLIC INTEREST.....	15
V.	INFORMATION REQUIRED BY SECTION 1.5001 OF THE FCC’S RULES.....	18
VI.	CONCLUSION	19

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I. INTRODUCTION AND SUMMARY

Pursuant to Section 1.5000(a)(1) of the Commission’s rules,¹ Consolidated Communications Holdings, Inc. (Nasdaq: CNSL) (“Consolidated”) and Searchlight III CVL, L.P. (“Searchlight Aggregator”) (Consolidated and Searchlight Aggregator, collectively, “Petitioners”), by their attorneys, respectfully submit this petition (“Petition”) requesting that the Federal Communications Commission (the “FCC” or the “Commission”) issue a declaratory ruling to allow Consolidated to have foreign investment in excess of the 25% benchmark contained in Section 310(b)(4) of the Communications Act of 1934, as amended (the “Communications Act”).² Specifically, Petitioners seek a ruling permitting up to 100% aggregate foreign investment (voting and equity) in Consolidated, which is the indirect parent company of three licensee subsidiaries

¹ 47 C.F.R. § 1.5000(a)(1).

² 47 U.S.C. § 310(b)(4). Petitioners previously filed a petition for declaratory ruling on October 26, 2020. This filing is being submitted to update that initial filing and is intended to supersede and replace it.

that hold common carrier licenses subject to Section 310(b)(4).³ In addition, Petitioners request specific approval for (1) certain identified foreign entities and individuals to hold, directly or indirectly, equity and/or voting interests of more than 5% in Consolidated, (2) certain identified foreign entities insulated in accordance with the FCC's rules to hold, directly or indirectly, equity and/or voting interests of more than 10% in Consolidated, and (3) advance approval for each identified foreign entity and individual to hold up to a 49.99% non-controlling voting interest, and up to a 49.99% non-controlling total equity interest, in Consolidated.⁴

Grant of this Petition is consistent with Commission precedent and recent Executive Branch actions that seek to promote investment in communications companies while managing foreign investment in a risk-informed manner. The transaction for which Petitioners seek approval involves beneficial investment in the communications sector by sophisticated investors with experience in the telecommunications sector. This investment, in turn, will enable Consolidated to enhance its service offerings and customer experience while facilitating the build out of new facilities, all to the benefit of consumers and in furtherance of the public interest.

Specifically, the transaction will enhance Consolidated's ability to invest in its business and capitalize on growth opportunities. Consolidated is a key provider in many markets but

³ See 47 C.F.R. § 1.5000(a)(1); *see also id.* § 1.5000(c)(2).

⁴ Each of the entities and individuals for which specific approval is sought will hold a non-controlling interest in Consolidated. In addition, certain entities will be insulated in accordance with the FCC's foreign ownership rules. 47 C.F.R. § 1.5003. The Petition seeks specific approval for the foreign holders of indirect non-controlling insulated limited partnership and limited liability company interests of more than 10%. *See id.* §§ 1.5001(i)(1), 1.5001(i)(3). Although the insulated parties will not actually hold any voting rights because of their insulated status, Petitioners have treated these insulated entities as having a voting interest that is equivalent to their equity interest in the common voting stock of Consolidated for purposes of this Petition. *See id.* §§ 1.5002(b)(2)(ii)(B), 1.5002(b)(2)(iii)(B). Except as otherwise specifically disclosed herein, Petitioners confirm that no foreign individual or entity who is insulated will hold, directly or indirectly, an equity and/or voting interest of more than 10% in Consolidated.

critically needs to strengthen its balance sheet and obtain access to additional capital. The investment in Consolidated will increase liquidity and flexibility to support network build-out and upgrades. In particular, the investment will support Consolidated's multi-year investment program to deploy Fiber-to-the-Home ("FTTH") to as many as 1.4 million end-user locations, as well as accelerate its commercial fiber build. Consolidated's long-standing objective has been and remains to provide superior service to customers and communities across its footprint, and this investment program will future-proof its success. Upon completion, Consolidated will be better positioned to deploy capital to significantly upgrade its consumer broadband network, simplify and enhance its customers' experiences, and make important and strategic network extensions which are critical to bringing broadband service to more Americans.

As explained further below, granting this Petition is consistent with the Commission's rules and precedent, and will serve the public interest by enabling beneficial investment in broadband communications infrastructure in Consolidated's diverse service territory. Petitioners thus respectfully request that the Commission expeditiously grant this Petition.

II. BACKGROUND

A. Consolidated

Consolidated is a major broadband and business communications provider serving consumers, enterprise customers, and wireless and wireline carriers across rural and urban communities in a 23-state service area. Leveraging an advanced fiber network spanning 46,000 fiber route miles, Consolidated offers a wide range of communications solutions, including: high-speed Internet access service, voice service, security services, managed services, cloud-based services and wholesale, carrier solutions. Since its founding approximately 125 years ago, Consolidated has been dedicated to turning technology into solutions, connecting people and enriching how they work and live, including in rural areas of the Nation. Consolidated in recent

years has taken on significant debt to finance its operations. The Searchlight Aggregator investment injects capital into the business, enabling the retirement of a portion of that debt, and facilitating more FTTH deployment and improved services to customers and communities across the Consolidated footprint.⁵

B. Searchlight Aggregator

Searchlight Aggregator, a Delaware limited partnership, is a special purpose vehicle that, through Searchlight III CVL II, L.P. (“Searchlight Aggregator II”) (also a Delaware limited partnership), is acting as an aggregator of a group of investment funds affiliated with Searchlight Capital Partners, L.P. (“Searchlight”). Each of those funds is or will be an insulated limited partner in Searchlight Aggregator or Searchlight Aggregator II, and both Searchlight Aggregator and Searchlight Aggregator II are currently controlled by Eric Zinterhofer, a United States citizen. Searchlight, a Delaware limited partnership and registered investment adviser with the United States Securities and Exchange Commission (“SEC”), is a global private equity investment company whose funds invest in companies across various sectors, including communications, media, consumer and business services. Searchlight has more than \$7 billion in assets under management, and has significant experience working with portfolio companies executing strategies that involve deploying broadband infrastructure, along with a proven track record of partnering with strong management teams to drive long-term value and shareholder returns.

C. Description of the Transaction

The circumstances prompting the filing of this Petition⁶ are described below and are collectively referred to herein as the “Transaction.” Pursuant to an Investment Agreement dated

⁵ See *infra* section IV.

⁶ See *id.* § 1.5001(h)(1).

September 14, 2020 (the “Investment Agreement”), the Petitioners agreed to a two-stage transaction that ultimately (upon receipt of necessary regulatory and shareholder approvals) is intended to result in Searchlight Aggregator owning 35% of Consolidated’s common voting stock and up to approximately 62.4%⁷ of its equity in exchange for a total investment of \$425 million.

At the first stage of the Transaction, which closed on October 2, 2020, Searchlight Aggregator invested \$350 million in return for (1) 8% of Consolidated’s outstanding common voting stock; (2) a Contingent Payment Right (“CPR”) representing the right to receive either cash or, upon the receipt of certain regulatory and shareholder approvals, up to an additional 16.9% of Consolidated’s outstanding common voting stock; and (3) the future right to receive a note with a

⁷ The figures provided herein for the total percentage equity and the percentage equity attributable to the non-voting Preferred Stock were calculated based on the following analysis. The face value of the Note at issuance was approximately \$395 million, and that amount (plus the amount of interest that has accrued on the date of conversion) will represent the capital contribution made to acquire the non-voting Preferred Stock to be issued upon conversion of the Note. Assuming that conversion occurs nine months after the closing of the first stage of the Transaction, the value of the Note with accrued interest would be \$418.6 million.

At the second closing, Consolidated will have 112,396,435 shares of its common stock outstanding, of which Searchlight Aggregator will own 35% (39,338,752), assuming receipt of regulatory and shareholder approvals. As of the close of business on October 22, 2020, Bloomberg reported a price of \$5.13 per share of Consolidated’s common stock. Using this share price, the market cap of the common stock at the second closing would be \$576,593,713.52. Adding the value of the Note at nine months from its issuance would result in a total market cap of \$995,193,713.52. Searchlight Aggregator’s interest in the common stock would represent approximately 20.3% of Consolidated’s total equity, its interest in the non-voting Preferred Stock would represent approximately 42.1% of Consolidated’s total equity, and its combined interest in the common stock and the Preferred Stock would represent approximately 62.4% of Consolidated’s total equity.

The exact percentage of Consolidated’s total equity that Searchlight will hold at the second closing will vary based upon the aggregate principal amount of the Note on the date of its conversion into the non-voting Preferred Stock (taking into account interest that will have accrued on the Note between its issuance and conversion) and the value of Consolidated’s common voting stock on that date.

principal amount of approximately \$395 million (the “Note”).⁸ The CPR entitles Searchlight Aggregator (1) upon exercise, to a cash payment, or (2) to specified amounts of Consolidated’s common voting stock based upon (a) receipt of approvals by various state public utility commissions, (b) receipt of shareholder approval, or (c) transfers of common voting shares by Searchlight Aggregator or its affiliates. The Note was not issued to Searchlight Aggregator at the closing of the first stage of the Transaction but is instead being held in escrow and, as discussed below, may become convertible into non-voting Series A Perpetual Preferred Stock (the “Preferred Stock”)⁹ following receipt of the FCC declaratory ruling and consummation of the second stage of the Transaction.

For purposes of evaluating Consolidated’s compliance with the FCC’s foreign ownership rules at the closing of the first stage of the Transaction, Petitioners, in an abundance of caution, considered that the CPR could be deemed to be equity, and ensured that, if so treated, Consolidated’s aggregate foreign ownership remained below the limit that Section 310(b) allows without a declaratory ruling. In particular, Eric Zinterhofer, a United States citizen, ultimately controls Searchlight Aggregator and, taking into account Consolidated’s existing foreign ownership (with the CPR treated as equity), foreign entities indirectly held less than 15.85% of

⁸ Concurrently with the closing of the first stage of the Transaction, Consolidated also refinanced approximately \$2 billion in debt.

⁹ The non-voting Preferred Stock to be received upon conversion of the Note also has certain investor protection rights that are customary in the context of preferred non-voting securities or that are consistent with the rights granted to holders of Consolidated’s debt, including the right to vote on: (1) dividends on or repurchases of shares of Consolidated’s capital stock in certain circumstances; (2) amendment of Consolidated’s certificate of incorporation in a manner that would adversely affect the holders of non-voting Preferred Stock or the Certificate of Designations governing the non-voting Preferred Stock; and (3) actions that would result in an increase in the number of authorized or issued shares of any class of securities that would rank senior to the non-voting Preferred Stock.

Consolidated's equity, and less than 9% of its voting rights, following the initial Searchlight investment.¹⁰

At the second stage of the Transaction, if the FCC grants a declaratory ruling that permits its consummation as described below and other required regulatory and shareholder approvals are obtained, Searchlight Aggregator will invest an additional \$75 million in Consolidated in exchange for (1) shares of common voting stock and/or a CPR representing an additional 10.1% of Consolidated's outstanding common voting stock,¹¹ and (2) receipt of the Note, which will become convertible into shares of non-voting Preferred Stock representing up to approximately an additional 42.1% of Consolidated's total equity.¹² After the closing of the second stage of the Transaction and conversion of the CPR and the Note, Searchlight Aggregator will own 35% of Consolidated's common voting stock and all of the non-voting Preferred Stock, which, together, will represent approximately 62.4% of the company's total equity.¹³ The current executive officers

¹⁰ Exhibit A-1 depicts the ownership structure of Consolidated at the closing of the first stage of the Transaction. Exhibit B contains an estimate of aggregate foreign ownership and a description of the methods used to determine the percentages, as required by Section 1.5001(h)(1) of the Commission's rules.

¹¹ At the closing of the second stage of the Transaction following the grant of a declaratory ruling, the allocation between the common voting stock and the CPR to be issued will depend on the extent to which various state public utility commission and shareholder approvals have been received.

¹² The Note may be issued before this time in the event of termination of or intent to terminate the investment agreement between the parties or certain defaults under Consolidated's debt agreements, but will not become convertible into the non-voting Preferred Stock until after (1) the FCC grants a declaratory ruling permitting such conversion, and (2) Searchlight invests the additional \$75 million at the closing of the second stage of the Transaction. The method used to calculate the equity percentage represented by the non-voting Preferred Stock herein is described in note 6, *supra*.

¹³ The method used to calculate the total equity percentage that Searchlight Aggregator will hold after the closing of the second stage of the Transaction is described in note 6, *supra*. As described further in Section II below, Searchlight also intends to make certain changes to the structure of Searchlight Aggregator prior to the closing of the second stage of the Transaction, and to

of Consolidated have remained the same since the closing of the first stage of the Transaction, and are expected to remain in executive and senior management roles through the second stage closing.

The Petitioners are also parties to a Governance Agreement dated September 14, 2020 (the “Governance Agreement”). At the closing of the first stage of the Transaction described above, the Governance Agreement provided Searchlight Aggregator with the right to designate one member of Consolidated’s board of directors, increasing the size of the board from eight to nine directors, and to appoint one non-voting board observer. At the closing of the second stage of the Transaction, Searchlight Aggregator will receive the right to designate an additional member of Consolidated’s board of directors, further increasing the board’s size from nine to ten directors, and Searchlight Aggregator will retain the right to appoint one non-voting board observer.¹⁴ The Governance Agreement also provides Searchlight Aggregator with certain minority investor protection rights, including the right to approve: (1) the amendment or modification of Consolidated’s certificate of incorporation or bylaws, or the certificate of designations governing the non-voting Preferred Stock, in a manner that materially and adversely affects Searchlight Aggregator or its affiliates; (2) the incurrence of certain indebtedness; (3) the issuance of additional

restructure certain of the investment funds that will hold indirect ownership interests in Consolidated in connection with the closing of the second stage of the Transaction. Exhibit A-2 contains a diagram depicting the proposed ownership of Consolidated at the closing of the second stage of the Transaction. If the FCC fails to grant a declaratory ruling that permits the closing of the second stage of the Transaction as described above, Searchlight Aggregator will have no obligation to pay the \$75 million and will receive only the Note, which will not be convertible into the non-voting Preferred Stock.

¹⁴ Following conversion of the Note into the non-voting Preferred Stock, Searchlight Aggregator will also have the right to designate two additional members of Consolidated’s board of directors in the event that Consolidated fails to make two semi-annual cash dividend payments on the non-voting Preferred Stock after the five-year anniversary of the initial closing. This would increase the size of Consolidated’s board from ten to twelve directors, with Searchlight having the right to designate, at most, four out of those twelve directors.

equity securities (or securities convertible into equity securities) or the amendment of any term of existing equity securities, in each case which would exceed 10% of Consolidated's outstanding common voting stock; (4) any increase in the size of the board that results in there being more than eight directors aside from members designated by Searchlight Aggregator; and (5) the acquisition of assets or properties for an amount in excess of \$75 million in the aggregate (other than acquisitions of inventory and equipment in the ordinary course of business).¹⁵

III. PROPOSED FOREIGN OWNERSHIP AND REQUESTS FOR SPECIFIC APPROVAL

As explained above, Searchlight Aggregator and Searchlight Aggregator II are special purpose vehicles that are acting as aggregators of a group of investment funds affiliated with Searchlight, an SEC-registered investment adviser.¹⁶

¹⁵ The non-voting Preferred Stock to be received upon conversion of the Note also has certain investor protection rights that are customary in the context of preferred non-voting securities or that are consistent with the rights granted to holders of Consolidated's debt, including the right to vote on: (1) dividends on or repurchases of shares of Consolidated's capital stock in certain circumstances; (2) amendment of Consolidated's certificate of incorporation in a manner that would adversely affect the holders of non-voting Preferred Stock or the Certificate of Designations governing the non-voting Preferred Stock; and (3) actions that would result in an increase in the number of authorized or issued shares of any class of securities that would rank senior to the non-voting Preferred Stock.

¹⁶ Searchlight provides management and other advisory services to the Searchlight-affiliated investment funds identified in this section, for which it receives a fee. Searchlight is controlled by its general partner, Searchlight Capital Partners, LLC, which, in turn, is controlled by its three members, Eric Zinterhofer, Erol Uzumeri, and Oliver Haarmann. Although Searchlight receives a fee for the services that it provides to the Searchlight investment funds, it has no economic or other ownership interest in them and has no decision-making authority with respect to their operations. Rather, all such authority, including the decision to make investments and to make capital calls from the limited partners of the investment funds, will rest with the general partner of the funds. *See* Exhibit A-2. Although Searchlight is deemed to be an affiliate of Searchlight Aggregator and the investment funds, it has no direct or indirect ownership interest in Searchlight Aggregator (and will not have any such interest in Consolidated), and has no authority to make any decisions on behalf of Searchlight Aggregator or the investment funds. Accordingly, Searchlight is not a party to this Petition.

At the closing of the first stage of the Transaction, the sole limited partner (100% equity/0% voting) of Searchlight Aggregator was Searchlight Aggregator II, a Delaware limited partnership, which has been insulated in accordance with the FCC's rules. Searchlight Capital III CVL Co-Invest Partners, L.P. ("Co-Invest Partners"), also a Delaware limited partnership, subsequently became an additional insulated limited partner of Searchlight Aggregator and currently holds approximately 42 percent of its equity and no voting rights, reducing Searchlight Aggregator II's equity percentage to approximately 58 percent. Currently, the general partner (0% equity/100% voting) of both Searchlight Aggregator and Searchlight Aggregator II is Searchlight III CVL GP, LLC, a Delaware limited liability company that is wholly owned by Eric Zinterhofer, a United States citizen. Accordingly, Mr. Zinterhofer currently controls both Searchlight Aggregator and Searchlight Aggregator II.

Upon receipt of this declaratory ruling and consummation of the second stage of the Transaction, the general partner (0% equity/100% voting) of both Searchlight Aggregator and Searchlight Aggregator II will become Searchlight Capital Partners III GP, L.P. ("Searchlight III GP"), a Cayman Islands exempted limited partnership. The limited partners (100% equity/0% voting) of Searchlight III GP are insulated in accordance with the FCC's rules, and none will hold an indirect equity (or deemed voting) interest in Consolidated of more than 10%. Searchlight III GP is controlled by its general partner (0% equity/100% voting), Searchlight Capital Partners III GP, LLC ("Upper GP"), a Delaware limited liability company. Upper GP is currently controlled by Eric Zinterhofer (33.3% equity and voting), Erol Uzumeri (33.3% equity and voting), a Canadian citizen, and Oliver Haarmann (33.3% equity and voting), a German citizen.

The limited partners of Searchlight Aggregator II, all of which are insulated in accordance with the FCC’s rules,¹⁷ are the following three Searchlight investment funds, all of which are Delaware limited partnerships and which collectively hold 100% of the equity in Searchlight Aggregator II: Searchlight Capital III OPT, L.P. (“Main Fund AIV”); Searchlight Capital III OPT PV A, L.P. (“PV Fund AIV A”); and SC III PV CVL, L.P. (“PV Splitter”).

The exact amounts of equity that each of these three funds and Co-Invest Partners will hold indirectly in Consolidated upon consummation of the second stage of the Transaction has not yet been determined, but will depend on the amount of the overall investment to be held by Co-Invest Partners at that time. It is anticipated that, upon consummation of the second stage of the Transaction, the total indirect voting and equity interests in Consolidated held by each fund will fall within the following ranges:¹⁸

Main Fund AIV	10.9% voting / 19.4-31.1% equity
PV Fund AIV A	3.4% voting / 6.0-9.6% equity
PV Splitter	5.1% voting / 9.1-14.5% equity
Co-Invest Partners	15.6% voting / 27.9-44.7% equity

The limited partners of Main Fund AIV are insulated in accordance with the FCC’s rules and none will hold an indirect equity (or deemed voting) interest in Consolidated of more than 10%.¹⁹ Currently, the general partner (0% equity/100% voting) of Main Fund AIV is SC III OPT

¹⁷ 47 C.F.R. § 1.5003.

¹⁸ The equity percentages provided in the table below and elsewhere this Petition have been calculated based upon the amount of total equity (including the non-voting Preferred Stock) that Searchlight Aggregator will hold in Consolidated (62.4%-100%). As noted above, although the insulated parties will not actually hold any voting rights because of their insulated status, Petitioners have treated these insulated entities as having a voting interest that is equivalent to their equity interest in the common voting stock of Consolidated (with Searchlight Aggregator holding 35% of the voting stock following the closing of the second stage of the Transaction).

¹⁹ The majority of the insulated limited partners of Main Fund AIV are U.S.-based. Below is a summary of the countries of citizenship of the non-U.S.-based insulated limited partners of Main

GP, LLC, a Delaware limited liability company wholly owned by Mr. Zinterhofer. Upon consummation of the second stage of the Transaction, the general partner (1.96% equity/100% voting) of Main Fund AIV will be Searchlight III GP, which has its ownership structure described above.²⁰

The limited partners of PV Fund AIV A are similarly insulated in accordance with the FCC's rules, and it is not currently anticipated that any such limited partner will hold an indirect equity (or deemed voting) interest in Consolidated of more than 10%.²¹ The general partner (1.961% equity/100% voting) of PV Fund AIV A is (and will remain) Searchlight III GP, which has its ownership structure described above.

The sole limited partner of PV Splitter is SC III PV Cavalier Holdings, LP ("SC III Cavalier"), a Cayman Islands exempted limited partnership.²² The sole limited partner of SC III Cavalier is Searchlight Capital III OPT PV B, L.P. ("PV Fund AIV B"), a Delaware limited partnership. The limited partners of PV Fund AIV B are also insulated in accordance with the

Fund AIV and, for each country, the approximate ranges of indirect equity and deemed voting interests in Consolidated to be held by such limited partners:

The Bahamas	0.02% voting / 0.03-0.05% equity
Canada	0.08% voting / 0.15-0.24% equity
Germany	0.06% voting / 0.11-0.18% equity [note: U.S.-organized company ultimately owned by German company]
International Law	0.52% voting / 0.93-1.49% equity [note: treated as foreign for purposes of calculating foreign ownership percentages]

²⁰ Searchlight III GP is also currently an insulated special limited partner of Main Fund AIV and holds an insulated equity interest therein of 1.96%. Searchlight III GP will cease to be an insulated limited partner of Main Fund AIV once it becomes the general partner of Main Fund AIV following consummation of the second stage of the Transaction.

²¹ All of the insulated limited partners of PV Fund AIV A are based in Canada.

²² This entity was formerly named "Searchlight III LTY, L.P."

FCC’s rules and none will hold an indirect equity (or deemed voting) interest in Consolidated of more than 10%.²³ The general partner of PV Splitter, SC III Cavalier, and PV Fund AIV B is (and will remain) Searchlight III GP, which has its ownership structure described above.²⁴

The limited partners of Co-Invest Partners will similarly be insulated in accordance with the FCC’s rules. One of the foreign insulated limited partners of Co-Invest Partners – IMCPE 2020 Inc. (“IMCPE 2020”), which is an indirect subsidiary of British Columbia Investment Management Corporation (“BCI”) – will have a 10% or greater indirect equity interest in Consolidated.²⁵ Except for IMCPE 2020, no other foreign insulated limited partner of Co-Invest Partners will hold an indirect equity (or deemed voting) interest in Consolidated of more than 10%.

²³ All of the insulated limited partners of PV Fund AIV B are non-U.S.-based. Below is a summary of the countries of citizenship or organization for the insulated limited partners of PV Fund AIV B and, for each country, the approximate ranges of indirect equity and deemed voting interests in Consolidated to be held by such limited partners:

Abu Dhabi	0.48% voting / 0.83-1.34% equity
Bermuda	0.20% voting / 0.34-0.55% equity
British Virgin Islands	0.06% voting / 0.11-0.18% equity
Canada	0.44% voting / 0.76-1.22% equity
Cayman Islands	0.47% voting / 0.82-1.32% equity
Cyprus	0.32% voting / 0.56-0.89% equity
England	0.17% voting / 0.30-0.48% equity
Germany	1.52% voting / 2.66-4.27% equity
Hong Kong	0.22% voting / 0.39-0.62% equity
Liberia	0.013% voting / 0.02-0.04% equity
Lichtenstein	0.13% voting / 0.22-0.36% equity
Netherlands	0.16% voting / 0.28-0.45% equity
Oman	0.45% voting / 0.78-1.25% equity
Sweden	0.48% voting / 0.83-1.34% equity

²⁴ Searchlight III GP holds a 100% voting interest in each of these entities. It also holds a 1.96% equity interest in PV Splitter, and a 0% equity interest in both SC III Cavalier and PV Fund AIV B.

²⁵ BCI is a statutory corporation created pursuant to the Public Sector Pension Plans Act (British Columbia) which invests on behalf of various pension funds and other public sector funds in British Columbia. IMCPE 2020 funded a portion of its commitment after the closing of the first

Currently, the general partner (0% equity/100% voting) of Co-Invest Partners is Searchlight III CVL GP, LLC, a Delaware limited liability company wholly owned by Mr. Zinterhofer. Upon consummation of the second stage of the Transaction, the general partner (0% equity/100% voting) of Co-Invest Partners (and, if added into the ownership structure, SC III Feeder) will be Searchlight III GP, which has its ownership structure described above.

In view of the ownership structure following consummation of the second stage of the Transaction described above, specific approval is sought for the foreign entities and individuals identified below to hold, directly or indirectly, equity and/or voting interests of more than 5%, or, with respect to certain insulated entities, 10% or more in Consolidated. Although the insulated entities will not actually hold any voting rights, Petitioners have treated these insulated entities as having a voting interest that is equivalent to their indirect equity interest in Consolidated's common voting stock for purposes of this Petition.²⁶

Specific approval is sought for the following entities and individuals:

- Searchlight Capital Partners III GP, L.P., a Cayman Islands exempted limited partnership;

stage of the Transaction. The 2020 Private Equity Fund ("2020 Pool"), which is wholly owned by BCI as its trustee, will hold a 93.4% voting and equity interest in IMCPE 2020. The unitholders of the 2020 Pool, which are entitled to certain payments based on the returns generated by the assets in the 2020 Pool, are a group of British Columbia public pension funds, none of which will have an indirect voting or equity interest of 10% or more in Consolidated. Another subsidiary of BCI will also hold an indirect equity (and deemed voting) interest in Consolidated of less than 10% as an insulated limited partner in another Searchlight fund involved in the Transaction. Three additional insulated limited partners of Co-Invest Partners have funded portions of their commitments since the closing of the first stage of the Transaction. These entities consist of (1) a Canadian corporation that will hold an indirect equity (and deemed voting) interest in Consolidated of less than 10%, taking into account its investment through Co-Invest Partners and as an insulated limited partner in another Searchlight fund involved in the Transaction, (2) a U.S. pension fund that will hold an indirect equity (and deemed voting) interest in Consolidated of more than 10% and is listed in Exhibit B hereto, and (3) an individual who is a U.S. citizen and will hold an indirect equity (and deemed voting) interest in Consolidated of less than 10%.

²⁶ 47 C.F.R. § 1.5002(b)(2)(ii)(B).

- Erol Uzumeri, a Canadian citizen;
- Oliver Haarmann, a German citizen;
- SC III PV Cavalier Holdings, LP, a Cayman Islands exempted limited partnership;
- IMCPE 2020 Inc.;
- 2020 Private Equity Fund; and
- British Columbia Investment Management Corporation.²⁷

Additional information concerning these entities, including the information required by Section 1.5001 of the Commission’s rules, is provided in Exhibit B hereto.

IV. GRANT OF THIS PETITION IS IN THE PUBLIC INTEREST

The public interest will be served by the Commission approving the indirect foreign ownership investment in Consolidated that will result from the closing of the second stage of the Transaction. When the Commission implemented Section 310(b)(4) of the Communications Act, it stated that it would approve indirect foreign investments in common carrier licensees “unless the Commission finds that the public interest will be served by refusing to permit such foreign ownership.”²⁸ To evaluate public interest concerns, the Commission coordinates with Executive Branch agencies to confirm that requests to exceed the statutory foreign ownership benchmark are consistent with national security, law enforcement, foreign policy, and trade policy priorities.²⁹

²⁷ Petitioners acknowledge that the FCC’s grant of requested relief in this Petition would be subject to the requirement that Consolidated seek specific approval in the future for new foreign investment (or increases in foreign investment by existing investors) that would result in any foreign entity holding a direct or indirect voting or equity interest exceeding 5% (above 10% for passive or insulated investors).

²⁸ *Review of Foreign Ownership Policies for Common Carrier and Aeronautical Radio Licensees under Section 310(b)(4) of the Communications Act of 1934, as Amended*, Second Report and Order, 28 FCC Rcd 5741, 5749, ¶ 10 (2013) (“*Foreign Ownership Second R & O*”).

²⁹ *Id.* at 5742, 5745, 5757, 5759-63.

Moreover, the Commission has found that permitting indirect foreign investment in common carrier licensees “will continue to be an important source of financing for U.S. telecommunications companies, fostering technical innovation, economic growth, and job creation.”³⁰ As a result, the Commission has routinely approved foreign entities and individuals to hold up to a 100% equity and voting interest in FCC common carrier licensees for more than a decade.³¹

As demonstrated below, the Transaction will further the FCC’s relevant policy objectives by facilitating infrastructure investment, technological development, and economic expansion without presenting any national security, law enforcement, foreign policy, or trade concerns. After the closing of the second stage of the Transaction, Consolidated will continue to be U.S.-managed, as the investing foreign entities and individuals will not have day-to-day control of the company.

In addition to the current board members, David Fuller (Searchlight Aggregator’s initial board designee, who is otherwise not associated with Searchlight) and Searchlight’s Andrew Frey will serve on the Consolidated Board of Directors. Moreover, Searchlight’s Eric Zinterhofer, a United States citizen, will also ultimately have substantial (33.3%) control over the Searchlight Aggregator investment. Among other relevant investments, Mr. Frey and Mr. Zinterhofer have particular experience in the communications sector through their investments in Hemisphere

³⁰ *Id.* at 5744, ¶ 3.

³¹ See, e.g., *Applications Granted for the Transfer of Control of Zayo Group, LLC, Electric Lightwave, LLC, and Allstream Business US, LLC from Zayo Group Holdings, Inc. to Front Range Topco, Inc.*, Public Notice, 35 FCC Rcd 275 (2020); *Applications Filed for the Transfer of Control of Certain Subsidiaries of Frontier Communications Corporation to Northwest Fiber LLC*, Memorandum Opinion and Order and Order and Declaratory Ruling, 34 FCC Rcd 12344 (2019) (“*Northwest Fiber Order*”); *Section 214 Applications; Section 310(b) Petitions*, Public Notice, 34 FCC Rcd 11057, File No. ISP-PDR-20170823-00002 (2019); *Intelsat, Ltd., Transferor, and Zeus Holdings Ltd., Transferee*, 19 FCC Rcd 24820 (2004); *Comsat General Corp.*, 19 FCC Rcd 21216 (2004); *Voicestream Wireless Corp.*, 16 FCC Rcd 9779 (2001).

Media Group, Northwest Fiber, LLC (now Zply), and Mitel Cloud Services, Inc.³² Mr. Fuller's experience will also be a substantial asset to Consolidated, as he previously served as President and Executive Vice President of TELUS, a Canadian telecommunications and broadband provider.³³ As a company, Searchlight is a known investor to U.S. national security agencies, including both the Committee for the Assessment of Foreign Participation in the United States Telecommunications Services Sector and the Committee on Foreign Investment in the United States.³⁴

From a technological and economic growth perspective, the proposed Transaction will allow Consolidated to expand and improve its fiber network, delivering higher broadband speeds and more advanced services to new and existing customers, including customers in areas that are underserved by high-speed broadband today. Specifically, the Transaction relieves Consolidated of \$325 million in net debt, allowing the company to accelerate its robust fiber deployment plans, introduce new services, and deliver an improved customer experience. Consolidated intends to use the net proceeds of Searchlight Aggregator's proposed \$425 million net investment to upgrade

³² See *Hemisphere Media Group, Inc.*, Declaratory Ruling and Memorandum Opinion and Order, 34 FCC Rcd 10504 (2019); *Northwest Fiber Order*, 34 FCC Rcd 12344; *Domestic Section 214 Application Granted for the Transfer of Control of Mitel Cloud Services, Inc. to MLN Topco Ltd.*, Public Notice, WC Docket No. 18-162, DA 18-1208 (2018) ("*Mitel Public Notice*"). The FCC also recently approved a Searchlight-affiliated investment in Univision Holdings, Inc. See *Consent to Transfer of Control of Univision Holdings, Inc. to Searchlight III UTD, L.P., ForgeLight (United) Investors, LLC, and Grupo Televisa, S.A.B.*, Memorandum Opinion and Order and Declaratory Ruling, MB Docket No. 20-123, DA 20-1535 (rel. Dec. 23, 2020).

³³ Press Release, Consolidated Communications Announces Strategic Investment from Searchlight Capital Partners; Initiates Refinancing, Consolidated Communications (Sept. 14, 2020, 6:46 A.M.), <https://www.globenewswire.com/news-release/2020/09/14/2092812/0/en/Consolidated-Communications-Announces-Strategic-Investment-from-Searchlight-Capital-Partners-Initiates-Refinancing.html>.

³⁴ See, e.g., *Northwest Fiber Order*, 34 FCC Rcd at 12346, ¶ 5; *Mitel Public Notice*, DA 18-1208, n.8.

its fiber infrastructure and increase fiber investments in underserved areas. Consolidated plans to expand 1 Gbps (gigabit-per-second) broadband coverage in its current network topography and improve operational efficiency across its 46,000 fiber route miles and two million fiber strand miles. Moreover, Consolidated intends to expand its commercial services and carrier solutions by leveraging consumer fiber buildouts to expand its network to include more than 57,000 fiber route miles in the United States. As part of its Northern New England build-out plan, for example, Consolidated will invest \$450 million in one million new and upgraded FTTH passings representing 64% of its total fiber passings.³⁵ The second stage of the Transaction represents a cornerstone of a multi-year initiative that will enable Consolidated to expand its infrastructure deployment and upgrade its advanced, high-speed broadband service offerings to its customers across all classes. Accordingly, granting the Petition will benefit the public interest.

V. INFORMATION REQUIRED BY SECTION 1.5001 OF THE FCC'S RULES

The information required by Section 1.5001 of the Commission's Rules is provided in Exhibits A, B, and C hereto.

³⁵ The company expects that, as a result of the Searchlight Aggregator investment, it will be able to offer 1 Gbps capability to 1.6 million customer locations (an increase from the 1 million locations previously planned), with approximately 74 percent of all locations passed having FTTH within five years.

VI. CONCLUSION

Based on the foregoing, Petitioners respectfully request that the Commission grant the instant Petition and issue a declaratory ruling that the proposed foreign ownership of Consolidated is in the public interest.³⁶

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January 5, 2021

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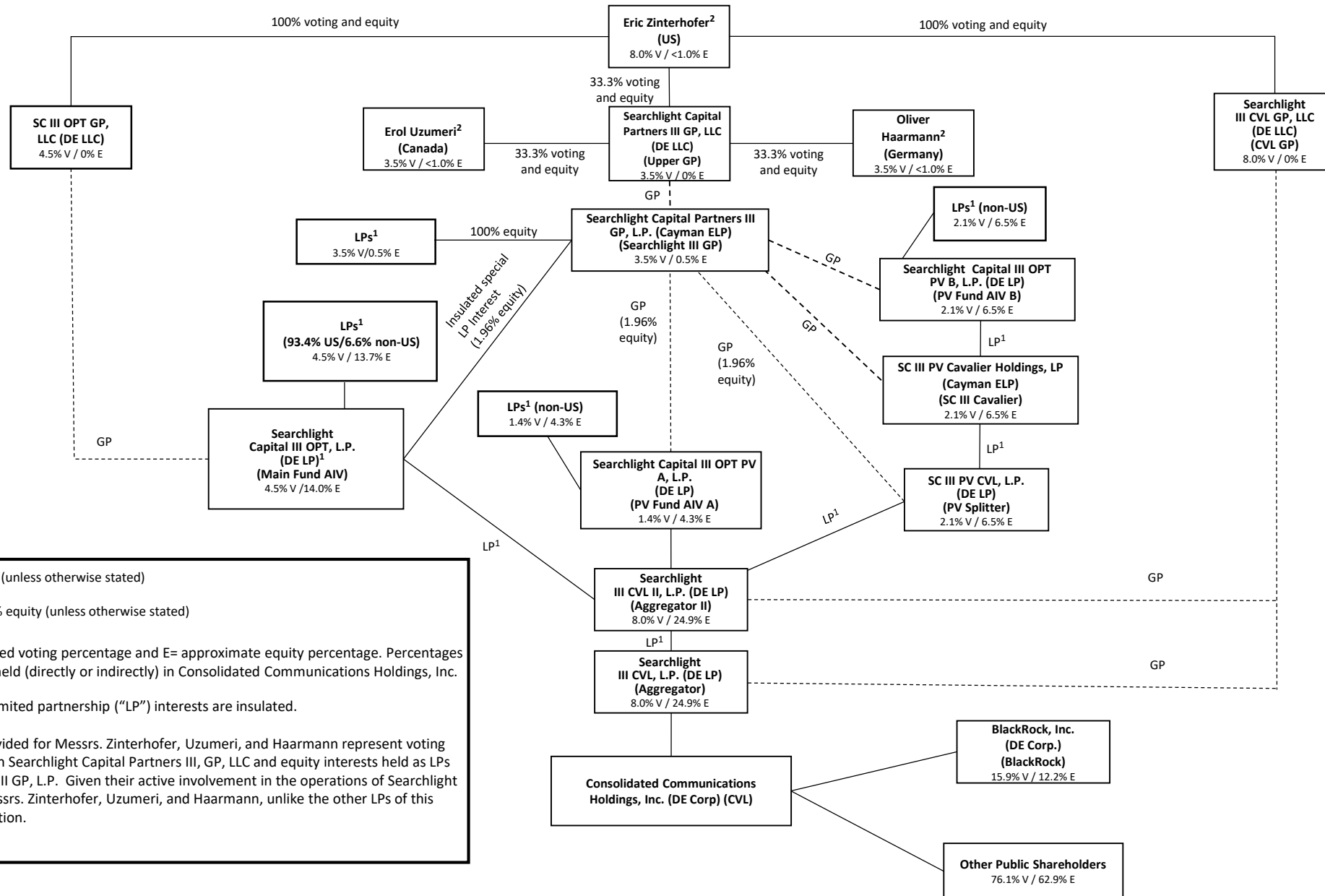
³⁶ To the extent necessary, Petitioners respectfully request that the declaratory ruling requested herein be subject to the routine terms and conditions set forth in Section 1.5004 of the Commission's Rules.

Schedule of Exhibits

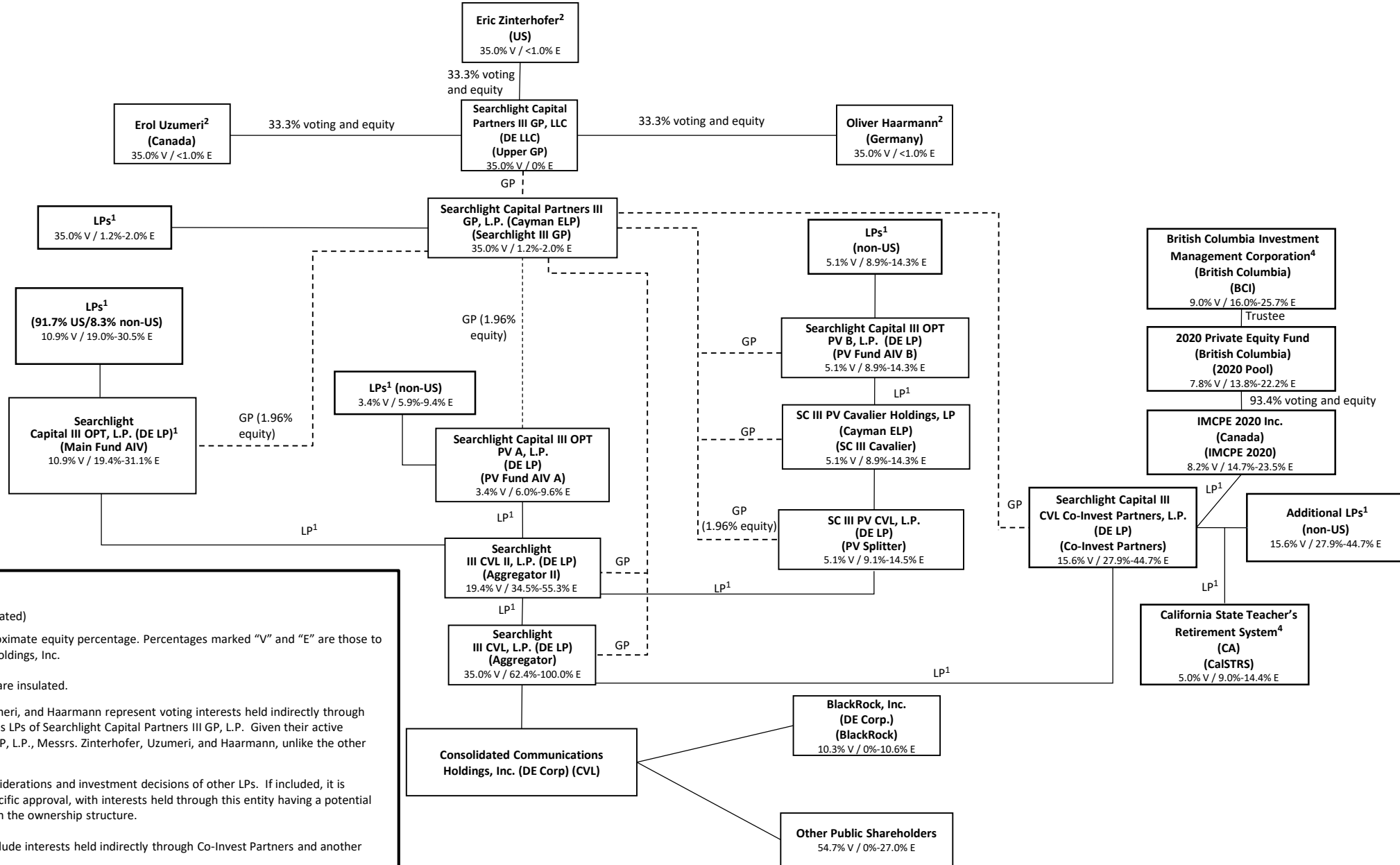
Exhibit A	Ownership and Control Structure (47 C.F.R. § 1.5001(h)(2))
Exhibit B	Information Required by Section 1.5001 of the Commission's Rules (47 C.F.R. § 1.5001)
Exhibit C	Certifications (47 C.F.R. §§ 1.5000(c)(1), 1.5001(I))

EXHIBIT A

**Searchlight Investment in Consolidated Communications Holdings, Inc. –
Initial Closing Structure Chart**



Searchlight Investment in Consolidated Communications Holdings, Inc. – Second Closing Structure Chart



— Indicates ownership (unless otherwise stated)

- - - - - Indicates control, 0% equity (unless otherwise stated)

V=approximate voting or deemed voting percentage and E= approximate equity percentage. Percentages marked "V" and "E" are those to be held (directly or indirectly) in Consolidated Communications Holdings, Inc.

¹ Unless otherwise stated, all limited partnership ("LP") interests are insulated.

² The percentage interests provided for Messrs. Zinterhofer, Uzumeri, and Haarmann represent voting interests held indirectly through Searchlight Capital Partners III, GP, LLC and equity interests held as LPs of Searchlight Capital Partners III GP, L.P. Given their active involvement in the operations of Searchlight Capital Partners III GP, L.P., Messrs. Zinterhofer, Uzumeri, and Haarmann, unlike the other LPs of this entity, are not subject to insulation.

³ May be included in final structure depending on certain tax considerations and investment decisions of other LPs. If included, it is anticipated that all LPs will be insulated and none will require specific approval, with interests held through this entity having a potential dilutive effect on the percentage interests held by other entities in the ownership structure.

⁴ The percentage interests provided for these limited partners include interests held indirectly through Co-Invest Partners and another Searchlight fund in which they are insulated limited partners.

EXHIBIT B

EXHIBIT B

Pursuant to Section 1.5001 of the Commission's Rules, Petitioners provide the following information in support of the Petition.

I. Section 1.5001(a) – Contact Information, FRN, Place of Organization, and Type of Business, and Certification Information

Consolidated:

Name:	Consolidated Communications Holdings, Inc.
FRN:	007494776
Address:	350 S. Loop 336W Conroe, TX 77304
Citizenship:	U.S. (Delaware)
Telephone:	724-449-2545
Fax:	936-788-1229
Email:	Michael.shultz@consolidated.com
Entity Type:	Corporation
Type of Business:	Telecommunications holding company
Certifying Officer:	Michael J. Shultz Senior Vice President Regulatory & Public Policy

Searchlight Aggregator:

Name:	Searchlight III CVL, L.P.
FRN:	0030061345
Address:	c/o Searchlight Capital Partners, L.P. 745 5 th Avenue 27th Floor New York, NY 10151
Citizenship:	U.S. (Delaware)
Telephone:	212-293-3730
Entity Type:	Limited Partnership
Type of Business:	Investment Activities
Certifying Officer:	Nadir Nurmohamed Chief Compliance Officer and Senior Counsel

II. Section 1.5001(b) – Legal Counsel Contact Information

Counsel for Consolidated:

Name: Karen Brinkmann
Karen Brinkmann PLLC
Address: 1800 M Street, NW
Suite 800-North
Washington, D.C. 20036
Telephone: 202-365-0325
Email: kb@karenbrinkmann.com

Counsel for Searchlight Aggregator:

Name: Megan L. Brown, Eve Klindera Reed, Wayne Johnsen,
Stephen Conley
Address: Wiley Rein LLP
1776 K Street, NW
Washington, DC 20006
Telephone: 202-719-7000
Fax: 202-719-7010
Email: mbrown@wiley.law, ereed@wiley.law, wjohnsen@wiley.law,
sconley@wiley.law

III. Section 1.5001(c)(1) – Licensees Covered by Declaratory Ruling

The declaratory ruling is requested for the Consolidated Licensees, which hold, among other things, the following authorizations subject to Section 310(b)(4):

Consolidated Licensee	Call Sign	Radio Service
Consolidated Communications of Northern New England Company, LLC (formerly Northern New England Telephone Operations LLC)	WQNC474	CF - Common Carrier Fixed Point to Point Microwave
	WQNC476	CF - Common Carrier Fixed Point to Point Microwave
	WQNF951	CF - Common Carrier Fixed Point to Point Microwave
	WQNF952	CF - Common Carrier Fixed Point to Point Microwave
	WBB246	CF - Common Carrier Fixed Point to Point Microwave
	WHE285	CF - Common Carrier Fixed Point to Point Microwave

Consolidated Licensee	Call Sign	Radio Service
	WRJM489	CF - Common Carrier Fixed Point to Point Microwave
	WRJM496	CF - Common Carrier Fixed Point to Point Microwave
	WRJM497	CF - Common Carrier Fixed Point to Point Microwave
	WRJM504	CF - Common Carrier Fixed Point to Point Microwave
	WRJM505	CF - Common Carrier Fixed Point to Point Microwave
	WRJM507	CF - Common Carrier Fixed Point to Point Microwave
	WRJW713	CF - Common Carrier Fixed Point to Point Microwave
Consolidated Communications of Washington Company, LLC (formerly Ellensburg Telephone Company)	WBA948	CF - Common Carrier Fixed Point to Point Microwave
	WLA950	CF - Common Carrier Fixed Point to Point Microwave
	WLA951	CF - Common Carrier Fixed Point to Point Microwave
Consolidated Communications Enterprise Services, Inc.	WRDY422	MM – Millimeter Wave 70/80/90 GHz Service
	WRFV366	UU – Upper Microwave Flexible Use
	WRFV367	UU – Upper Microwave Flexible Use

IV. Section 1.5001(c)(2) – Associated Applications

Pursuant to Section 1.948(b)(1) of the FCC’s rules, Petitioners have filed applications on FCC Form 603 seeking approval for the *de jure* transfer of control of the wireless licenses held by the Consolidated Licensees that will occur due to the net transfer of more than 50% of the total stock (voting and non-voting) of Consolidated Communications Holdings, Inc. as of the closing of the second stage of the Transaction.

V. Section 1.5001(d) – Type of Declaratory Ruling

Petitioners seek a declaratory ruling under Section 1.5000(a)(1).

VI. Section 1.5001(e) and (g) – Disclosable Interest Holders—Direct Ownership Information: Equity/Voting Interests of 10 Percent or More

Following consummation of the second stage of the Transaction, the following entities may directly hold ten percent or more of the equity interests and/or voting interests in Consolidated:

Name: Searchlight III CVL, L.P.
Address: c/o Searchlight Capital Partners, L.P.
745 5th Avenue

Citizenship: 27th Floor
New York, NY 10151
Entity Type: U.S. (Delaware)
Principal Business(es): Limited Partnership
Percent to be Held: Investment Activities
62.4-100.0% equity/35.0% voting

Name: BlackRock, Inc.
Address: 55 E. 52nd Street
New York, NY 10055
Citizenship: U.S. (Delaware)
Entity Type: Corporation
Principal Business(es): Investment Activities
Percent to be Held: 0%-10.6% equity/10.3% voting

VII. Section 1.5001(f) and (g) – Disclosable Interest Holders— Indirect Ownership Information: Equity/Voting Interests of 10 Percent or More

Following consummation of the second stage of the Transaction, the following entities may indirectly hold ten percent or more of the equity interests and/or voting interests in Consolidated:¹

Name: Searchlight III CVL II, L.P.
Address: c/o Searchlight Capital Partners, L.P.
745 5th Avenue
27th Floor
New York, NY 10151
Citizenship: U.S. (Delaware)
Entity Type: Limited Partnership
Principal Business(es): Investment Activities
Percent to be Held: 34.5-55.3% equity/19.4% voting

Name: Searchlight Capital III CVL Co-Invest Partners, L.P.
Address: c/o Searchlight Capital Partners, L.P.
745 5th Avenue
27th Floor
New York, NY 10151
Citizenship: U.S. (Delaware)
Entity Type: Limited Partnership
Principal Business(es): Investment Activities
Percent to be Held: 27.9-44.7% equity/15.6% voting

¹ Percentage interests to be held are approximate.

Name: Searchlight Capital Partners III GP, L.P.
Address: c/o Searchlight Capital Partners, L.P.
745 5th Avenue
27th Floor
New York, NY 10151
Citizenship: Cayman Islands
Entity Type: Limited Partnership
Principal Business(es): Investment Activities
Percent to be Held: 1.2-1.96% equity/35.0% voting

Name: Erol Uzumeri
Address: c/o Searchlight Capital Partners, L.P.
22 Adelaide Street West
35th Floor
Toronto, ON M5H 4E3
Canada
Citizenship: Canada
Entity Type: Individual
Principal Business(es): N/A
Percent to be Held: <1.0% equity/35.0% voting

Name: Eric Zinterhofer
Address: c/o Searchlight Capital Partners, L.P.
745 5th Avenue
27th Floor
New York, NY 10151
Citizenship: U.S.
Entity Type: Individual
Principal Business(es): N/A
Percent to be Held: <1.0% equity/35.0% voting

Name: Oliver Haarmann
Address: c/o Searchlight Capital Partners, L.P.
56 Conduit Street
4th Floor
London W1S 2YZ
United Kingdom
Citizenship: Germany
Entity Type: Individual
Principal Business(es): N/A
Percent to be Held: <1.0% equity/35.0% voting

Name: Searchlight Capital Partners III GP, LLC
Address: c/o Searchlight Capital Partners, L.P.
745 5th Avenue
27th Floor
New York, NY 10151
Citizenship: U.S. (Delaware)
Entity Type: Limited Liability Company
Principal Business(es): Investment Activities
Percent to be Held: 0% equity/35.0% voting

Name: SC III PV CVL, L.P.
Address: c/o Searchlight Capital Partners, L.P.
745 5th Avenue
27th Floor
New York, NY 10151
Citizenship: U.S. (Delaware)
Entity Type: Limited Partnership
Principal Business(es): Investment Activities
Percent to be Held: 9.1-14.5% equity/5.1% voting

Name: SC III PV Cavalier Holdings, LP
Address: c/o Searchlight Capital Partners, L.P.
745 5th Avenue
27th Floor
New York, NY 10151
Citizenship: Cayman Islands
Entity Type: Limited Partnership
Principal Business(es): Investment Activities
Percent to be Held: 8.9-14.3% equity/5.1% voting

Name: Searchlight Capital III OPT PV B, L.P.
Address: c/o Searchlight Capital Partners, L.P.
745 5th Avenue
27th Floor
New York, NY 10151
Citizenship: U.S. (Delaware)
Entity Type: Limited Partnership
Principal Business(es): Investment Activities
Percent to be Held: 8.9-14.3% equity/5.1% voting

Name: Searchlight Capital III OPT PV A, L.P.
Address: c/o Searchlight Capital Partners, L.P.
745 5th Avenue
27th Floor
New York, NY 10151

Citizenship: U.S. (Delaware)
Entity Type: Limited Partnership
Principal Business(es): Investment Activities
Percent to be Held: 6.0-9.6% equity/3.4% voting

Name: Searchlight Capital III OPT, L.P.
Address: c/o Searchlight Capital Partners, L.P.
745 5th Avenue
27th Floor
New York, NY 10151

Citizenship: U.S. (Delaware)
Entity Type: Limited Partnership
Principal Business(es): Investment Activities
Percent to be Held: 19.4-31.1% equity/10.9% voting

Name: IMCPE 2020 Inc.
Address: c/o British Columbia Investment Management Corporation
750 Pandora Avenue
Victoria BC
V8W 0E4
Canada

Citizenship: Canada
Entity Type: Corporation
Principal Business(es): Investments
Percent to be Held: 14.7-23.5% equity/8.2% voting

Name: 2020 Private Equity Fund (“2020 Pool”)
Address: c/o British Columbia Investment Management Corporation
750 Pandora Avenue
Victoria BC
V8W 0E4
Canada

Citizenship: British Columbia
Entity Type: Pooled Investment Portfolio²
Principal Business(es): Investments
Percent to be Held: 13.8-22.2% equity/7.8% voting

Name: British Columbia Investment Management Corporation
Address: 750 Pandora Avenue

² The unitholders of the 2020 Pool, which are entitled to certain payments based on the returns generated by the assets in the 2020 Pool, are a group of British Columbia public pension funds, none of which will have an indirect voting or equity interest of 10 percent or more in Consolidated.

Victoria BC
V8W 0E4
Canada
Citizenship: British Columbia
Entity Type: British Columbia Statutory Corporation
Principal Business(es): Investment management
Percent to be Held: 16.0-25.7% equity/9.0% voting³

Name: California State Teachers' Retirement System
Address: P.O. Box 15275
Sacramento, CA 95851-0275
Citizenship: U.S. (California)
Entity Type: Pension Fund
Principal Business(es): Investments
Percent to be Held: 9.0-14.4% equity/5.0% voting⁴

Other than the interest holders identified in Sections VI and VII above, no other entity or individual will, upon consummation of the second stage of the Transaction, directly or indirectly hold 10 percent or more of the equity interests and/or voting interests in Consolidated.

VIII. Section 1.5001(h)(1) – Estimate of aggregate foreign ownership.

Prior to the First Stage of the Transaction: In Consolidated's reasonable estimation, following due inquiry, the aggregate foreign ownership in Consolidated prior to the Transaction was less than five percent. Specifically, Consolidated, a publicly traded, widely held company, conducted a thorough review of publicly available investor information, including information provided through a "market intelligence" subscription service and direct inquiry of significant holders. Consolidated reviewed its most recent registered stockholder list based on its 2020 proxy record date and identified stockholders that it believes to be foreign with aggregate ownership of less than approximately 0.01 percent of Consolidated's then-outstanding common stock. The Company also confirmed that no directors, officers or other known stockholders would be deemed foreign. To the Company's knowledge, there are no non-registered voting shares held by beneficial owners required to make filings with the Securities and Exchange Commission (SEC) pursuant to the Securities Exchange Act of 1934, and no other non-U.S. stockholders known to the Company

³ The percentage interests provided for British Columbia Investment Management Corporation include interests held indirectly through both IMCPE 2020 Inc. and another subsidiary that is an insulated limited partner in another Searchlight fund involved in this Transaction.

⁴ The percentage interests provided for California State Teachers' Retirement System include interests held indirectly as an insulated limited partner of both Co-Invest Partners and another Searchlight fund involved in this Transaction.

based on financing transactions, litigation, proxy votes or other ordinary course communications with investors.

Consolidated also subscribes to a NASDAQ market intelligence platform that provides detailed stockholder information based on public SEC filings (i.e., Mutual Fund (MF) and Schedule 13F filings). Based on reporting from NASDAQ, the Company calculates that non-U.S. persons or entities owned or controlled less than five percent of its total stockholdings (both direct and indirect) prior to the first stage of the Transaction. Consolidated viewed all Schedule 13G filings made with the SEC by, and made direct inquiries of, each of the Company's five percent stockholders (BlackRock, Inc. ("BlackRock")), The Vanguard Group, Inc. ("Vanguard"), Dimensional Fund Advisors and Private Management Group) in an attempt to further validate any indirect equity or voting interests by foreign holders.

Based on its review of all these sources, Consolidated identified fewer than 150 shareholders that it believes to be foreign, and determined that none of those by itself holds more than one-third of one percent of the company's equity or voting equity. Consolidated further determined that in the aggregate these shareholders owned less than five percent of the company's equity and voting equity prior to the Transaction. In addition, Consolidated made direct inquiry of BlackRock, the only shareholder to its knowledge that had ten percent or more of Consolidated's equity or voting equity prior to the Transaction. BlackRock, the world's largest asset manager, reports less than two percent foreign ownership. BlackRock has no shareholder with ten percent or more of its equity or voting equity. BlackRock reports that its only shareholder with five percent or more of its equity or voting equity is Vanguard, a U.S.-based investment company like BlackRock. Based on publicly available information, less than two-tenths of one percent of Vanguard shareholders are foreign. Through BlackRock's estimated 16.5 percent ownership of Consolidated,⁵ that foreign ownership of Consolidated is *de minimis*. Thus, in the aggregate, Consolidated reasonably believes that less than 5 percent of its equity as well as its voting equity was foreign-owned prior to the first stage of the Transaction.

As of the closing of the First Stage of the Transaction: On October 2, 2020, Searchlight Aggregator acquired (i) newly-issued shares of common stock such that it owned 8 percent of the common stock (voting equity) of Consolidated post-issuance and (ii) a CPR that is convertible into up to an additional 16.9 percent of Consolidated's common stock. This diluted Blackrock's holding, and diluted Consolidated's previous foreign owners (not including Searchlight Aggregator) to holding less than a 4.6 percent voting interest and less than a 3.75 percent total equity interest (treating the CPR as equity).

⁵ As reported on BlackRock's Schedule 13-G filing submitted to the SEC reporting beneficial ownership as of December 31, 2019, BlackRock held an estimated 16.5 percent equity and voting interest in Consolidated. As of the closing of the first stage of the Transaction, BlackRock's total equity ownership interest in Consolidated was approximately 12.2 percent, and its voting interest was approximately 15.9 percent.

Under the Commission's foreign ownership rules, Consolidated's foreign ownership must be evaluated for compliance with respect to both aggregate voting and equity interests. With regard to voting interests, because foreign ownership of common voting shares prior to the issuance of common stock to Aggregator was less than 5 percent and the existing foreign owners were diluted to holding less than 4.6 percent of the total common shares at the first closing, Searchlight Aggregator's acquisition of 8 percent of the common voting shares was in compliance with the foreign ownership restrictions.⁶

For purposes of determining compliance with the limitation on foreign equity, Consolidated considered both the voting common stock and the CPR issued to Searchlight Aggregator, which together, would comprise 24.9 percent of Consolidated's equity. As described more fully in the Petition, the sole limited partner of Searchlight Aggregator is Searchlight Aggregator II, a Delaware limited partnership.⁷ Searchlight Aggregator and Searchlight Aggregator II are controlled by Searchlight III CVL GP, LLC, a Delaware limited liability company wholly owned by Eric Zinterhofer, a U.S. citizen.

Searchlight Aggregator II, in turn, has three insulated limited partners, Main Fund AIV, PV Fund AIV A and PV Fund Splitter, each a Delaware limited partnership. Main Fund AIV holds an approximate 56.3 percent equity interest in Searchlight Aggregator II, PV Fund AIV A holds an approximate 17.4 percent equity interest in Searchlight Aggregator II, and PV Splitter holds an approximate 26.3 percent equity interest in Searchlight Aggregator II.

The limited partners of Main Fund AIV, all of which are insulated in accordance with the Commission's rules, were approximately 91.4 percent U.S. and 8.6 percent non-U.S. as of the first closing. Accordingly, the indirect foreign equity in Consolidated attributable to Main Fund AIV was approximately 1.2 percent ($24.9\% \times 56.3\% \times 8.6\% = 1.2\%$) as of the first closing.⁸

⁶ As explained in the Petition, the CPR issued to Searchlight Aggregator at the closing of the first stage of the Transaction is convertible into an additional 16.1 percent of Consolidated's common stock upon receipt of various state public utility commission and shareholder approvals. If fully converted, Searchlight Aggregator would hold 24.9 percent of Consolidated's common stock. Such conversion would further dilute Consolidated's existing foreign owners below 4.6 percent and, based on the same methodology discussed below (and taking into account the addition of Co-Invest Partners as an insulated limited partner of Searchlight Aggregator and the partial funding of investor commitments therein), the foreign voting percentage attributable to Searchlight Aggregator would be, at most, approximately 12.7 percent. Thus, even putting aside the dilutive effect that conversion would have on Consolidated's existing foreign shareholders, its aggregate foreign voting percentage would be less than 17.3 percent if the CPR issued at the closing of the first stage of the Transaction were fully converted to common stock.

⁷ Searchlight Aggregator II is insulated in accordance with Section 1.5003 of the Commission's rules.

⁸ Following the first closing, one of the U.S. insulated limited partners in Main Fund AIV increased its equity commitment, causing the total foreign ownership of the Main Fund AIV's limited

The limited partners of PV Fund AIV A and PV Splitter, all of which are insulated in accordance with the Commission's rules, are all non-U.S. Accordingly, the foreign equity in Consolidated attributable to PV Fund AIV A is approximately 4.3 percent ($24.9\% \times 17.4\% = 4.33\%$) and the foreign equity attributable to PV Splitter is approximately 6.6 percent ($24.9\% \times 26.3\% = 6.55\%$). In total, therefore, the foreign equity attributable to Searchlight Aggregator is approximately 12.1 percent ($1.2\% + 4.3\% + 6.6\% = 12.1\%$). Added to the existing foreign ownership of Consolidated's total equity, which as discussed above is believed to be at most 3.75 percent following the first closing, the parties estimate that aggregate foreign equity ownership in Consolidated after consummation of the first stage of the transaction was less than 15.85 percent.

Current foreign ownership: As discussed in the Petition, Co-Invest Partners became an additional insulated limited partner in Searchlight Aggregator after the closing of the first stage of the Transaction, and a portion of the additional indirect investment was made by non-U.S. entities.⁹ Using the methodology set forth above, Searchlight Aggregator (and Consolidated) have been monitoring compliance with the foreign ownership restrictions (on both a voting and equity basis) and have ensured that the Company's aggregate foreign equity and voting interests have remained below 25 percent, and will continue to do so, until after the FCC issues a declaratory ruling authorizing greater foreign ownership.

Specifically, the addition of Co-Invest Partners as an insulated limited partner in Searchlight Aggregator (and the partial funding of commitments made by the insulated limited partners of Co-Invest Partners) diluted the indirect equity interests held by Main Fund AIV, PV Fund AIV A, and PV Fund Splitter. Following these changes, Co-Invest Partners holds approximately a 44.7 percent direct interest in Searchlight Aggregator, while Main Fund AIV holds approximately a 31.1 percent indirect equity interest, PV Fund AIV A holds approximately a 9.6 percent indirect interest, and PV Fund Splitter holds approximately a 14.5 percent indirect interest in Searchlight Aggregator.

partners to decrease to 8.3 percent. This change did not materially alter Consolidated's aggregate foreign ownership. To the extent that other similar changes may occur within the Searchlight funds, Searchlight Aggregator (and Consolidated) will ensure that any additional foreign ownership attributable to such changes does not cause Consolidated's aggregate foreign equity or voting ownership to exceed 25 percent prior to the grant of a declaratory ruling or require prior specific approval without obtaining such approval.

⁹ As noted in the Petition, IMCPE 2020, a subsidiary of Canadian British Columbia Investment Management Corporation, became an insulated member of Co-Invest Partners and funded a portion of its commitment after the closing of the first stage of the Transaction. Three additional insulated limited partners of Co-Invest Partners have also funded portions of their commitments since the closing of the first stage of the Transaction, one of which is non-U.S. These investments diluted the indirect equity interests currently held by Main Fund AIV, PV Fund AIV A, and PV Splitter (as well as the indirect foreign ownership in Consolidated attributable to each of the funds).

The limited partners of Co-Invest Partners, all of which are insulated in accordance with the Commission's rules, are approximately 45.5 percent U.S. and 54.5 percent non-U.S. Accordingly, the indirect foreign equity in Consolidated attributable to Co-Invest Partners is approximately 6.1 percent ($24.9\% \times 44.7\% \times 54.5\% = 6.1\%$). As noted above, the insulated limited partners of Main Fund AIV are approximately 91.7 percent U.S. and 8.3 percent non-U.S. Accordingly, the indirect foreign equity in Consolidated attributable to Main Fund AIV is approximately 0.6 percent ($24.9\% \times 31.1\% \times 8.3\% = 0.6\%$). As also noted above, the insulated limited partners of both PV Fund AIV A and PV Fund Splitter are all non-U.S. Accordingly, the indirect foreign equity in Consolidated attributable to PV Fund AIV A is approximately 2.4 percent ($24.9\% \times 9.6\% = 2.4\%$) and the indirect foreign equity in Consolidated attributable to PV Fund Splitter is approximately 3.6 percent ($24.9\% \times 14.5\% = 3.6\%$).

In total, therefore, the foreign equity attributable to Searchlight Aggregator is approximately 14.4 percent ($6.1\% + 0.6\% + 2.4\% + 3.6\% = 12.7\%$). Added to the existing foreign ownership of Consolidated's total equity, which as discussed above is believed to be at most 3.75 percent following the first closing, the parties estimate that aggregate foreign equity ownership in Consolidated is less than 16.5 percent.

IX. Section 1.5001(h)(2) – Ownership and Control Structure Diagram

Exhibit A to the Petition contains diagrams depicting the ownership and control structure as required by Section 1.5001(h)(2). The percentages listed are calculated in accordance with the principles set forth in Sections 1.5002 and 1.5003 of the Commission's rules and reflect the indirect equity and voting interests that each entity will hold in Consolidated and the Consolidated Licensees.

X. Section 1.5001(i), (j), (k) – Requests for Specific Approval and Advance Approval

Petitioners request specific approval for each of the following Non-U.S. entities and individuals to hold, directly and/or indirectly, more than five percent, or more than ten percent for insulated entities, of the equity and/or voting interests in Consolidated, and advance approval for each of the following entities and individuals to hold, directly and/or indirectly, the percentage interests set forth below:¹⁰

¹⁰ As required by Section 1.5001(i) of the FCC's Rules, Petitioners are requesting specific approval for any foreign individual, entity, or group of such individuals or entities that holds, or would hold, directly and/or indirectly, more than 5 percent of the equity and/or voting interests, or a controlling interest, in Consolidated, or a 10 percent or greater interest for individuals or entities exempt from the 5 percent approval requirement under Section 1.5001(i)(3). Equity and voting interests held indirectly have been calculated in accordance with the principles set forth in §§ 1.5002 and 1.5003 of the Commission's Rules. Percentage interests to be held are approximate.

Name: Searchlight Capital Partners III GP, L.P.
Citizenship: Cayman Islands
Principal Business(es): Investment Activities
Entity Type: Limited Partnership
Percent to be Held: 1.2-1.96% equity/35.0% voting
Advance Approval
Request: 49.99% equity/49.99% voting

The following entities or individuals hold 10 percent or more of the equity interests and/or voting interests, or a controlling interest, in Searchlight Capital Partners III GP, L.P.:

Name	Citizenship
Searchlight Capital Partners III GP, LLC	U.S. (Delaware)

Name: Erol Uzumeri
Citizenship: Canada
Principal Business(es): N/A
Entity Type: Individual
Percent to be Held: <1.0% equity/35.0% voting
Advance Approval
Request: 49.99% equity/49.99% voting

Name: Oliver Haarmann
Citizenship: Germany
Principal Business(es): N/A
Entity Type: Individual
Percent to be Held: <1.0% equity/35.0% voting
Advance Approval
Request: 49.99% equity/49.99% voting

Name: SC III PV Cavalier Holdings, LP
Citizenship: Cayman Islands
Principal Business(es): Investment Activities
Entity Type: Limited Partnership
Percent to be Held: 8.9-14.3% equity/5.1% voting
Advance Approval
Request: 49.99% equity/49.99% voting

The following entities or individuals hold 10 percent or more of the equity interests and/or voting interests, or a controlling interest, in SC III PV Cavalier Holdings, LP:

Name	Citizenship
Searchlight Capital III OPT PV B, L.P.	U.S. (Delaware)
Searchlight Capital Partners III GP, L.P.	Cayman Islands

Name: IMCPE 2020 Inc.
Citizenship: Canada
Principal Business(es): Investment Activities
Entity Type: Corporation
Percent to be Held: 14.7-23.5% equity/8.2% voting
Advance Approval 49.99% equity/49.99% voting
Request:

The following entities or individuals will hold 10 percent or more of the equity interests and/or voting interests, or a controlling interest, in IMCPE 2020 Inc.:

Name	Citizenship
2020 Private Equity Fund	British Columbia

Name: 2020 Private Equity Fund (“2020 Pool”)
Citizenship: British Columbia
Principal Business(es): Investments
Entity Type: Pooled Investment Portfolio¹¹
Percent to be Held: 13.8-22.2% equity/7.8% voting
Advance Approval 49.99% equity/49.99% voting
Request:

The following entities or individuals will hold 10 percent or more of the equity interests and/or voting interests, or a controlling interest, in 2020 Private Equity Fund:

Name	Citizenship
British Columbia Investment Management Corporation	British Columbia

¹¹ As explained above, the unitholders of the 2020 Pool, which are entitled to certain payments based on the returns generated by the assets in the 2020 Pool, are a group of British Columbia public pension funds, none of which have a 10 percent or greater interest in the 2020 Pool, and none of which will have an indirect voting or equity interest of 10 percent or more in Consolidated.

Name: British Columbia Investment Management Corporation
Citizenship: British Columbia
Principal Business(es): Investment management
Entity Type: British Columbia Statutory Corporation
Percent to be Held: 16.0-25.7% equity/9.0% voting¹²
Advance Approval 49.99% equity/49.99% voting
Request:

Other than the interest holders identified above, no other Non-U.S. entity or individual will, upon consummation of the second stage of the Transaction, directly or indirectly, hold more than five percent, or more than ten percent for insulated entities, of the equity and/or voting interests in Consolidated.

XI. Section 1.5001(l) – Certifications

The certifications required by Section 1.5001(l) are attached as Exhibit C to the Petition.

¹² The percentage interests provided for British Columbia Investment Management Corporation include interests held indirectly through both IMCPE 2020 Inc. and another subsidiary that is an insulated limited partner in another Searchlight fund involved in this transaction.

EXHIBIT C

CERTIFICATION

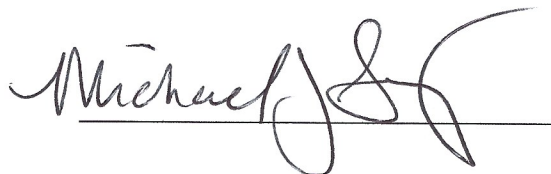
I, Michael Shultz, am the Senior Vice President, Regulatory & Public Policy, of Consolidated Communications Holdings, Inc. ("Consolidated"), and am an authorized officer of Consolidated.

I hereby certify, to the best of my knowledge, information, and belief, that:

1. All information contained in the foregoing Amended and Restated Petition for Declaratory Ruling (the "Petition") related to Consolidated is true and correct.
2. The ownership interests disclosed in the Petition related to Consolidated have been calculated based upon a review of the Commission's rules and the interests disclosed satisfy each of the pertinent standards and criteria set forth in the rules.

I certify under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed on January 5, 2021

A handwritten signature in black ink, appearing to read "Michael Shultz", is written over a horizontal line. The signature is stylized and cursive.

CERTIFICATION

I, Nadir Nurmohamed, am the Chief Compliance Officer and Senior Counsel of Searchlight III CVL GP, LLC, which is the general partner of Searchlight III CVL, L.P. (“Searchlight Aggregator”), and am an authorized officer of Searchlight III CVL GP, LLC. I hereby certify, to the best of my knowledge, information, and belief, that:

1. All information contained in the foregoing Amended and Restated Petition for Declaratory Ruling (“Petition”) related to Searchlight Aggregator and entities affiliated with Searchlight Aggregator is true and correct.

2. The ownership interests disclosed in the Petition related to Searchlight Aggregator and entities affiliated with Searchlight Aggregator have been calculated based upon a review of the Commission’s rules and the interests disclosed satisfy each of the pertinent standards and criteria set forth in the rules.

I certify under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed on January 5, 2021