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

In the Matter of	)
Kite Parent Corp. (a subsidiary of WideOpenWest Finance, LLC), and its subsidiaries	) ) ) )
Knology of the Plains, Inc., Knology of the Black Hills, LLC, Knology Community Telephone, Inc., Knology of South Dakota, Inc., and Black Hills Fiber Systems, Inc.	) ) ) ) File No
and	)
Clarity Telecom, LLC	) )
Application for Consent to the Sale of Assets Used in the Provision of Domestic Telecommunications Services and the	/ ) )
Assignment of International Authorizations	)
Pursuant to Section 214 of the Communications Act of 1934, as Amended	)

### JOINT DOMESTIC AND INTERNATIONAL APPLICATION (STREAMLINED PROCESSING REQUESTED)

Pursuant to Section 214 of the Communications Act of 1934, as amended, 47 U.S.C.

§ 214, and Sections 63.01, 63.03, 63.04, 63.18, and 63.24 of the Commission's rules, 47 C.F.R.

§§ 63.01, 63.03, 63.04, 63.18, and 63.24, Kite Parent Corp. (a subsidiary of WideOpenWest

Finance, LLC ("WOW!")), on behalf of itself and its subsidiaries Knology of the Plains, Inc.

("Knology Plains"), Knology of the Black Hills, LLC ("Knology Black Hills"), Knology

Community Telephone, Inc. ("Knology CT"), Knology of South Dakota, Inc. ("Knology SD"),

and Black Hills Fiber Systems, Inc. ("Black Hills Fiber," and together with each of the

foregoing, "WOW! South Dakota") and Clarity Telecom, LLC ("Clarity" and together with

WOW! South Dakota, the "Applicants") hereby request consent for the sale to Clarity of the assets of Knology Plains, Knology Black Hills, Knology CT and Knology SD used in the provision of domestic telecommunications services, and for the assignment to Clarity of the international Section 214 authorizations held by Knology SD and Black Hills Fiber.

The sale of assets and assignment of international authorizations will result from the consummation of an Asset Purchase Agreement ("Agreement"), dated June 12, 2014, between Clarity and WOW! South Dakota pursuant to which Clarity will acquire certain assets of WOW! South Dakota used in the business of providing residential and commercial cable television services, VoIP telephony, local exchange and interexchange services, and high speed Internet services in the states of South Dakota, Iowa and Minnesota. The proposed transaction will result in the sale of assets of Knology Plains, Knology Black Hills, Knology CT, and Knology SD as holders of blanket domestic Section 214 authorizations under Section 63.01 of the Commission's rules, 47 C.F.R. § 63.01. In addition, the proposed transaction will result in the assignment of international Section 214 authorizations held by Knology SD (see file No. ITC-214-20020619-00300) and Black Hills Fiber (see file No. ITC-214-19990625-00428). The proposed transaction will not result in a reduction or impairment of service to WOW! South Dakota's customers. For example, as described more fully below in the public interest statement, Clarity will continue to provide a high level of technical operations and customer service, and Clarity plans to make significant investments in the networks' hybrid fiber-coax architecture, existing copper plant and system electronics, and intends to double Internet access speeds available to subscribers.

The transaction raises no competitive issues. Clarity will continue to compete with other local providers in the local and long distance markets, as well as in the video and broadband markets. In addition, pursuant to Commission requirements, Clarity will file with the

Commission notification of the transaction and certify that all affected customers have been notified in writing of the proposed sale.<sup>1</sup> Various WOW! South Dakota entities also hold private radio licenses, a receive-only satellite earth station registration, and an open video system authorization. The assignment of the licenses is the subject of related applications being filed with the Commission.<sup>2</sup>

As specified by Section 63.04(b) of the Commission's rules, 47 C.F.R. § 63.04(b), the Applicants provide the additional information required for the transfer of control of the assets used in the provision of domestic telecommunications services arising from the transaction in Exhibit B. In Section IV of this Joint Application, the Applicants provide the information required by Sections 63.18 and 63.24 of the Commission's rules, 47 C.F.R. §§ 63.18 and 63.24, for assignment of the international authorizations held by the WOW! South Dakota entities.

*Request for Streamlined Treatment.* Applicants respectfully request streamlined treatment of both the domestic and international components of this Joint Application pursuant to Sections 63.03 and 63.12 of the Commission's rules, 47 C.F.R. §§ 63.03 and 63.12, respectively.

Streamlined treatment of the Applicants' request for authority to transfer control of the assets of the WOW! South Dakota entities used in the provision of domestic telecommunications services is appropriate because the transfer is entitled to presumptive streamlining under Section 63.03(b)(1) of the Commission's rules. Clarity, the transferee, is not currently a telecommunications provider, and the proposed transaction involves only the transfer of the local exchange assets of an incumbent LEC by means other than an acquisition of corporate control.<sup>3</sup>

<sup>&</sup>lt;sup>1</sup> Clarity and WOW! South Dakota also plan to send a joint notification letter to each affected customer.

 $<sup>^{2}</sup>$  Exhibit A is a list of those authorizations that are the subject of the related applications and post-transaction notifications.

<sup>&</sup>lt;sup>3</sup> See 47 C.F.R. § 63.03(b)(1).

The Applicants' request for consent to assign the international Section 214 authorizations qualifies for streamlined processing under Section 63.12 of the Commission's rules because, in accordance with Section 63.12(c), neither WOW! South Dakota nor Clarity is affiliated with any foreign or dominant U.S. carrier. Furthermore, this Joint Application does not request authority to provide switched basic services over private lines to a country for which the Commission has not previously authorized the provision of switched services over private lines. In the alternative, should streamlined processing not be conferred on this Application, Applicants seek expedited processing to enable closing to occur by no later than September 30, 2014.

### I. DESCRIPTION OF THE APPLICANTS

#### A. WOW! South Dakota

WOW! is a diversified communications service provider holding company with corporate headquarters in Englewood, Colorado. Through its operating subsidiaries, WOW! provides an array of communications, video, and broadband services, including digital cable, HDTV, DVR, high speed Internet, and local and long distance phone services. WOW!'s wholly-owned subsidiary, Kite Parent Corp., through its subsidiary, Knology SD, is the parent company of Knology Plains, Knology Black Hills, Knology CT, and Black Hills Fiber.

Knology CT is a rural ILEC and former cooperative, which provides voice services in 26 rural communities in southeastern South Dakota. Knology Plains is a rural CLEC, which provides facilities-based competitive voice, cable and broadband Internet access services in Sioux Falls, South Dakota and 39 rural communities in eastern South Dakota, southwestern Minnesota and Storm Lake, Iowa. Knology Black Hills (a direct subsidiary of Black Hills Fiber) is a rural CLEC which provides facilities-based competitive voice, cable and broadband Internet access services in Rapid City, South Dakota and 11 other rural communities in an area of the Black Hills of western South Dakota known as the Northern Hills. The WOW! South Dakota companies provide communications services over their own fiber optic, copper, and coaxial cable facilities throughout their service areas and also provide interexchange services through resale arrangements with other carriers.

#### B. Clarity

Clarity is a newly formed telecom provider headquartered in Sikeston, Missouri. Clarity is managed by a team of experienced telecom professionals who have operated cable television systems together for more than twenty years, providing video programing services and a suite of advanced communications services, including high speed Internet access, digital voice, home monitoring, whole home solutions, and fiber optic transport connectivity. Clarity's management team previously managed and operated NewWave Communications, an integrated cable operator providing video, broadband and digital voice services to 160,000 customers in Kentucky, Tennessee, Indiana, Illinois, southeast Missouri, and northeast Arkansas until its sale through multiple dispositions, the last in May 2013. The President and CEO of Clarity is James M. Gleason; its Chief Financial Officer is J. Keith Davidson; and its Executive Vice President and Chief Operating Officer is Larry Eby. Messrs. Gleason, Davidson, and Eby, were, respectively, the CEO, CFO, and COO of NewWave Communications until its sale.

### II. DESCRIPTION OF THE TRANSACTION

As a result of the Agreement, the assets of the WOW! South Dakota companies used in the provision of domestic telecommunications services will be acquired by Clarity, and the international Section 214 authorizations held by the WOW! South Dakota companies will be assigned to Clarity. The Applicants expect the transactions to close on or prior to September 30, 2014.

Consummation of the transactions described in the Agreement will be transparent and have no adverse impact on consumers. While service will be provided under the Clarity name,

this company will continue to provide high-quality communications services to their customers without interruption. There will be no changes in rates, terms or conditions for local telephone services offered in the exchanges following their purchase by Clarity resulting from the transaction.

A diagram of the corporate structure of Clarity is provided in Exhibit C.

#### III. PUBLIC INTEREST STATEMENT

The sale of the assets of WOW! South Dakota to Clarity will serve the public interest, convenience and necessity.

Clarity will utilize a state-of-the-art computer system and an in-house customer service and marketing training program to ensure high-quality service and to smoothly assimilate newly acquired networks into the company's operations. The company has developed an operating philosophy and procedures specifically to enhance management's ability to operate mid-size networks by performing all customer service, technical service, billing, payment and data processing in-house. This enables the company to provide a high level of technical operations and customer service. Clarity has a strong customer service orientation, including through a dispatch system that allows its field personnel to operate systems in the most efficient manner while providing customer repairs in a timely manner. The company plans to invest in both the networks' hybrid fiber-coax (HFC) architecture, as well as in existing copper plant, and through these and investments in system electronics, it intends to double Internet access speeds available to subscribers.

The transaction raises no competitive issues. Clarity will continue to compete with other local providers in the local and long distance markets, as well as in the video and broadband markets.

## IV. REQUEST TO ASSIGN THE INTERNATIONAL SECTION 214 AUTHORIZATION UNDER SECTION 63.24

In support of this Joint Application, the Applicants submit the following information

pursuant to Section 63.24(e) of the Commission's Rules, including the information requested in

Section 63.18(a)-(d) and (h)-(p), 47 C.F.R. §§ 63.18(a)-(d), (h)-(p), 63.24(e):

(a) Name, address and telephone number of Applicants:

Kite Parent Corp. (Parent of Transferors/Assignors) 7887 East Belleview Avenue Suite 1000 Englewood, CO 80111 (720) 479-3500

Knology of the Plains, Inc. (Transferor) Knology of the Black Hills, LLC (Transferor) Knology Community Telephone, Inc. (Transferor) Knology of South Dakota, Inc. (Transferor/Assignor) Black Hills Fiber Systems, Inc. (Assignor) 7887 East Belleview Avenue Suite 1000 Englewood, CO 80111 (720) 479-3500

Clarity Telecom, LLC (Transferee/Assignee) 104 East Center Street, Suite 201 Sikeston, MO 63801 Phone: (573) 481-2265

(b) Kite Parent Corp. is a corporation organized under the laws of the State of

Delaware. Kite Parent Corp's telecommunications subsidiaries, Knology Plains, Knology CT,

Knology SD, and Black Hills Fiber, are South Dakota corporations. Knology Black Hills is a

South Dakota limited liability company. Clarity is a Delaware limited liability company.

(c) Contact Persons concerning this Application are:

If to Transferors/Assignors:

Craig Martin General Counsel and Secretary WOW! Internet, Cable & Phone 259 E. Michigan Avenue Kalamazoo, Michigan 49007 Phone: (269) 567-4200 E-mail: cmartin@wideopenwest.com

with a copy to:

Howard Liberman Drinker Biddle & Reath LLP 1500 K Street, N.W., Suite 1100 Washington, DC 20005 Phone: (202) 842-8800 E-mail: howard.liberman@dbr.com

If to Tranferees/Assignees: J. Keith Davidson Chief Financial Officer Clarity Telecom, LLC 104 East Center Street, Suite 201 Sikeston, MO 63801 Phone: (573) 481-2265 Email: kdavidson@claritycomm.net

with a copy to:

Martin L. Stern Jennifer E. Paul K&L Gates LLP 1601 K Street, N.W. Washington, DC 20006 Phone: (202) 778-9000 E-mail: marty.stern@klgates.com

(d) WOW! South Dakota. Knology SD and Black Hills Fiber each hold global

Section 214 grants of authority to provide international services on a facilities and resale basis

(see, respectively, File Nos. ITC-214-20020619-00300 and ITC-214-19990625-00428).

Clarity. Clarity is a newly formed telecommunications provider that does not hold

international Section 214 authorizations.

(e) Ten Percent or Greater Interest Holders in Clarity.

Clarity is a Delaware limited liability company. Upon closing of the transaction, Clarity Telecom Holdings, LLC ("Clarity Holdings") a Delaware limited liability company, will be the sole member of Clarity.

Upon closing of the transaction, Pamlico Capital III, L.P., a Delaware limited partnership, will be the sole 10% or greater voting interest holder in Clarity Holdings, with between 80% and 90% of the voting interest in Clarity Holdings. Pamlico Capital III, LP is headquartered in the United States with its principal office and place of business at 150 N. College Street, Suite 2400, Charlotte, NC 28202 (the "Pamlico Office"). The general partner of Pamlico Capital III, LP is Pamlico Capital GP III, LLC, a Delaware limited liability company also headquartered in the United States at the Pamlico Office in Charlotte, NC.<sup>4</sup>

The sole 10% or greater limited partners in Pamlico Capital III, LP are AlpInvest Partners, Inc. and HarbourVest Partners, LLC which, through various limited partnership funds, hold approximately 11.5% and 16.2% respectively, of the limited partnership interests in Pamlico Capital III, LP. AlpInvest is a Netherlands-based investment fund with its principal office and place of business in Amsterdam. Harbourvest is a U.S.-based investment fund with its principal office and place of business in Boston, MA. Pursuant to the Pamlico Capital III, LP partnership agreement, its limited partners have no material involvement, directly or indirectly, in the management or operation of the limited partnership.

The sole 10% or greater interest holders in Pamlico Capital GP III, LLC, with each holding between 10% to 20%, are Scott Perper, Watts Hamrick, Eric Eubank, Art Roselle,

<sup>&</sup>lt;sup>4</sup> Pamlico Capital is a U.S. private equity firm headquartered at the Pamlico Office in Charlotte, N.C. Pamlico Capital was formerly the private equity business and division of Wachovia National Bank, known as Wachovia Capital Partners. Following Wachovia's acquisition by Wells Fargo in 2008, Wachovia Capital Partners was spun out from Wells Fargo and renamed Pamlico Capital.

Scott Stevens, and Walker Simmons, all of whom are U.S. citizens with their principal place of business at the Pamlico Office in Charlotte.

(f) As evidenced by the certification attached hereto in Exhibit D, Clarity is not a foreign carrier and is not currently affiliated with a foreign carrier.

(g) As evidenced by the certification attached hereto in Exhibit D, Clarity does not seek to provide either prior to or following the contemplated transaction international telecommunications services to any destination country for which: (1) Clarity is a foreign carrier in that country; (2) Clarity controls a foreign carrier in that country; (3) any entity that owns more than 25 percent of Clarity, or that controls Clarity, controls a foreign carrier in that country; (4) two or more foreign carriers (or parties that control foreign carriers) own, in the aggregate, more than 25 percent of Clarity and are parties to, or the beneficiaries of, a contractual relationship that affects the provision or marketing of international basic telecommunications services in the United States.

(h) Section 63.18(k) is not applicable. Clarity is not affiliated with any foreign earner.

(i) Section 63.18(1) is not applicable. Clarity is not a foreign carrier and is not affiliated with a foreign carrier.

(j) Section 63.18(m) is not applicable. Clarity is not a foreign carrier and is not affiliated with a foreign carrier.

(k) As evidenced by the certification attached hereto in Exhibit D, Clarity has not agreed to accept special concessions, as defined in Section 63.14(b) of the Commission's Rules, 47 C.F.R. § 63.14(b), 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.

 As evidenced by the certifications attached hereto in Exhibit D, no party to this
Joint Application is subject to a denial of Federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988, 21 U.S.C. § 862.

(m) Clarity submits that this Joint Application for Section 214 authority qualifies for streamlined processing pursuant to Section 63.12 of the Commission's rules, 47 C.F.R. § 63.12, because Clarity is not affiliated with either a foreign carrier or a dominant U.S. carrier whose international switched or private line services Clarity seeks authority to resell, and Clarity does not seek authority to provide switched basic services over private lines to a country for which the Commission has not previously authorized the provision of such services.

### V. CONCLUSION

Based on the foregoing, the Applicants respectfully request that the Commission grant this Joint Application and consent to the sale to Clarity of the assets of Knology Plains, Knology Black Hills, Knology CT, and Knology SD used in the provision of domestic telecommunications services, and to the assignment to Clarity of the international Section 214 authorizations held by Knology SD and Black Hills Fiber.

**Clarity Telecom, LLC** 

Herman

J. Keith Davidson Chief Financial Officer Clarity Telecom, LLC 104 East Center Street, Suite 201 Sikeston, MO 63801 (573) 481-2265

Martin L. Stern Jennifer E. Paul K&L Gates LLP 1601 K Street, N.W. Washington, DC 20006 (202) 778-9000 Attorneys for Clarity Telecom LLC

Dated: July 10, 2014

Respectfully submitted,

Kite Parent Corp. Knology of the Plains, Inc. Knology of the Black Hills, LLC Knology Community Telephone, Inc. Knology of South Dakota, Inc. Black Hills Fiber Systems, Inc.

Craig Martin General Counsel and Secretary WOW! Internet, Cable & Phone 259 E. Michigan Avenue Kalamazoo, Michigan 49007 (269) 567-4200

Howard Liberman Drinker Biddle & Reath LLP 1500 K Street, N.W., Suite 1100 Washington, DC 20005 (202) 842-8800 Attorney for Kite Parent Corp. and affiliated companies

### V. CONCLUSION

Based on the foregoing, the Applicants respectfully request that the Commission grant

this Joint Application and consent to the sale to Clarity of the assets of Knology Plains, Knology

Black Hills, Knology CT, and Knology SD used in the provision of domestic

telecommunications services, and to the assignment to Clarity of the international Section 214

authorizations held by Knology SD and Black Hills Fiber.

Respectfully submitted,

### **Clarity Telecom, LLC**

J. Keith Davidson Chief Financial Officer Clarity Telecom, LLC 104 East Center Street, Suite 201 Sikeston, MO 63801

Martin L. Stern Jennifer E. Paul K&L Gates LLP 1601 K Street, N.W. Washington, DC 20006 (202) 778-9000 *Attorneys for Clarity Telecom LLC* 

Dated: July \_\_, 2014

Kite Parent Corp. Knology of the Plains, Inc. Knology of the Black Hills, LLC Knology Community Telephone, Inc. Knology of South Dakota, Inc. Black Hills Fiber Systems, Inc.

Craig Martin / by/ HML

Craig Martin / // General Counsel and Secretary WOW! Internet, Cable & Phone 259 E. Michigan Avenue Kalamazoo, Michigan 49007 (269) 567-4200

Howard Liberman Drinker Biddle & Reath LLP 1500 K Street, N.W., Suite 1100 Washington, DC 20005 (202) 842-8800 Attorney for Kite Parent Corp. and affiliated companies

# EXHIBIT A AUTHORIZATIONS SUBJECT TO RELATED APPLICATIONS AND NOTIFICATIONS

Authorization	Licensee	File No. (If	Call Sign	Service
Type		Applicable)		<u>(If</u>
				Applicable)
Receive-Only	Knology of the Plains,	SES-REG-	E970192	
Satellite Earth	Inc.	19970225-00308		
Station				
Registration*				
Wireless	PrairieWave		KRK754	IG
	Communications, Inc.			
Wireless	Knology of the Black		WPQK308	IG
	Hills, LLC			
Open Video	PrairieWave			
System *	Communications, Inc.			

\* Notification will be made upon consummation of the transaction.

### EXHIBIT B

### ADDITIONAL INFORMATION FOR DOMESTIC SECTION 214 AUTHORIZATION

In accordance with the requirements of Section 63.04(b) of the Commission's rules, 47

C.F.R. § 63.04(b), the Applicants submit the following additional information required for

Section 214 transfer of control of assets used in the provision of domestic telecommunications

services:

63.04(a)(6). The Applicants describe the transaction in Section II of this application.

63.04(a)(7). The Applicants describe the geographic areas in which they offer domestic telecommunications services and the services that are provided in each area in Section I of this application.

63.04(a)(8). This application is eligible for streamlined processing pursuant to Section 63.03(b)(1) because Clarity, the transferee, is not currently a telecommunications provider, and the proposed transaction involves only the transfer of the local exchange assets of an incumbent LEC by means other than an acquisition of corporate control.

63.04(a)(9). In connection with this application, the Applicants will submit a notification regarding the transfer of control of one FCC Satellite Receive-Only Earth Station Registration under the call sign E970192. A notification of this transaction will be filed in connection with the open video system authorization. Finally, Applicants will file an application for the assignment of FCC radio licenses under the call signs KRK754 and WPQK308. *See* Exhibit A, hereto.

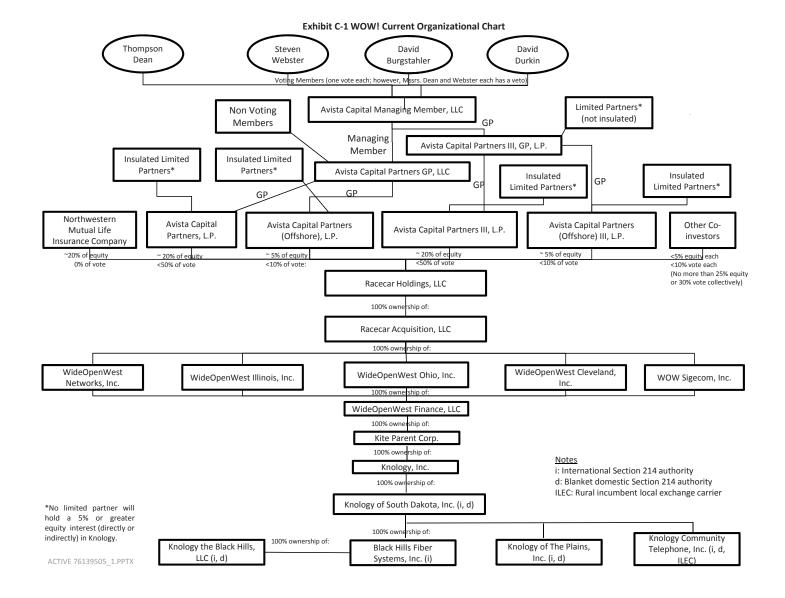
63.04(a)(10). The Applicants do not request special consideration because no party to the transaction is facing imminent business failure.

63.04(a)(11). The Applicants do not seek any waivers in conjunction with this transaction.

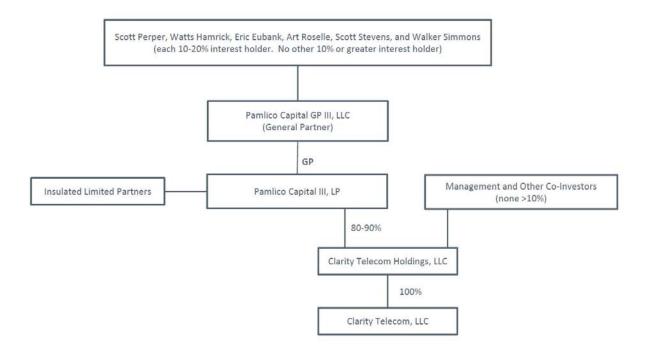
63.04(a)(12). The Applicants provide a statement showing how the grant of this Application will serve the public interest, convenience, and necessity in Section III of this application.

EXHIBIT C

## PRE-TRANSACTION AND POST-TRANSACTION CORPORATE STRUCTURE



#### EXHIBIT C-2 CLARITY CORPORATE ORGANIZATION CHART POST-TRANSACTION



# EXHIBIT D CERTIFICATIONS

#### CERTIFICATION

I, J. Keith Davidson, Chief Financial Officer of Clarity Telecom LLC ("Clarity"), hereby certify, on behalf of Clarity, with respect to the foregoing application for sale of the assets used in the provision of domestic telecommunications services and for the assignment of international Section 214 authorizations that:

- 1. Clarity is not a foreign carrier and is not currently affiliated with a foreign carrier.
- 2. Clarity does not seek to provide international telecommunications services to any destination country for which: (1) Clarity is a foreign carrier in that country; (2) Clarity controls a foreign carrier in that country; (3) any entity that owns more than 25 percent of Clarity, or that controls Clarity, controls a foreign carrier in that country; (4) two or more foreign carriers (or parties that control foreign carriers) own, in the aggregate, more than 25 percent of Clarity and are parties to, or the beneficiaries of, a contractual relationship that affects the provision or marketing of international basic telecommunications services in the United States.
- 3. Clarity has not agreed to special concessions, as defined in Section 63.14(b) of the Commission's Rules, 47 C.F.R. § 63.14(b), 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.
- 4. Clarity is not subject to denial of Federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988, 21 U.S.C. § 862.

Danishor Keith Davidson

Dated: July 10, 2014

### CERTIFICATION

I, Craig Martin, General Counsel and Secretary of WOW! Internet, Cable & Phone, hereby certify, on behalf of Kite Parent Corp. and its subsidiaries, Knology of the Plains, Inc., Knology of the Black Hills, LLC, Knology Community Telephone, Inc., Knology of South Dakota, Inc., Black Hills Fiber Systems, Inc. (collectively, "WOW! South Dakota") with respect to the foregoing application for sale of the assets used in the provision of domestic telecommunications services and for the assignment of international Section 214 authorizations, that WOW! South Dakota is not subject to denial of Federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988, 21 U.S.C. § 862.

Craig Martin

Dated: July 10, 2014