

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

In the Matter of)	
)	
DELTA COMMUNICATIONS, L.L.C.)	WC Docket No. _____
D/B/A CLEARWAVE COMMUNICATIONS,)	
Transferor)	ITC-T/C-2018_____
)	
and)	
)	
CABLE ONE, INC.,)	
Transferee)	
)	
Application for Consent for Transfer of)	
Control pursuant to Section 214 of the)	
Communications Act of 1934, as Amended)	
_____)	

JOINT APPLICATION

Delta Communications, L.L.C. d/b/a Clearwave Communications (“Clearwave”) and Cable One, Inc. (“Cable One”) (Clearwave and Cable One collectively, the “Applicants”) hereby respectfully request authority from the Federal Communications Commission (“Commission”) for Cable One to acquire control of Clearwave (the “Transaction”). This Joint Application is being filed pursuant to 47 U.S.C. § 214 and 47 C.F.R. §§ 1.763, 63.03, 63.04, 63.18, and 63.24 (“Application”). With this Application, the Applicants also have filed a Request for Special Temporary Authority (“STA”) to permit Clearwave to continue its domestic and international operations pending approval of this Application.¹

¹ As explained in the STA, a private equity firm invested in Clearwave in 2011, which resulted in a transfer of control without prior Commission approval. However, Clearwave did disclose the ownership interest to the Commission in 2014 when it filed its application for participation in the Commission’s rural broadband experiments program.

I. REQUEST FOR STREAMLINED TREATMENT OF APPLICATION

Under Section 63.04(b) of the Commission's rules, the Applicants are filing a combined domestic and international application. The Applicants respectfully request streamlined treatment of this Application pursuant to Sections 63.03 and 63.12 of the Commission's rules.

This Application is eligible for streamlined processing pursuant to Section 63.03(b)(2) of the Commission's rules because: (1) the Transaction will result in the Applicants having a market share in the interstate interexchange market of less than ten percent (10%); (2) Clearwave provides competitive telephone exchange services exclusively in geographic areas served by a dominant local exchange carrier that is not a party to the Transaction; and (3) neither the Applicants nor any of their affiliates are regulated as dominant with respect to any service.

This Application also qualifies for streamlined treatment under Section 63.12 of the Commission's rules because: (1) neither the Applicants nor any of their affiliates are affiliated with a dominant foreign carrier; (2) as a result of the Transaction, neither the Applicants nor any of their affiliates will be affiliated with any foreign carrier; and (3) none of the other scenarios outlined in Section 63.12(c) of the Commission's rules apply.

II. APPLICANTS

A. Delta Communications, L.L.C. d/b/a Clearwave Communications (FRN: 0007690258)

Clearwave is an Illinois limited liability company with headquarters located at 2 N. Vine Street, P.O. Box 808, Harrisburg, Illinois 62946. Clearwave provides Internet access services and telecommunications services to carriers and business customers in Illinois. Clearwave holds authority from the Commission to provide interstate and international telecommunications

services,² and also holds authority to offer competitive local exchange services and intrastate interexchange services in the states of Illinois, Indiana, and Missouri. Clearwave also is a recipient of funds under the National Telecommunications and Information Administration (“NTIA”) Broadband Technology Opportunities Program (“BTOP”)³ and the Commission’s rural broadband experiments (“RBE”) program.⁴

B. Cable One, Inc. (FRN: 0003474327)

Cable One is a publicly traded Delaware corporation with headquarters located at 210 E. Earll Drive, Phoenix, Arizona 85012. Cable One and its affiliates provide video, Internet access, and interconnected Voice over Internet Protocol (“VoIP”) services in 21 states.⁵ Cable One is registered with the Commission as an interconnected VoIP service provider.⁶

Cable One VoIP LLC (“CO VoIP”) is a Delaware limited liability company, and is a wholly owned subsidiary of Cable One. CO VoIP is registered with the Commission as an interconnected VoIP service provider, and offers interconnected VoIP services in Arizona.⁷

Telecommunications Management, LLC (“TM”) is a Missouri limited liability company, and is a wholly owned subsidiary of Cable One. TM is registered with the Commission as an

² IB File No. ITC-214-20021022-00509; FCC Filer ID 819867.

³ https://www2.ntia.doc.gov/files/grantees/delta_communications.pdf.

⁴ *Rural Broadband Experiment Support Authorized for Ten Winning Bids for Skybeam, LLC, Consolidated Communications Networks, Inc., Delta Communications LLC, and Allamakee-Clayton Electric Cooperative, Inc.*, 30 FCC Red 8283 (2015).

⁵ These states are: Alabama, Arizona, Arkansas, Idaho, Illinois, Indiana, Iowa, Kansas, Louisiana, Minnesota, Mississippi, Missouri, Nebraska, New Mexico, North Dakota, Oklahoma, Oregon, South Dakota, Tennessee, Texas, and Washington.

⁶ FCC Filer ID 825949.

⁷ FCC Filer ID 830611.

interconnected VoIP service provider, and offers video, Internet access, and interconnected VoIP services in Arkansas, Illinois, Indiana, and Missouri.⁸

Ultra Communications Group, LLC (“Ultra”) is a Delaware limited liability company, and is a wholly owned subsidiary of TM. Ultra is registered with the Commission as an interconnected VoIP service provider, and offers video, Internet access, and interconnected VoIP services in Louisiana, Mississippi, and Texas.⁹

Avenue Broadband Communications LLC (“Avenue”) is a Delaware limited liability company, and is a wholly owned subsidiary of TM. Avenue offers video and Internet access services in Illinois and Indiana.

III. DESCRIPTION OF THE TRANSACTION

On November 9, 2018, Cable One, Clearwave, CABO Broadband, LLC (“Merger Sub”),¹⁰ and SCP Clearwave LLC (solely in its capacity as the Representative) entered into an Agreement and Plan of Merger (the “Agreement”). Pursuant to the Agreement, Merger Sub will merge with and into Clearwave, with Clearwave continuing as the surviving entity and becoming a wholly owned subsidiary of Cable One. As a result of the Agreement, Cable One will acquire one-hundred percent (100%) ownership and control of Clearwave. For the Commission’s convenience, pre- and post-Transaction corporate organizational charts depicting the entities involved in the transfer of control are provided as **Exhibit B**. Consummation of the Transaction is contingent upon, among other things, receipt of all necessary regulatory approvals.

⁸ FCC Filer ID 832703.

⁹ FCC Filer ID 829833.

¹⁰ Cable One formed Merger Sub for the sole purpose of merging it with and into Clearwave for purposes of the Transaction.

The proposed Transaction does not involve the assignment of Clearwave's telecommunications authorizations or its customers. All current customers of Clearwave will continue to be served by Clearwave pursuant to its existing authorizations, and Clearwave customers will continue to receive their existing services at the same or similar rates, terms and conditions without any immediate changes. The proposed Transaction will be transparent to the customers of Clearwave. Clearwave's existing customers will continue to receive service under the "Clearwave" name, and all billing and correspondence will continue to reflect the "Clearwave" name for the immediate future. Accordingly, customer notice is not required under Section 64.1120(e) of the Commission's rules because there will be no change in service provider from the customer's perspective.

IV. PUBLIC INTEREST STATEMENT

The proposed Transaction furthers the public interest, convenience, and necessity. Approval of the Transaction will advance economic efficiency by enabling Cable One and Clearwave to expand their business and achieve economies of scale. These benefits are expected to increase the Applicants' ability to expand their offerings and services to a broader customer base. The Transaction will enable the Applicants to strengthen their competitive position to the benefit of consumers and the communications marketplace.

In addition, the Transaction will be conducted in a manner that will be transparent to current customers of Clearwave. Clearwave's customers will continue to receive the same services they currently receive without any immediate changes to the service offerings, rates, or terms and conditions.

Further, the Transaction does not implicate the prohibition set forth in 47 U.S.C. § 572, which prohibits a cable operator from acquiring more than a ten percent (10%) interest in any local exchange carrier providing telephone exchange service within the cable operator's

franchise area. The Commission has determined this statutory provision should be applied to a cable operator's purchase of an incumbent local exchange carrier ("ILEC") only,¹¹ and Clearwave is not an ILEC. None of the entities to the Transaction, or their affiliates, are ILECs or are classified as dominant with respect to any service.

Finally, the proposed Transaction does not present any anticompetitive issues. After consummation of the Transaction, Clearwave's total share of the interstate interexchange market will be less than ten percent (10%). In addition, there are many other interexchange and international carriers operating on a nationwide basis.

V. INFORMATION REQUIRED BY SECTION 63.24(e) OF THE COMMISSION'S RULES

In support of this Application, the Applicants submit the following information pursuant to Section 63.24(e) of the Commission's rules, which is the information requested in paragraphs (a)-(d) and (o)-(p) of Section 63.18 for both Applicants and the information requested in paragraphs (h)-(n) of Section 63.18 for Cable One.

(a) Name, contact address, and telephone number.

Cable One, Inc.
210 E. Earll Drive
Phoenix, Arizona 85012
602-364-6000 (telephone)

Delta Communications, L.L.C. d/b/a Clearwave Communications
2 N. Vine Street
Harrisburg, Illinois 62946
618-294-8000 (telephone)

(b) Citizenship.

Cable One is a Delaware corporation. Clearwave is an Illinois limited liability company.

¹¹ *Petition for Declaratory Ruling to Clarify 47 U.S.C. § 572 in the Context of Transactions between Competitive Local Exchange Carriers and Cable Operators*, 27 FCC Rcd 11532 (2012).

(c) Correspondence concerning this Application should be sent to (Answer to IBFS Main Form Question 10):

**Delta Communications, L.L.C. d/b/a
Clearwave Communications**

Allison D. Rule
Marashlian & Donahue, PLLC
The CommLaw Group
1420 Spring Hill Road
Suite 401
McLean, VA 22102
703-714-1312 (telephone)
adr@commlawgroup.com

Cable One, Inc.

Chérie R. Kiser
Angela F. Collins
Cahill Gordon & Reindel LLP
1990 K Street, NW, Suite 950
Washington, DC 20006
202-862-8900 (telephone)
ckiser@cahill.com
acollins@cahill.com

(d) International Section 214 Authorizations (Answer to IBFS Main Form Question 10).

As stated above, Cable One and its affiliates are registered as interconnected VoIP service providers, and do not hold any international Section 214 authority. Clearwave holds blanket domestic Section 214 authority and global Section 214 authority to provide international facilities-based and resale services.¹²

(h) Ten Percent Greater Interest Holders/Interlocking Directorates (Answer to IBFS Main Form Question 11 and Question 12).

After consummation of the Transaction, the following entities and individuals will hold a ten percent (10%) or greater direct or indirect ownership interest in Clearwave:

- Cable One, Inc., a publicly traded Delaware corporation (NYSE: CABO), will hold 100% of the membership interests of Clearwave. The address for Cable One is 210 E. Earll Drive, Phoenix, Arizona 85012.
- As of March 16, 2018, to Cable One's knowledge, the following stockholders beneficially owned a ten percent (10%) or greater share of Cable One's outstanding common stock:
 - T. Rowe Price Associates, Inc. ("T. Rowe"), a Maryland corporation, beneficially owned 13.7% of Cable One's outstanding common stock. T. Rowe is a subsidiary of T. Rowe Price Group, Inc., a publicly traded

¹² IB File No. ITC-214-20021022-00509; FCC Filer ID 819867.

Maryland corporation. The address for T. Rowe and T. Rowe Price Group, Inc. is 100 E. Pratt Street, Baltimore, Maryland 21202. No person or entity holds ten percent (10%) or greater interest in T. Rowe Price Group, Inc.

- Donald E. Graham, a U.S. citizen, beneficially owned 13.2% of Cable One's outstanding common stock. The address for Mr. Graham is 1300 North 17th Street, Arlington, Virginia 22209.
- Daniel L. Mosley, a U.S. citizen and Trustee of various trusts, had shared voting and investment power with respect to 11.6% of Cable One's outstanding common stock. The address for Mr. Mosely is 825 Eighth Avenue, New York, New York 10019.

Other than as set forth in this Application, to Cable One's knowledge, no other entity or individual will own a ten percent (10%) or greater direct or indirect equity or voting interest in Cable One or Clearwave after consummation of the Transaction.

No officer or director of Cable One is also an officer or director of any foreign carrier. Cable One does not have any interlocking directorates with a foreign carrier, nor will Cable One have any such directorates after consummation of the Transaction.

Other than as stated in this Application, Cable One does not hold interests in other telecommunications-related entities, and to Cable One's knowledge, Mr. Graham does not hold interests in other telecommunications-related entities. T. Rowe and T. Rowe Price Group, Inc. may hold interests in other telecommunications-related entities in their role as investment advisors. Mr. Mosely may hold interests in other telecommunications-related entities in his role as Trustee for various trusts.

(i) Foreign Carrier Affiliation Certification (Answer to IBFS Main Form Questions 14-17).

Cable One certifies that it is not a foreign carrier, it is not affiliated with a foreign carrier, and it will not become affiliated with a foreign carrier as a result of this Transaction.

(j) Foreign Carrier and Destination Countries (Answer to IBFS Main Form Questions 14-17).

Cable One certifies that, upon consummation of the Transaction, Clearwave will not provide international telecommunications services to any destination country in which: (1) Cable One or Clearwave is a foreign carrier in the destination market; (2) Cable One or Clearwave controls a foreign carrier in the destination market; (3) any entity that owns more than twenty-five percent (25%) of Cable One or Clearwave, or that controls Cable One or Clearwave, controls a foreign carrier in that country; and (4) two or more foreign carriers (or parties that control foreign carriers) own, in the aggregate, more than twenty-five percent (25%) of Cable One or Clearwave and are parties to, or the beneficiaries of, a contractual relationship affecting the provision or marketing of international basic telecommunications services in the United States.

(k) WTO Membership of Destination Countries (Answer to IBFS Main Form Questions 14-17).

Not applicable.

(l) International Telecommunications Services (Answer to IBFS Main Form Questions 14-17).

Cable One and Clearwave will not resell the international switched services of an unaffiliated U.S. carrier for the purpose of providing international telecommunications services to a country where they are foreign carriers or are affiliated with a foreign carrier.

(m) Non-dominant Regulatory Classification (Answer to IBFS Main Form Questions 14-17).

Not applicable.

(n) Special Concessions Certification (Answer to IBFS Main Form Question 21).

Cable One and Clearwave have not agreed to accept special concessions directly or indirectly from any foreign carrier with respect to any U.S. international route where the foreign carrier possesses sufficient market power on the foreign end of the route to adversely affect competition in the U.S. market, and will not enter into such agreements in the future.

(o) Federal Benefits/Anti-Drug Act of 1988 Certification (Answer to IBFS Main Form Question 25).

The Applicants certify, pursuant to Sections 1.2001 through 1.2003 of the Commission's rules, that they are not subject to a denial of federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988, 21 U.S.C. § 862.

(p) Eligibility for Streamlined Processing (Answer to IBFS Main Form Question 20).

The Applicants request streamlined processing of this Application pursuant to Section 63.12 of the Commission's rules, 47 C.F.R. § 63.12, for the reasons set forth above.

VI. INFORMATION REQUIRED BY SECTION 63.04(b) OF THE COMMISSION'S RULES FOR TRANSFER OF CONTROL OF ASSETS

The additional information required by Section 63.04(b) of the Commission's rules is provided in **Exhibit A**.

WHEREFORE, for the forgoing reasons, the Applicants respectfully request that the Commission act expeditiously to approve the Transaction.

Respectfully submitted,

DELTA COMMUNICATIONS, L.L.C.

CABLE ONE, INC.

/s/ Matthew Dement

Matthew Dement
President and Chief Executive Officer
Delta Communications, L.L.C.
2 N. Vine Street
Harrisburg, Illinois 62946

/s/ Steven S. Cochran

Steven S. Cochran
Senior Vice President and Chief Financial
Officer
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acollins@cahill.com

Its Attorneys

Its Attorneys

Dated: November 12, 2018

Exhibit A

INFORMATION REQUIRED BY 63.04(b)

In accordance with the requirements of Section 63.04(b) of the Commission's rules, the Applicants provide the following information:

63.04(a)(6): Description of the Transaction

The Transaction is described in Section III of the Application.

63.04(a)(7): Description of Geographic Service Area and Services in Each Area

A description of the geographic service areas and services provided in each area is described in Section II of the Application.

63.04(a)(8): Presumption of Non-Dominance and Qualification for Streamlining

This Application is eligible for streamlined processing pursuant to Section 63.03(b)(2) of the Commission's rules because: (1) the Transaction will result in the Applicants having a market share in the interstate interexchange market of less than ten percent (10%); (2) Clearwave will provide competitive telephone exchange services or exchange access services exclusively in geographic areas served by a dominant local exchange carrier that is not a party to the transaction; and (3) neither the Applicants nor any of their affiliates are regulated as dominant with respect to any service.

63.04(a)(9): Other Pending Commission Applications Concerning the Proposed Transaction

None.

63.04(a)(10): Special Considerations

None.

63.04(a)(11): Waiver Requests (If Any)

None.

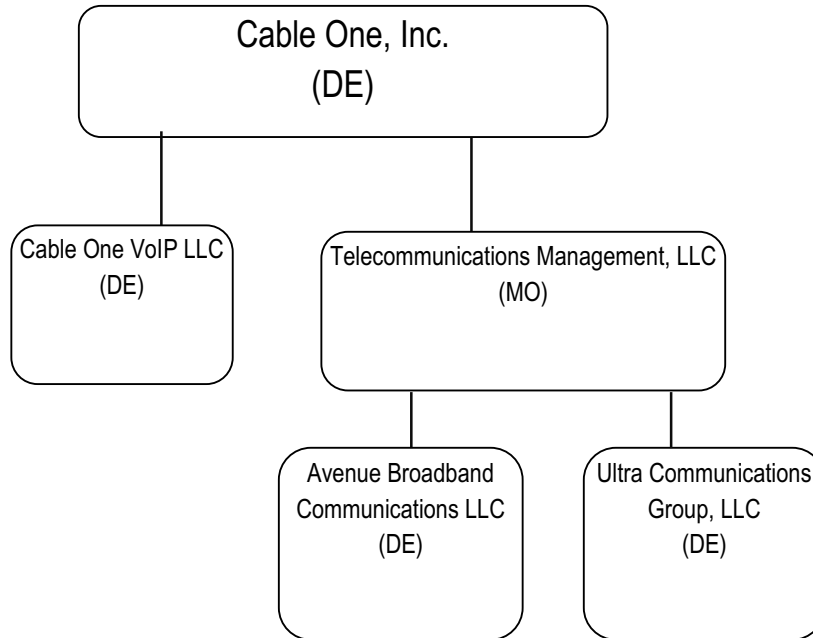
63.04(a)(12): Public Interest Statement

The Transaction is in the public interest for the reasons detailed in Section IV of the Application.

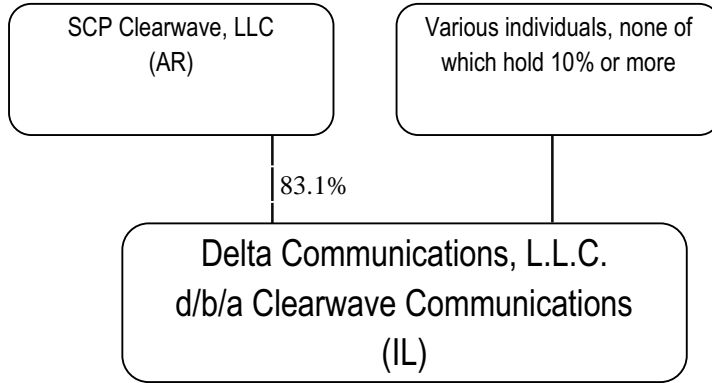
Exhibit B

Pre- and Post-Transaction Organizational Charts

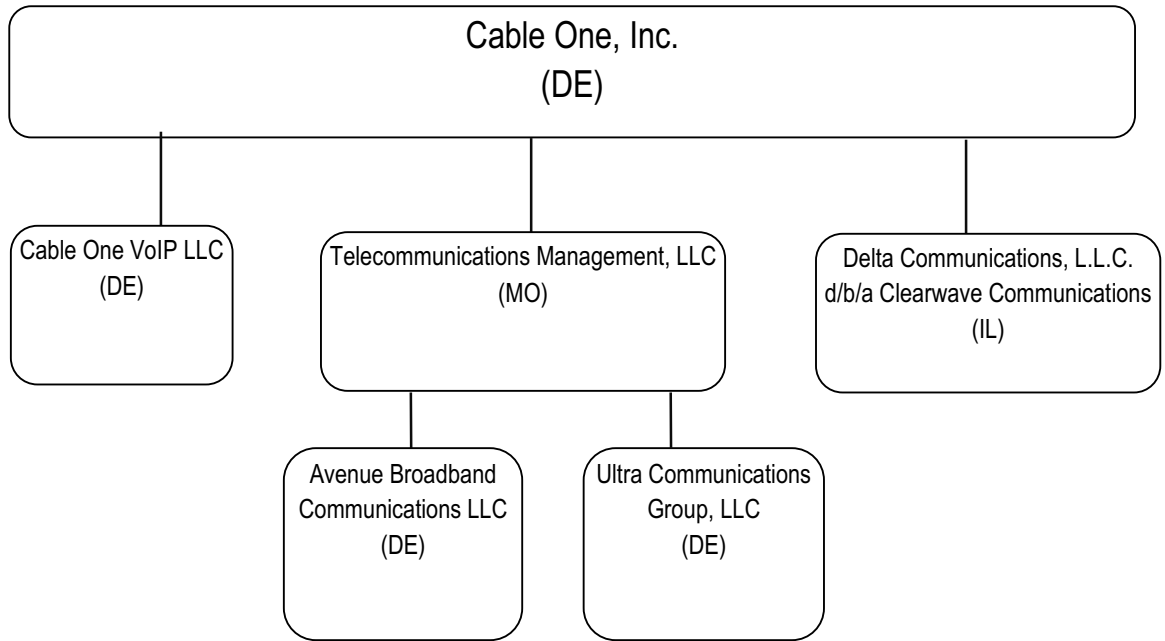
CABLE ONE, INC. PRE-TRANSACTION



DELTA COMMUNICATIONS, L.L.C. PRE-TRANSACTION



POST-TRANSACTION

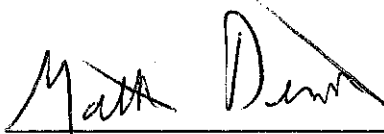


STATE OF ILLINOIS
COUNTY OF SALINE

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§ ss:
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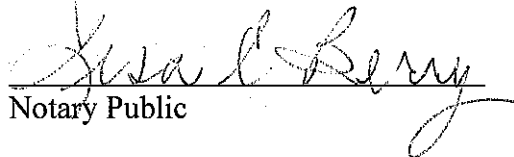
VERIFICATION

I, Matt Dement, state that I am the President & Chief Executive Officer of Delta Communications, LLC d/b/a Clearwave Communications (the "Company"); that I am authorized to make this Verification on behalf of the Company; that I have read the foregoing document; and that any statements in the foregoing document with respect to the Company, except as otherwise specifically attributed, are true and correct to the best of my knowledge, information, and belief.



Matt Dement
President & Chief Executive Officer
Delta Communications, LLC d/b/a Clearwave
Communications

Sworn and subscribed before me this 12th day of November 2018.



Notary Public

My commission expires 11-3-2020

STATE OF ARIZONA
COUNTY OF MARICOPA

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§ SS:
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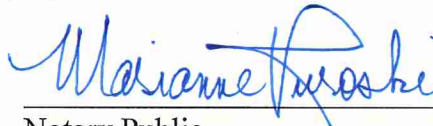
VERIFICATION

I, Steven S. Cochran, state that I am the Senior Vice President and Chief Financial Officer of Cable One, Inc. (the "Company"); that I am authorized to make this Verification on behalf of the Company and its affiliates; that I have read the foregoing document; and that any statements in the foregoing document with respect to the Company and its affiliates, except as otherwise specifically attributed, are true and correct to the best of my knowledge, information, and belief.



Steven S. Cochran
Senior Vice President and Chief Financial Officer
Cable One, Inc.

Sworn and subscribed before me this 12th day of November 2018.



Notary Public

My commission expires 10-4-21

