

## ATTACHMENT 1

### **Joint International and Domestic Section 214 Application to Transfer Control of Allo Communications LLC to Nelnet, Inc.**

This joint application seeks Commission consent under Section 214 of the Communications Act of 1934, as amended (the “Act”), and Sections 63.04 and 63.24 of the Commission’s rules<sup>1</sup> to transfer control of Allo Communications LLC (“Allo”) to Nelnet, Inc. (“Nelnet”). Allo holds an international Section 214 authorization as well as blanket Section 214 domestic operating authority. As explained further below, grant of the application serves the public interest.

#### **I. RESPONSES TO QUESTIONS SET FORTH IN THE FCC 214 MAIN FORM**

Responses to certain questions set forth in the application’s FCC 214 Main Form are as follows:

##### **Answers to Question 10**

<i>Licensee and Transferor Contact Information</i>	<i>Transferee Contact Information</i>
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<sup>1</sup> 47 U.S.C. § 214; 47 C.F.R. §§ 63.04, 63.24.

***Place of Organization***

Allo is a limited liability company organized under the laws of the State of Nebraska. Nelnet is a corporation organized under the laws of the State of Nebraska.

***Prior International Section 214 Authorizations***

Allo holds an international Section 214 authorization to provide global international telecommunications services on a resold basis between the United States and international points pursuant to Section 63.18(e)(2) of the Commission’s rules (File No. ITC-214-20081029-00480). Nelnet does not hold any international Section 214 authorizations.

**Answer to Question 11**

Pursuant to Section 63.18(h) of the Commission’s rules, the following entities will directly or indirectly hold a ten percent or greater equity interest in Allo upon consummation of this transaction. A chart showing the post transaction ownership of Allo also is attached.

***Direct Ownership Interest in Allo:***

Name: Nelnet, Inc.  
Address: 121 S. 13th St., Suite 100  
Lincoln, NE 68508  
Citizenship: Nebraska  
Principal Business: Loan servicing and asset management  
Ownership Interest: 92.5 percent of Allo

***Indirect Ownership Interest in Allo:***

Name: Michael S. Dunlap  
Address: 121 S. 13th St., Suite 100  
Lincoln, NE 68508  
Citizenship: USA  
Ownership Interest: Approximately 25 percent of Nelnet

Name: Angela Muhleisen  
Address: 6801 S. 27th St.  
Lincoln, NE 68512  
Citizenship: USA  
Ownership Interest: Approximately 12 percent of Nelnet

No other entity or individual will directly or indirectly hold a 10 percent or greater equity interest in Allo post-closing.

## **Answer to Question 13**

### ***Description of Transaction and Public Interest Statement***

Allo is a Nebraska-based telecommunications company founded in 2003 that offers competitive local telephone, long distance, broadband, Internet, and television services to homes and businesses across Nebraska. It currently provides communications services to over 20 cities in the state through a combination of its own switching and fiber optic network, leased facilities, and some resold services. It began building a state-of-the-art fiber optic network in 2004, and currently provides gigabit fiber service in Scottsbluff, Gering, Bridgeport, North Platte, Ogallala, and Alliance.

Headquartered in Lincoln, Nebraska, Nelnet is one of the leading education planning and education finance companies in the United States and provides innovative educational services in loan servicing, payment processing, education planning, and asset management for families and educational institutions. Nelnet is traded on the New York Stock Exchange. Nelnet takes a comprehensive approach to the education life-cycle, which through the proposed transaction will include the advanced communications networks that have become central to learning and succeeding.

Nelnet, Allo, and the current members of Allo entered into a Membership Unit Purchase Agreement dated November 16, 2015 (the "Agreement"). Pursuant to the Agreement, Nelnet will acquire 92.5 percent of the equity and membership units of Allo, which will become a direct subsidiary of Nelnet. The remaining 7.5 percent of the equity and membership interests of Allo will be owned by Allo management, who will also have the opportunity to earn additional equity based on the performance of the company. Because only the control of Allo will change, Allo will continue to provide high quality broadband and other telecommunications services to Nebraskans.

The proposed transaction will serve the public interest. The transaction will combine two Nebraska-based companies that share a commitment to delivering an exceptional customer experience with great service and best-in-class technology. Allo has developed a world-class regional competitive wireline network that expands business opportunities, creates jobs, and improves quality of life for Nebraskans. The transaction will provide Allo with additional funding and resources that will help support the expansion of Allo's fiber optic network in Nebraska. Indeed, the parties anticipate expanding Allo's network in additional areas of its current markets as well as to new markets, including Lincoln, which is the seat of the Nebraska state government, the home of the University of Nebraska, and the location of Nelnet's headquarters. This planned expansion in turn will benefit residential and enterprise customers throughout the state, who will have access to a competitive provider of dependable communications solutions and ultra-fast Internet services. The transaction will also promote competition by creating a stronger company that can more effectively compete in the telecommunications marketplace.

Moreover, the transaction will not result in any harm. The transaction will not reduce the number of competitors in Nebraska because Nelnet is not a telecommunications carrier, and instead will advance competition by helping support the growth of Allo's broadband network.

Allo also only holds a small share of each of the domestic and U.S.-international markets. In addition, Allo will continue to operate under its existing brand post-closing, and the transaction will be virtually transparent to customers in terms of the service they now receive.

### **Answer to Question 20**

This application qualifies for streamlined processing pursuant to Section 63.12 of the Commission's rules.<sup>2</sup> Neither Allo nor Nelnet is affiliated with any foreign carriers, and they qualify for a presumption of non-dominance under Section 63.10 of the rules.<sup>3</sup>

## **II. INFORMATION REQUIRED BY SECTION 63.04 OF THE FCC'S RULES REGARDING ALLO'S DOMESTIC SECTION 214 OPERATIONS**

In support of the applicants' request for consent to transfer control of Allo to Nelnet, the following information is submitted pursuant to Section 63.04 of the Commission's rules.<sup>4</sup> Specifically, Section 63.04(b) provides that applicants submitting a joint international/domestic Section 214 application should submit in an attachment to the international Section 214 application responses to the information requested in paragraphs (a)(6) through (a)(12) of Section 63.04:

### **(a)(6) Description of the transaction:**

A description of the transaction is set forth in Section I above.

### **(a)(7) Description of the geographic areas in which the applicants offer domestic telecommunications services, and what services are provided in each area:**

Allo provides competitive local telephone, long distance, broadband, Internet and television services in Nebraska. Nelnet is not a telecommunications carrier and does not provide telecommunications services.

### **(a)(8) Statement as to how the application qualifies for streamlined treatment:**

This application qualifies for streamlined treatment under Section 63.03(b) of the Commission's rules because: (1) the transferee is not a telecommunications provider; (2) Allo's market share of the interstate, interexchange market is significantly less than 10 percent; (3) Allo provides competitive telephone exchange access or exchange access services (if at all) exclusively in geographic areas serviced by a dominant local exchange carrier that is not a party to this transaction; and (4) Allo is not dominant with respect to any services offered in the United States.

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<sup>2</sup> 47 C.F.R. § 63.12.

<sup>3</sup> *Id.* § 63.10.

<sup>4</sup> *Id.* § 63.04.

**(a)(9) Identification of all other Commission applications related to this transaction:**

This joint application is the only application filed with the Commission that relates to the proposed transfer of control of Allo to Nelnet.

**(a)(10) Statement of whether the applicants request special consideration because either party is facing imminent business failure:**

The applicants request no special consideration of this application for reasons relating to imminent business failure.

**(a)(11) Identification of any separately filed waiver requests being sought in conjunction with this transaction:**

The applicants seek no separately filed waiver requests in conjunction with this transaction.

**(a)(12) Statement showing how grant of the Application will serve the public interest, convenience and necessity:**

A demonstration of how the grant of the proposed transaction serves the interest, convenience and necessity is set forth in Section I above.

**Allo Communications LLC  
Post-Closing Ownership Structure**

