

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

In the Matter of the Joint Application of	)	
	)	
<b>Python Intermediate II, LLC, Transferee</b>	)	WC Docket No. 19-_____
	)	
and	)	IB File Nos. ITC-T/C-2019_____
	)	ITC-T/C-2019_____
<b>PC III CTH Holdings, L.P., Transferor</b>	)	ITC-T/C-2019_____
	)	
for Grant of Authority Pursuant to Section 214	)	
of the Communications Act of 1934, as	)	
amended, and Sections 63.04 and 63.24 of the	)	
Commission’s Rules to Transfer Indirect Con-	)	
trol of Clarity Telecom, LLC, NTS Communi-	)	
cations, Inc., NTS Telephone Company, LLC,	)	
PRIDE Network, Inc. and XFone USA, Inc. to	)	
Python Intermediate II, LLC	)	

**JOINT APPLICATION**

Python Intermediate II, LLC (“Transferee”) and PC III CTH Holdings, L.P. (“PC III Holdings” or “Transferor”) (together, “Applicants”), pursuant to Section 214 of the Communications Act of 1934, as amended (the “Act”), 47 U.S.C. § 214, and Sections 63.04 and 63.24 of the Commission’s Rules, 47 C.F.R. §§ 63.04 & 63.24, request Commission approval for Transferee to acquire ownership and control of Clarity Telecom Holdings, LLC (“Clarity Holdings”) from Transferor (the “Python Transaction”), which will result in the transfer of indirect control to Transferee of the following Section 214 authority holders: (i) Clarity Telecom, LLC d/b/a Vast Broadband (“Clarity” or “Clarity Licensee”); and (ii) subject to the timely closing of Clarity’s pending acquisition of NTS, Inc. (“NTSI”) (the “NTS Transaction”),<sup>1</sup> NTS Communications, Inc. (“NTS-

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<sup>1</sup> The NTS Transaction involves Clarity acquiring all of the outstanding equity interests in NTS, Inc., the parent company of the NTS Licensees (as defined below), from T3 North Intermediate Holdings, Inc. (“T3”). The NTS Transaction is a wholly separate transaction that is expected to be completed prior to the Python Transaction and that is not conditioned on or otherwise linked

Comm”), NTS Telephone Company, LLC (“NTS-Tel”), PRIDE Network, Inc. (“PRIDE”) and XFone USA, Inc. (“XFone”) (NTS-Comm, NTS-Tel, PRIDE, and XFone, together the “NTS Licensees”) (Clarity and NTS Licensees together, the “Python Licensees”).

In support of this Application, Applicants provide the following information:

**I. DESCRIPTION OF THE APPLICANTS**

**A. Transferee – Python Intermediate II, LLC**

Transferee is a newly formed company created for the purpose of completing the Python Transaction. Transferee is indirectly, wholly owned by Python Holdings, L.P. (“Python Holdings”), an investment fund also created for the purpose of the Python Transaction. As described in more detail below, Python Holdings is primarily owned and controlled by funds and entities affiliated with Pamlico Capital and Oak Hill Capital Partners, which are private equity funds based in the United States. The equity in the Pamlico Capital and Oak Hill Capital Partners funds is held through passive limited (and insulated) partnership interests held by numerous, primarily U.S.-based investors, including individuals, trusts, institutions and business entities. Control of these funds ultimately rests in U.S. entities or citizens.

**B. Transferor – PC III CTH Holdings, L.P.**

PC III Holdings was formed for the purpose of investments in Clarity Telecom Holdings, LLC (“Clarity Holdings”), a Delaware limited liability company and the direct parent of Clarity.

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to the Python Transaction. The parties to the NTS Transaction have sought Commission approval for that transfer of control. *See* ECFS Confirmation No. 2019012833907254 (filed January 28, 2019); IBFS File Nos. ITC-T/C-INTR2019-00046 & ITC-T/C-INTR2019-00047 (filed January 28, 2019). Applicants respectfully request that the Commission consider this Application independently from the application submitted in connection with the NTS Transaction.

As part of the NTS Transaction, NTSI, NTS-Comm, PRIDE and XFone will convert to limited liability companies prior to closing. References herein to NTSI, NTS-Comm, PRIDE and XFone upon completion of the NTS Transaction should be construed as references to these entities as limited liability companies.

PC III Holdings is majority owned and controlled by funds and entities affiliated with Pamlico Capital. The current ownership of PC III Holdings is provided in Exhibits A and C.

**C. Clarity Telecom, LLC**

Clarity, headquartered in Sikeston, Missouri, provides telecommunications services in Minnesota and South Dakota doing business under the brand Vast Broadband. Clarity provides an array of communications, video and broadband services, including digital cable, high-speed Internet, and local and long distance phone services. Clarity is managed by a team of experienced telecommunications professionals who have operated cable television systems together for more than twenty years, providing video programming 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.

The current and Post-NTS Transaction ownership of Clarity is set forth in Exhibits A and C.

**D. NTS Licensees**

The NTS Licensees are wholly owned subsidiaries of NTSI, a Nevada corporation with no operations or network assets of its own. NTSI's principal business is a holding and management company providing, through the NTS Licensees, integrated communications services which include voice, video, and data over its Fiber to the Premises ("FTTP") and other networks primarily in Louisiana and Texas.<sup>2</sup> Each of NTS-Comm and XFone is a wholly owned direct subsidiary of NTSI. NTS-Tel and PRIDE are wholly owned direct subsidiaries of NTS-Comm and thus wholly owned indirect subsidiaries of NTSI.

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<sup>2</sup> NTS Licensees also provide certain telecommunications services in Arizona, Mississippi, New Mexico and Oklahoma.

Currently, NTSI is a direct subsidiary of T3 North intermediate Holdings, Inc. Upon completion of the NTS Transaction, NTSI will be a direct, wholly owned subsidiary of Clarity which is why approval to transfer indirect control of the NTS Licensees to Transferee is being sought herein. The current ownership of NTS Licensees is set forth in Exhibits B and C.

## **II. DESCRIPTION OF THE TRANSACTION**

Pursuant to an Agreement and Plan of Merger (“Agreement”) dated as of December 24, 2018, a series of mergers and other transactions will result in Transferee directly or indirectly owning all of the issued and outstanding equity interests of Clarity Holdings. Upon completion of the Python Transaction, Clarity Holdings will be a wholly owned subsidiary of Transferee. Python Licensees will remain wholly owned subsidiaries of Clarity Holdings and will become indirect, wholly owned subsidiaries of Transferee.

Diagrams depicting the current, post-NTS Transaction and post-Python Transaction corporate ownership structures of Python Licensees are appended hereto as Exhibit C.

## **III. PUBLIC INTEREST CONSIDERATIONS**

The Transaction will serve the public interest. The Transaction will have no adverse impact on the customers or operations of Python Licensees, as upon closing of the Python Transaction Python Licensees will continue to provide service at the same rates, terms, and conditions, as governed by existing contracts. The Python Transaction will be transparent to customers. The Python Licensee entities and service provider trade names will remain intact immediately upon closing, and the only change immediately following the closing from a customer’s perspective will be the new ownership of Python Licensees. Additionally, Transferee expects that the Python Transaction will enable Python Licensees to access additional capital that will make them stronger competitors.

**IV. INFORMATION REQUIRED BY SECTION 63.24(e)**

Pursuant to Section 63.24(e)(2) of the Commission's Rules, the Applicants submit the following information requested in Section 63.18 (a)-(d) and (h)-(p) in support of this Application:

**(a) Name, address and telephone number of each Applicant:**

Transferee:

Python Intermediate II, LLC	<b>FRN: 0028139178</b>
263 Tresser Blvd., 15th Floor	
Stamford, CT 06901	
Tel: 203-328-1600	

Transferor:

PC III CTH Holdings, L.P.	<b>FRN: 0028139145</b>
150 N. College Street	
Suite 2400	
Charlotte, NC 28202	
Tel: 704-414-7150	

Clarity Licensee:

Clarity Telecom, LLC	<b>FRN: 0023758238</b>
912 South Main Street	
Suite 106	
Sikeston, MO 63801	
Tel: 573-481-2265	

NTS Licensees:

NTS Communications, Inc.	<b>FRN: 0004266938</b>
NTS Telephone Company, LLC	<b>FRN: 0017183674</b>
PRIDE Network, Inc.	<b>FRN: 0018804716</b>
XFone USA, Inc.	<b>FRN: 0013592787</b>
1220 Broadway	
Lubbock, Texas 79401	
Tel: 806-797-0687	

**(b) Jurisdiction of Organizations:**

Transferee: Transferee is a limited liability company formed under the laws of Delaware.

Transferor: PC III Holdings is a limited partnership formed under the laws of Delaware.

Clarity Licensee:

Clarity is a limited liability company formed under the laws of Delaware.

NTS Licensees:

NTS-Comm is a corporation formed under the laws of Texas.

NTS-Tel is a limited liability company formed under the laws of Texas.

PRIDE is a corporation formed under the laws of Texas.

XFone is a corporation formed under the laws of Mississippi.

(c) **(Answer to Question 10)** Correspondence concerning this Application should be

sent to:

For Transferee, PC III Holdings, and Clarity:      For NTS Licensees:

Catherine Wang  
Brett P. Ferenchak  
Morgan, Lewis & Bockius LLP  
1111 Pennsylvania Ave, N.W.  
Washington, DC 20004-2541  
202-739-3000 (tel)  
202-739-3001 (fax)  
[catherine.wang@morganlewis.com](mailto:catherine.wang@morganlewis.com)  
[brett.ferenchak@morganlewis.com](mailto:brett.ferenchak@morganlewis.com)

Yaron Dori  
Thom Parisi  
Covington & Burling LLP  
One CityCenter  
850 Tenth Street, NW  
Washington, DC 20001-4956  
202-662-5444 (tel)  
202-662-5283 (tel)  
[ydori@cov.com](mailto:ydori@cov.com)  
[tparisi@cov.com](mailto:tparisi@cov.com)

With copies for Clarity to:

Keith Davidson, CFO  
Clarity Telecom, LLC  
912 South Main Street  
Suite 106  
Sikeston, MO 63801  
[Keith.Davidson@vastbroadband.com](mailto:Keith.Davidson@vastbroadband.com)

With copies for NTS Licensees to:

Daniel Wheeler  
General Counsel  
NTS Communications, Inc.  
1220 Broadway  
Lubbock, TX 79401  
[danw@ntscom.com](mailto:danw@ntscom.com)

With copies for Transferee to:

Christopher Taylor  
c/o Oak Hill Capital Partners  
One Stamford Plaza  
263 Tresser Boulevard, 15th Floor  
Stamford, CT 06901  
[ctaylor@oakhillcapital.com](mailto:ctaylor@oakhillcapital.com)

With copies for Transferor to:

Andrew B. Tindel  
Pamlico Capital  
150 North College Street  
Suite 2400  
Charlotte, NC 28202  
[andrew.tindel@pamlicocapital.com](mailto:andrew.tindel@pamlicocapital.com)

**(d) Section 214 Authorizations**

Transferee: Transferee currently does not hold any Section 214 authorizations.

Clarity Licensee: Clarity holds international Section 214 authority to provide global or limited global facilities-based and resale services granted in IB File Nos. ITC-214-20020619-00300<sup>3</sup> and ITC-214-19990625-00428.<sup>4</sup> Clarity also is authorized to provide interstate service by virtue of blanket domestic Section 214 authority. *See* 47 C.F.R. § 63.01.

NTS Licensees: NTS-Comm holds international Section 214 authority to provide global or limited global facilities-based and resale services granted in IB File No. ITC-214-19971024-00657. NTS-Comm also is authorized to provide interstate service by virtue of blanket domestic Section 214 authority. *See* 47 C.F.R. § 63.01.

NTS-Tel is authorized to provide interstate service by virtue of blanket domestic Section 214 authority. *See* 47 C.F.R. § 63.01.

PRIDE is authorized to provide interstate service by virtue of blanket domestic Section 214 authority. *See* 47 C.F.R. § 63.01.

XFone holds international Section 214 authority to provide global or limited global resale services granted in IB File No. ITC-214-20040706-00251. XFone also is authorized to provide interstate service by virtue of blanket domestic Section 214 authority. *See* 47 C.F.R. § 63.01.

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<sup>3</sup> This international Section 214 authority was originally granted to Knology of South Dakota, Inc. and assigned to Clarity in IB File No. ITC-ASG-20140710-00207.

<sup>4</sup> This international Section 214 authority was originally granted to Black Hills Fiber Systems, Inc. and assigned to Clarity in IB File No. ITC-ASG-20140710-00208.

(h) (Answer to Questions 11 & 12) Following completion of the Python Transaction, Clarity will remain a direct, wholly owned subsidiary of Clarity Holdings and, assuming the consummation of the NTS Transaction, NTSI will remain a direct, wholly owned subsidiary of Clarity. NTS-Comm and XFone are and, following the NTS Transaction and Python Transaction, will remain direct, wholly owned subsidiaries of NTSI. NTS-Tel and PRIDE are and, following the NTS Transaction and Python Transaction, will remain direct, wholly owned subsidiaries of NTS-Comm. The following entities will hold, directly or indirectly, a ten percent (10%) or greater interest<sup>5</sup> in Python Licensees through Clarity Holdings upon completion of the Python Transaction as calculated pursuant to the Commission’s ownership attribution rules for wireline and international telecommunications carriers:

Post-Transaction Ownership of Clarity Holdings:

Upon completion of the Python Transaction, the following entity will wholly own **Clarity Holdings**:

Name:	Python Intermediate II, LLC (“Transferee”)
Address:	One Stamford Plaza 263 Tresser Blvd., 15th floor Stamford, CT 06901
Citizenship:	U.S. (Delaware)
Principal Business:	Holding Company
Interest Held:	100% (directly in Clarity Holdings with a greater than 70% direct membership interest in Clarity Holdings and indirectly in Clarity Holdings as the sole owner of two Delaware entities that directly own the remaining membership interests in Clarity Holdings: (i) Python Intermediate III, Inc., a Delaware corporation that may have greater than 10% direct ownership in Clarity Holdings and (ii) Python Intermediate IV, LLC, a Delaware limited liability that will have less than 10% direct ownership of Clarity Holdings)

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<sup>5</sup> The ownership interests provided herein represent both equity and voting interests unless otherwise indicated or if the entity is a limited partner. Limited partners only have equity interests and do not have voting interests in the limited partnership unless otherwise indicated.



Upon completion of the Python Transaction, the following entity will directly, wholly own **Transferee:**

Name: Python Intermediate I, LLC (“Python Intermediate I”)  
Address: One Stamford Plaza  
263 Tresser Blvd., 15th floor  
Stamford, CT 06901  
Citizenship: U.S. (Delaware)  
Principal Business: Holding Company  
Interest Held: 100% (directly in Transferee)

Upon completion of the Python Transaction, the following entity will directly, wholly own **Python Intermediate I:**

Name: Python Holdings, L.P. (“Python Holdings”)  
Address: One Stamford Plaza  
263 Tresser Blvd., 15th floor  
Stamford, CT 06901  
Citizenship: U.S. (Delaware)  
Principal Business: Holding Company  
Interest Held: 100% (directly in Python Intermediate I, indirectly in Transferee)

Upon completion of the Transaction, the following entities will directly or indirectly, wholly own or control **Python Holdings:**

Name: Python Holdings GP, LLC (“Python GP”)  
Address: One Stamford Plaza  
263 Tresser Blvd., 15th floor  
Stamford, CT 06901  
Citizenship: U.S. (Delaware)  
Principal Business: Holding Company  
Interest Held: 100% (as the general partner of Python Holdings)

Name: Pamlico Python Aggregator LLC (“Pamlico Aggregator”)  
Address: 150 N. College Street  
Suite 2400  
Charlotte, NC 28202  
Citizenship: U.S. (Delaware)  
Principal Business: Investment Activities  
Interest Held: 100% ((i) directly, as approximately 43.6% limited partner in Python Holdings and (ii) indirectly, as a 50% member of Python GP)

Name: OHCP Python Aggregator, L.P. (“OHCP Aggregator”)  
Address: One Stamford Plaza  
263 Tresser Blvd., 15th floor  
Stamford, CT 06901  
Citizenship: U.S. (Delaware)  
Principal Business: Investment Activities  
Interest Held: 100% ((i) directly, as approximately 45.8% limited partner in Python Holdings and (ii) indirectly, as a 50% member of Python GP)

No other person or entity holds a 10% or greater limited partner or other equity interest in Python Holdings.

Upon completion of the Transaction, the following entities will indirectly, own or control a ten percent (10%) or greater interest in Python Holdings through **OHCP Aggregator**:

Name: Oak Hill Capital Partners IV (Onshore), L.P.  
 (“OHCP IV Onshore”)  
Address: One Stamford Plaza  
263 Tresser Blvd., 15th floor  
Stamford, CT 06901  
Citizenship: Cayman Islands  
Principal Business: Investment Activities  
Interest Held: 100% (as a 60.1% limited partner in OHCP Aggregator)

Name: Ohio Public Employees Retirement System  
Address: 277 East Town Street  
Columbus, OH 43215  
Citizenship: U.S. (Ohio)  
Principal Business: Statutorily-created pension plan  
Interest Held: 15.7% (indirectly, as a 15.7% limited partner in OHCP IV Onshore)

Name: FW Oak Hill Limited IV, L.P. (“FW Limited IV”)  
Address: 201 Main Street, Suite 3100  
Fort Worth, TX 76102  
Citizenship: U.S. (Delaware)  
Principal Business: Investment Activities  
Interest Held: 12.5% (indirectly, as a 12.5% limited partner in OHCP IV Onshore)

Name: RMB Holdings, LLC (“RMB Holdings”)  
Address: 201 Main Street, Suite 3100  
Fort Worth, TX 76102  
Citizenship: U.S. (Delaware)  
Principal Business: Investment Activities  
Interest Held: 12.5% (indirectly, as a 76.3% limited partner in FW Limited IV)

RMB Holdings is controlled by Robert M. Bass and Anne T. Bass, U.S. citizens, as co-Trustees of the Live Oak Trust, a Texas trust that directly wholly owns RMB Holdings.

No other limited partner of FW Limited IV indirectly owns or controls a 10% or greater interest in OHCP Aggregator.

The sole general partner of FW Limited IV is FW Oak Hill Limited Genpar IV, LLC, a Delaware limited liability company. The sole member of FW Oak Hill Limited Genpar IV, LLC is FW GP Holdco, LLC, a Delaware limited liability company. The sole member of FW GP Holdco, LLC is Jay H. Hebert, a U.S. citizen. The address for each of these entities and Mr. Hebert is 201 Main Street, Suite 3100, Fort Worth, TX 76102.

No other limited partner in OHCP IV Onshore owns or controls a ten percent (10%) or greater interest in OHCP Aggregator.

Name: Oak Hill Capital Partners IV (Offshore), L.P.  
 (“OHCP IV Offshore”)  
Address: One Stamford Plaza  
263 Tresser Blvd., 15th floor  
Stamford, CT 06901  
Citizenship: Cayman Islands  
Principal Business: Investment Activities  
Interest Held: 20.7% (as a 20.7% limited partner in OHCP Aggregator)

No limited partner in OHCP IV Onshore owns or controls a ten percent (10%) or greater interest in OHCP Aggregator.

Name: OHCP GenPar IV, L.P. (“GenPar IV”)  
Address: One Stamford Plaza  
263 Tresser Blvd., 15th floor  
Stamford, CT 06901  
Citizenship: Cayman Islands  
Principal Business: Investment Activities  
Interest Held: 100% (directly as the general partner of OHCP Aggregator and indirectly as the general partner of (i) OHCP IV Onshore, (ii) OHCP IV Offshore, and (iii) three other investment funds that individually hold less than 10% of the

limited partnership interests in OHCP Aggregator but collectively hold approximately 19.2% of the limited partnership interests in OHCP Aggregator)

Name: OHCP Principal Investors IV, L.P. (“PI IV”)  
Address: One Stamford Plaza  
263 Tresser Blvd., 15th floor  
Stamford, CT 06901  
Citizenship: Cayman Islands  
Principal Business: Investment Activities  
Interest Held: 100% (as 93.9% limited partner in GenPar IV)

The following individuals, each of whom is a U.S. citizen, are the only limited partners in PI IV with a 10% or greater interest in PI IV: J. Taylor Crandall (through the J. Taylor Crandall Revocable Trust) and Tyler J. Wolfram.

Name: OHCP MGP IV, Ltd. (“MGP IV”)  
Address: One Stamford Plaza  
263 Tresser Blvd., 15th floor  
Stamford, CT 06901  
Citizenship: Cayman Islands  
Principal Business: Investment Activities  
Interest Held: 100% (as the general partner (less than 1% equity) of GenPar IV and PI IV)

The shares in MGP IV are distributed equally (100 shares each) among thirteen individuals, each of whom is a U.S. citizen: J. Taylor Crandall, Steven B. Gruber, Tyler J. Wolfram, Scott A. Baker, Brian N. Cherry, Benjamin Diesbach, Stratton R. Heath, III, Scott B. Kauffman, Kevin M. Mailender, John R. Monsky, William J. Pade, Steven G. Puccinelli, and David S. Scott. None of these individuals has a 10% or greater interest in OHCP Aggregator.

The equity in OHCP IV Onshore, OHCP IV Offshore, and the other related funds (collectively, the “Oak Hill IV Funds”) whose general partner is GenPar IV is held through passive limited partnership interests held by numerous, primarily U.S.-based investors, including individuals, trusts, institutions and business entities. Except for the limited partners in OHCP IV Onshore listed above, no limited partner of the Oak Hill IV Funds owns or controls a ten percent (10%) or greater direct or indirect interest in OHCP Aggregator through their investments in one or more of these funds.

To the Transferee's knowledge, no other person or entity, directly or indirectly, will own or control a ten percent (10%) or greater interest in Transferee through OHCP Aggregator.

Upon completion of the Python Transaction, the following entities will indirectly, own or control a ten percent (10%) or greater interest in Python Holdings through **Pamlico Aggregator**:

Name: Pamlico Capital IV, L.P. ("PC IV LP")  
150 N. College Street  
Suite 2400  
Charlotte, NC 28202  
Citizenship: U.S. (Delaware)  
Principal Business: Investments  
Interest Held: 100% (as a 98.4% member of Pamlico Aggregator)

Name: Pamlico Capital GP IV, LLC ("PC IV GP")  
150 N. College Street  
Suite 2400  
Charlotte, NC 28202  
Citizenship: U.S. (Delaware)  
Principal Business: Investments  
Interest Held: 100% (as the general partner of (i) PC IV LP (approximately 3.8% equity) and (ii) another limited partnership that is the only other member of Pamlico Aggregator and does not hold a 10% or greater membership interest in Pamlico Aggregator)

The following members of PC IV GP each hold or control between ten and twenty percent of the membership interests in PC IV GP: Scott B. Perper, L. Watts Hamrick III, Frederick W. Eubank II, Arthur C. Roselle, Scott R. Stevens, and Walker C. Simmons.<sup>6</sup> Each of these individuals is a U.S. citizen with a principal place of business at the same location as PC IV GP.

Name: HarbourVest Partners, LLC  
Address: One Financial Center, 44th Floor  
Boston, MA 02111  
Citizenship: U.S. (Delaware)  
Principal Business: Investment Company  
% Interest: 17.1% (indirectly, as the controlling or managing entity of multiple funds or entities that directly or indirectly interests in PV IC LP but that do not

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<sup>6</sup> These individuals also directly or indirect, own or control interests in an entity that will directly own less than 5% of Python Holdings.

individually directly or indirectly, hold or control a 10% or greater limited partner interest in PC IV LP)

A majority of the ownership of HarbourVest Partners, LLC is held by 27 individuals (19 managing directors and eight former managing directors), none of which individually owns or control 10% or more of PC IV LP.

No other limited partner in PC IV LP will own or control a ten percent (10%) or greater interest in Python Holdings through PC IV LP.

To Transferee's knowledge, no other person or entity, directly or indirectly, owns or controls a 10% or greater interest in Transferee.

Transferee does not have and will not have any interlocking directorates with a foreign carrier.

(i) **(Answer to Question 14)** Transferee certifies that it is not a foreign carrier or affiliated (as defined in 47 C.F.R. § 63.09) with any foreign carriers. Currently, neither Transferor nor Python Licensees are foreign carriers or affiliated with any foreign carrier(s).

(j) **(Answer to Question 15)** Applicants certify that they do not seek to provide international telecommunications services to any destination country where (1) an Applicant is a foreign carrier in that country, (2) an Applicant controls a foreign carrier in that country, (3) any entity that owns more than 25 percent of an Applicant, or that controls an Applicant, controls a foreign carrier in that country; or (4) two or more foreign carriers (or parties that control foreign carriers) own in the aggregate more than 25 percent of an Applicant and are parties to, or the beneficiaries of, a contractual relation affecting the provision or marketing of international basic telecommunications services in the United States.

(k) Not applicable.

(m) Not applicable.

(n) Applicants certify that they 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 market power on the foreign end of the route and will not enter into such agreements in the future.

(o) Applicants certify that they are not subject to denial of federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1998. *See* 21 U.S.C. § 853a; *see also* 47 C.F.R. §§ 1.2001-1.2003.

(p) Applicants respectfully submit that this Application is eligible for streamlined processing pursuant to Section 63.12(a)-(b) of the Commission's Rules, 47 C.F.R. § 63.12(a)-(b). In particular, Section 63.12(c) is inapplicable because none of the Applicants is or is affiliated with any foreign carriers, and none of the scenarios outlined in Section 63.12(c) of the Commission's Rules applies.

## **V. INFORMATION REQUIRED BY SECTION 63.04**

Pursuant to Commission Rule 63.04(b), 47 C.F.R. § 63.04(b), Applicants submit the following information in support of their request for domestic Section 214 authority to transfer indirect control of Python Licensees to Transferee in order to address the requirements set forth in Section 63.04(a)(6)-(12) of the Commission's Rules:

(a)(6) A description of the proposed Python Transaction is set forth in **Section II** above.

(a)(7) (i) Collectively, Python Licensees provide intrastate and/or interstate telecommunications services in Arizona, Louisiana, Minnesota, Mississippi, New Mexico, Oklahoma, South Dakota and Texas.

Specifically, Clarity is authorized to provide competitive local exchange and/or interexchange in Minnesota and South Dakota. Clarity is also an incumbent local exchange carrier in South Dakota. Clarity holds a non-common carrier wireless license from the Commission (Call

Sign WQKD374). Clarity also operates cable systems in certain communities in Minnesota and South Dakota. In connection with its cable services Clarity holds C-Band receive-only earth station registrations for Vibor and Rapid City, SD (Call Signs E970192 and E180002, respectively).

NTS-Comm is authorized to provide facilities-based and/or resold telecommunications services in Arizona (interexchange only), New Mexico, Oklahoma (interexchange only), and Texas. NTS-Tel is authorized to provide facilities-based and resale telecommunications services in Texas. PRIDE is authorized to provide facilities-based and resold telecommunications services in Louisiana and Texas. XFone is authorized to provide competitive local exchange and resold interexchange telecommunications services in Louisiana and local exchange, interexchange and broadband services in Mississippi.

NTS-Comm, PRIDE and NTS-Tel also operate cable systems in certain communities in Louisiana or Texas. Specifically, NTS-Comm holds authorizations to provide state-wide video service in Texas and also in the City of Morton, Texas. PRIDE holds authorizations to provide state-wide video service in Louisiana and Texas. NTS-Tel holds an authorization to provide state-wide video service in Texas.

In connection with these cable services, NTS-Comm holds Cable Television Relay Service Authorizations under Call Signs WLY-648 and WHZ-407, various Antenna Structure Registrations, certain Cable Community Registrations, and applications pending for C-Band Receive-Only Earth Station Authorizations.

Finally, Clarity holds experimental radio license assigned Call Sign WJ2XED.

(ii) Transferee does not own or control a 10% or greater, direct or indirect interest in any domestic telecommunications carrier. To Transferee's knowledge, Transferee is not affiliated with any domestic telecommunications carriers through the persons or entities that own or control a 10% or greater, direct or indirect interest in Transferee.



**(a)(8)** Applicants respectfully submit that this Application is eligible for streamlined processing pursuant to Sections 63.03 of the Commission's Rules, 47 C.F.R. §63.03. In particular, with respect to domestic authority, this Application is eligible for streamlined processing pursuant to Section 63.03(b)(2)(ii) because, immediately following the Python Transaction, (i) Transferee (and its Affiliates) will have a market share in the interstate, interexchange market of less than ten percent (10%), and (ii) Transferee (and its Affiliates) will provide competitive telephone exchange services or exchange access services (if at all) exclusively in geographic areas served by a dominant local exchange carrier that is not a party to the transaction.

**(a)(9)** Other than Clarity's non-common carrier wireless license and receive-only earth station licenses, Clarity's experimental radio license, and the Section 214 authorizations held by the Python Licensees described in this Application, Python Licensees do not hold any other authorizations or licenses from the Commission to provide telecommunications services. Clarity also holds various Cable Community Registrations. NTS-Comm also holds Cable Television Relay Service Authorizations under Call Signs WLY-648 and WHZ-407, various Antenna Structure Registrations, and certain Cable Community Registrations, and has applications pending for C-Band Receive-Only Earth Station Authorizations. A separate application will be filed in the CARS system with respect to the transfer of control of NTS-Comm's Cable Television Relay Service Authorizations.

**(a)(10)** No party is requesting special consideration because it is facing imminent business failure.

**(a)(11)** Not applicable.

**(a)(12)** A statement showing how grant of the application will serve the public interest, convenience and necessity is provided in **Section III**, above.

**VI. CONCLUSION**

For the reasons stated above, Applicants respectfully submit that the public interest, convenience and necessity would be furthered by a grant of this Application to transfer indirect ownership and control of Python Licensees to Transferee.

Respectfully submitted,

/s/ Brett P. Ferenchak

Catherine Wang

Brett P. Ferenchak

Patricia Cave

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*Counsel for Transferee, Transferor and Clarity*

Dated: January 28, 2019

## EXHIBIT A

### **Current Ownership of Clarity and PC III CTH Holdings, L.P.**

The following entity directly, wholly owns **Clarity**:

Name: Clarity Telecom Holdings, LLC (“Clarity Holdings”)  
Address: 912 South Main Street, Suite 106  
Sikeston, MO 63801  
Citizenship: U.S. (Delaware)  
Principal Business: Holding Company  
% Interest: 100% (directly in Clarity)

The following entities and individuals currently hold a ten percent (10%) or greater, direct or indirect, interest in **Clarity Holdings**:

Name: PC III CTH Holdings, L.P. (“PC III Holdings”)  
Address: 150 N. College Street  
Suite 2400  
Charlotte, NC 28202  
Citizenship: U.S. (Delaware)  
Principal Business: Investments  
% Interest: Approx. 63.5% on a fully diluted basis (directly in Clarity Holdings)

Name: PC III CTH AIV II, L.P. (“PC AIV II”)  
Address: 150 N. College Street  
Suite 2400  
Charlotte, NC 28202  
Citizenship: U.S. (Delaware)  
Principal Business: Investments  
% Interest: Approx. 66.4% (indirectly as a 66.4% limited partner of PC III Holdings)

Name: HarbourVest Partners IX-Buyout Fund L.P.  
 (“HVP IX Fund”)  
Address: One Financial Center  
Boston, MA 02111  
Citizenship: U.S. (Delaware)  
Principal Business: Investments  
% Interest: Approx. 11.6% (indirectly, as 11.6% limited partner of PC AIV II)

Name: HarbourVest IX-Buyout Associates L.P.  
("HV IX Associates")  
Address: c/o HarbourVest Partners, LLC  
One Financial Center  
Boston, MA 02111  
Citizenship: U.S. (Delaware)  
Principal Business: Investments  
% Interest: Approx. 11.6% (indirectly as the general partner of HVP IX Fund)

Name: HarbourVest Partners IX-Cayman Buy-out Fund L.P.  
("HV IX-Cayman Fund")  
Address: 190 Elgin Avenue  
George Town, Grand Cayman  
KY1-9005, Cayman Islands  
Citizenship: Cayman Islands  
Principal Business: Investments  
% Interest: Approx. 11.6% (indirectly as a 75.8% limited partner of HVP IX Fund)

No limited partner of HV IX-Cayman Fund is attributed a 10% or greater indirect interest in Clarity Holdings.

Name: HarbourVest IX-Buyout Associates LLC  
("HV IX Associates LLC")  
Address: c/o HarbourVest Partners, LLC  
One Financial Center  
Boston, MA 02111  
Citizenship: U.S. (Delaware)  
Principal Business: Investments  
% Interest: Approx. 11.6% (indirectly as the general partner of HVP IX Fund and HV IX-Cayman Fund)

Name: HarbourVest Partners, LLC  
Address: One Financial Center, 44th Floor  
Boston, MA 02111  
Citizenship: U.S. (Delaware)  
Principal Business: Investment Company  
% Interest: 11.6% (indirectly (i) as the sole member of HV IX Associates LLC and (ii) as the ultimate control entity of another fund with a 4.6% direct limited partner interest in PC AIV II)

A majority of the ownership of HarbourVest Partners, LLC, the ultimate controlling entity of the HarbourVest Partners IX-Buyout Fund L.P., is held by 27 individuals (19 managing directors and eight former managing directors), none of which individually owns or control 10% or more of Clarity Holdings.

Name: Healthcare of Ontario Pension Plan Trust Fund (“HOPP”)  
Address: 1 York Street. Suite 1900  
Toronto, ON, M5J 0B6  
Canada  
Citizenship: Ontario, Canada  
Principal Business: Pension Plan  
% Interest: Approx. 13.9% (indirectly as 13.9% limited partner of PC AIV II)

HOPP is governed by a 16-member

<sup>1</sup> Board of Trustees made up of Canadian citizens.

Name: PC III CTH, Inc. (“PC III CTH”)  
Address: 150 N. College Street  
Suite 2400  
Charlotte, NC 28202  
Citizenship: U.S. (Delaware)  
Principal Business: Investments  
% Interest: Approx. 29.0% (indirectly, as a 29.0% limited partner of PC III Holdings)

Name: PC III CTH AIV I-A, L.P. (“PC AIV I-A”)  
Address: 150 N. College Street  
Suite 2400  
Charlotte, NC 28202  
Citizenship: U.S. (Delaware)  
Principal Business: Investments  
% Interest: Approx. 13.7% (indirectly through approximately 47.2% direct ownership of PC III CTH)

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<sup>1</sup> Two of the seats are currently vacant.

Name: Alpinvest Partners B.V.  
Address: Jachthavenweg 118  
1081 KJ Amsterdam, The Netherlands  
Citizenship: Netherlands  
Principal Business: Investments  
% Interest: Approx. 11.3% (indirectly by virtue of its management control of three general partners of two entities that collectively hold approximately 11.3% of the limited partner interests in PC AIV I-A but none of which individually is attributed 10% or more ownership in Clarity Holdings)<sup>2</sup>

Alpinvest Partners B.V. is ultimately controlled through multiple other controlling entities<sup>3</sup> by The Carlyle Group L.P., a Delaware limited partnership located at 1001 Pennsylvania Avenue, NW, Washington, D.C. 20004. The general partner of the Carlyle Group L.P. is Carlyle Group Management L.L.C., a Delaware limited liability company with, to Applicant's knowledge, no individual member (all senior Carlyle professionals) attributed an indirect 10% or greater ownership interest in PC III Holdings. The Carlyle Group L.P.'s limited partnership interests known as common units are publicly traded and collectively have only 15% of the limited partner voting power, with no individual common unit holder, to Applicant's knowledge, attributed an indirect 10% or greater ownership interest in PC III Holdings. The Carlyle Group L.P.'s limited partnership interest known as a Special Voting Unit has 85% of the limited partner voting power and is held by TCG Carlyle Group Partners L.L.C., a Delaware limited liability company with, to Applicant's knowledge, no individual member (all senior Carlyle professionals) attributed an indirect 10% or greater ownership interest in PC III Holdings.

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<sup>2</sup> Alpinvest Partners B.V. is the sole owner of the general partner of another fund that has less than a 1 percent limited partnership interest in PC AIV II.

<sup>3</sup> These entities include: AP B.V. (Netherlands), Alp Holdings Coöperatief U.A. (Netherlands); Alp Lower Holdings Ltd. (Cayman Islands); TC Group Cayman, L.P. (Cayman Islands); Carlyle Holdings III L.P. (Québec); Carlyle Holdings III GP Sub L.L.C. (Delaware); Carlyle Holdings III GP L.P. (Québec); and Carlyle Holdings III GP Management L.L.C. (Delaware).

Name: PC CTH AIV I, L.P. ("PC AIV I")  
Address: 150 N. College Street  
Suite 2400  
Charlotte, NC 28202  
Citizenship: Cayman  
Principal Business: Investments  
% Interest: Approx. 29% (indirectly through approximately 52.8% direct ownership of PC III CTH)

Name: Partners Group Holdings AG  
Address: Zugerstrasse 57  
Baar, 6341  
Switzerland  
Citizenship: Switzerland  
Principal Business: Investments  
% Interest: Approx. 11.5% (indirectly as the general partner of three limited partnerships that collectively hold 39.7% of the limited partner interests in PC AIV I-A but none of which individually is attributed 10% or more ownership in Clarity Holdings)

Partners Group Holdings AG is a publicly traded company (SIX: PGHN.VX) with no individual shareholder attributed a 10% or greater indirect interest in Clarity Holdings.

Name: Pamlico Capital GP III, LLC ("PC GP III")  
Address: 150 N. College Street  
Suite 2400  
Charlotte, NC 28202  
Citizenship: U.S. (Delaware)  
Principal Business: Investments  
% Interest: 100% (indirectly as the general partner of (i) PC III Holdings (4.6%), (ii) PC AIV I-A, (iii) PC AIV I, (iv) PC AIV II and (v) another Delaware limited partnership that has a direct ownership interest in Clarity Holdings of less than one percent (1%))

The following members of PC GP III each hold or control between ten and twenty percent of the membership interests in PC GP III: Scott B. Perper, L. Watts Hamrick III, Frederick W. Eubank II, Arthur C. Roselle, Scott R. Stevens, and Walker C. Simmons. Each of these individuals is a U.S. citizen with a principal place of business at the same location as PC GP III.

Name: The Board of Trustees of the Leland Stanford Junior University  
Address: Littlefield Center  
365 Lasuen Street  
Stanford, CA 94305  
Citizenship: U.S. (California)  
Principal Business: Trust with corporate powers under the laws of the State of California  
% Interest: Approx. 25.1% (through the following direct and indirect ownership in Clarity Holdings: (i) directly, as a 11.2% direct owner in Clarity Holdings on a fully diluted basis and (ii) indirectly, as a 13.9% as a limited partner of PC AIV II)

To Clarity's knowledge, no other person or entity, directly or indirectly, owns or controls a 10% or greater interest in Clarity Holdings.



## **EXHIBIT B**

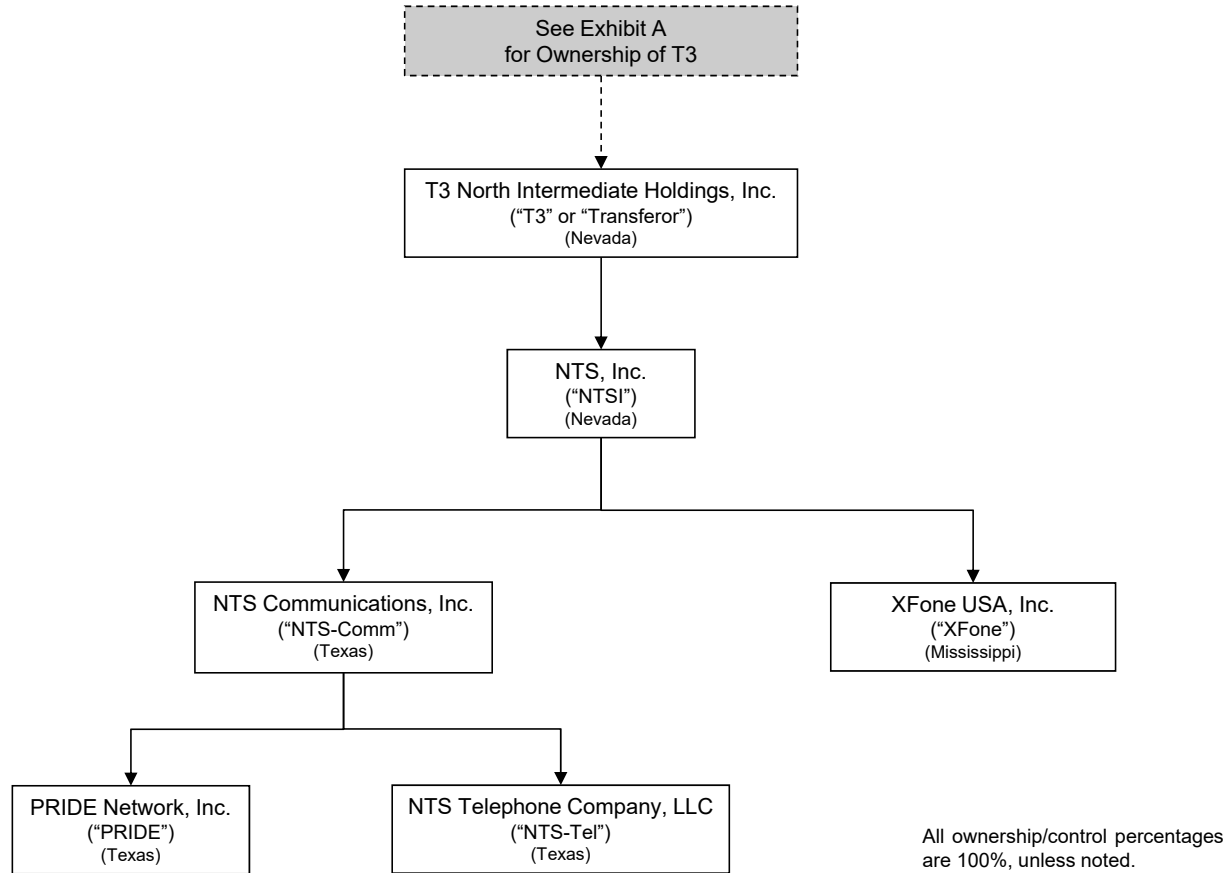
### **Current Ownership of NTS Inc. and NTS Licensees**

NTS, Inc. (“NTSI”) is wholly owned by T3 North Intermediate Holdings, Inc. (“T3”), a Nevada corporation. T3 is a direct, wholly owned subsidiary of T3 North Holdings, Inc (“T3 Holdings”), a Delaware corporation. Tower Three Partners Fund II LP (“T3P II”), a Delaware limited partnership, currently holds approximately 93% of the equity ownership interests and voting interests in T3 Holdings. T3P II is directly controlled by its general partner, Tower Three Partners Fund II GP LP (“T3P II GP LP”), a Delaware limited partnership, and it is ultimately controlled by Tower Three Partners Fund II GP LLC (“T3P II GP LLC”), a Delaware limited liability company. The managing member of T3P II GP LLC is William D. Forrest, a U.S. citizen. No other entity holds a 10% or greater interest in NTSI.

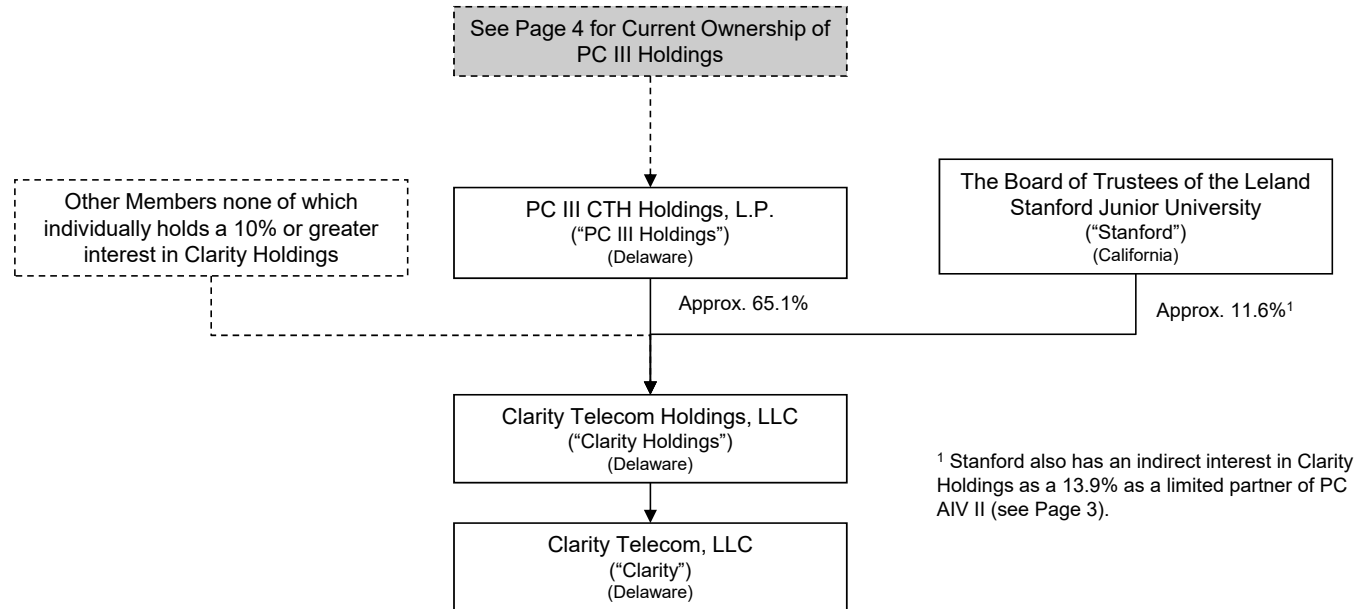
**EXHIBIT C**

**Current, Post-NTS Transaction and Post-Python Transaction  
Corporate Ownership Structure Charts**

## Current Corporate Ownership Structure of NTS Licensees

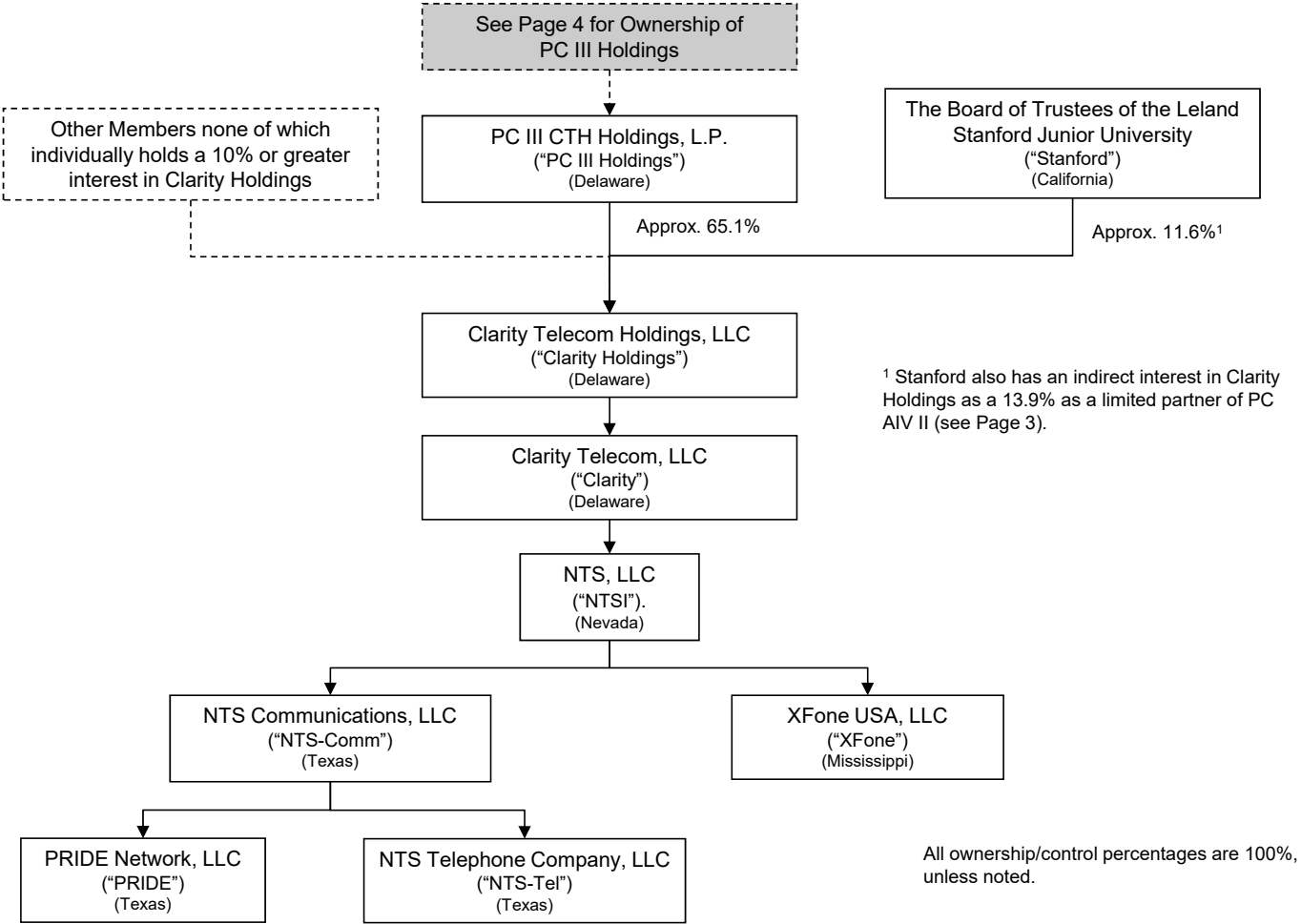


## Current Corporate Ownership Structure of Clarity

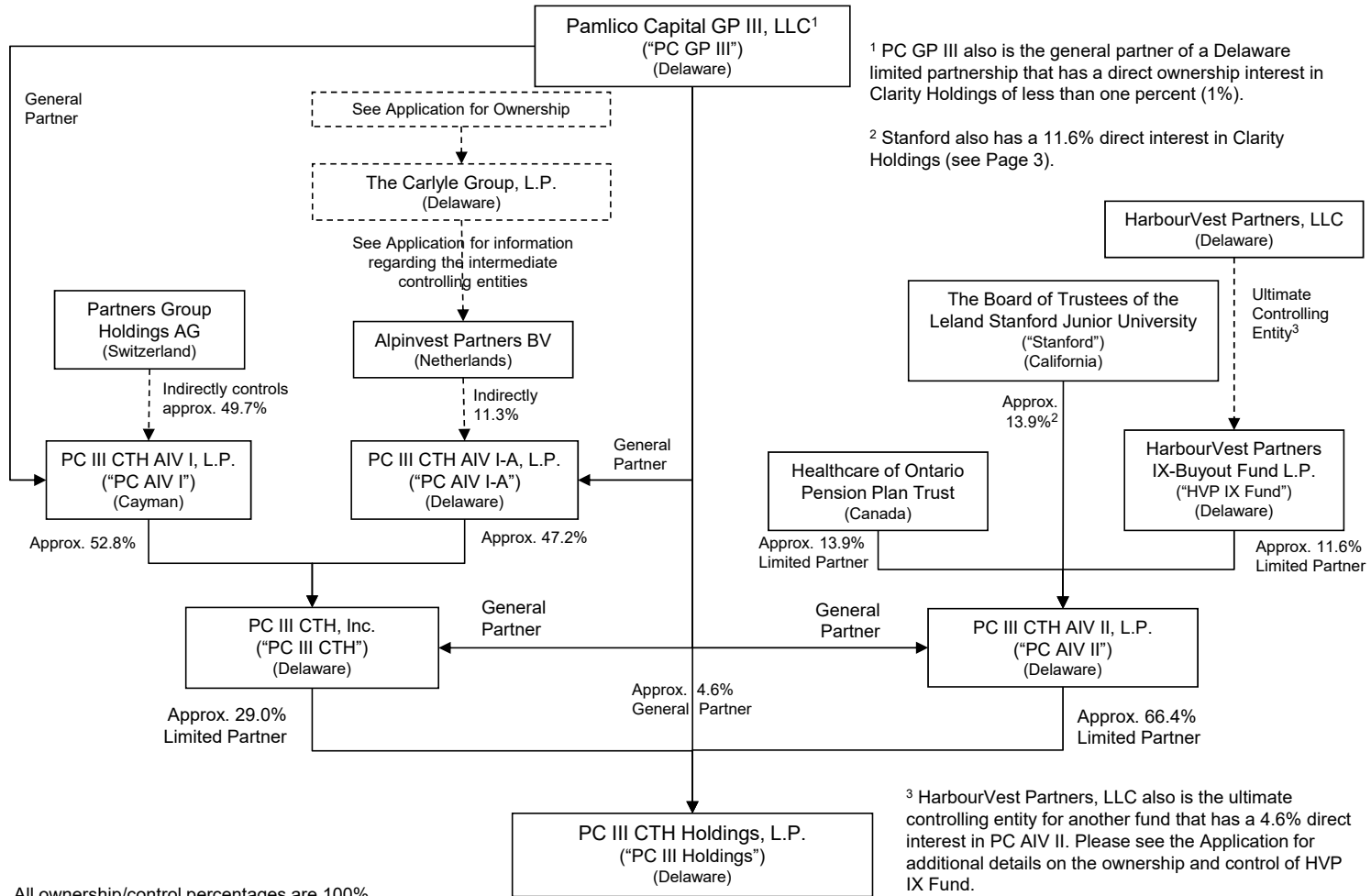


All ownership/control percentages are 100%, unless noted.

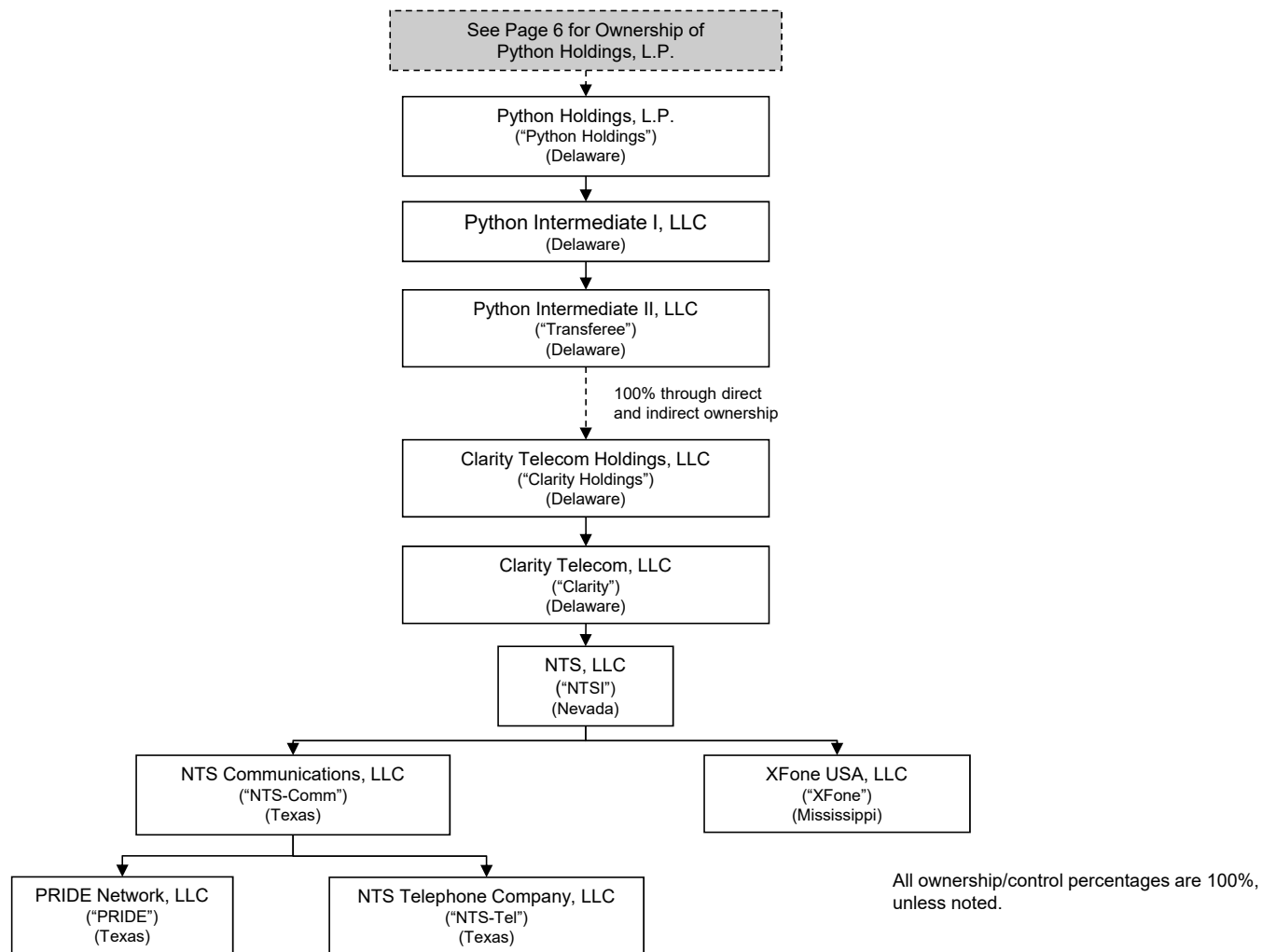
Post-NTS Transaction Corporate Ownership Structure of Clarity and NTS Licensees\*



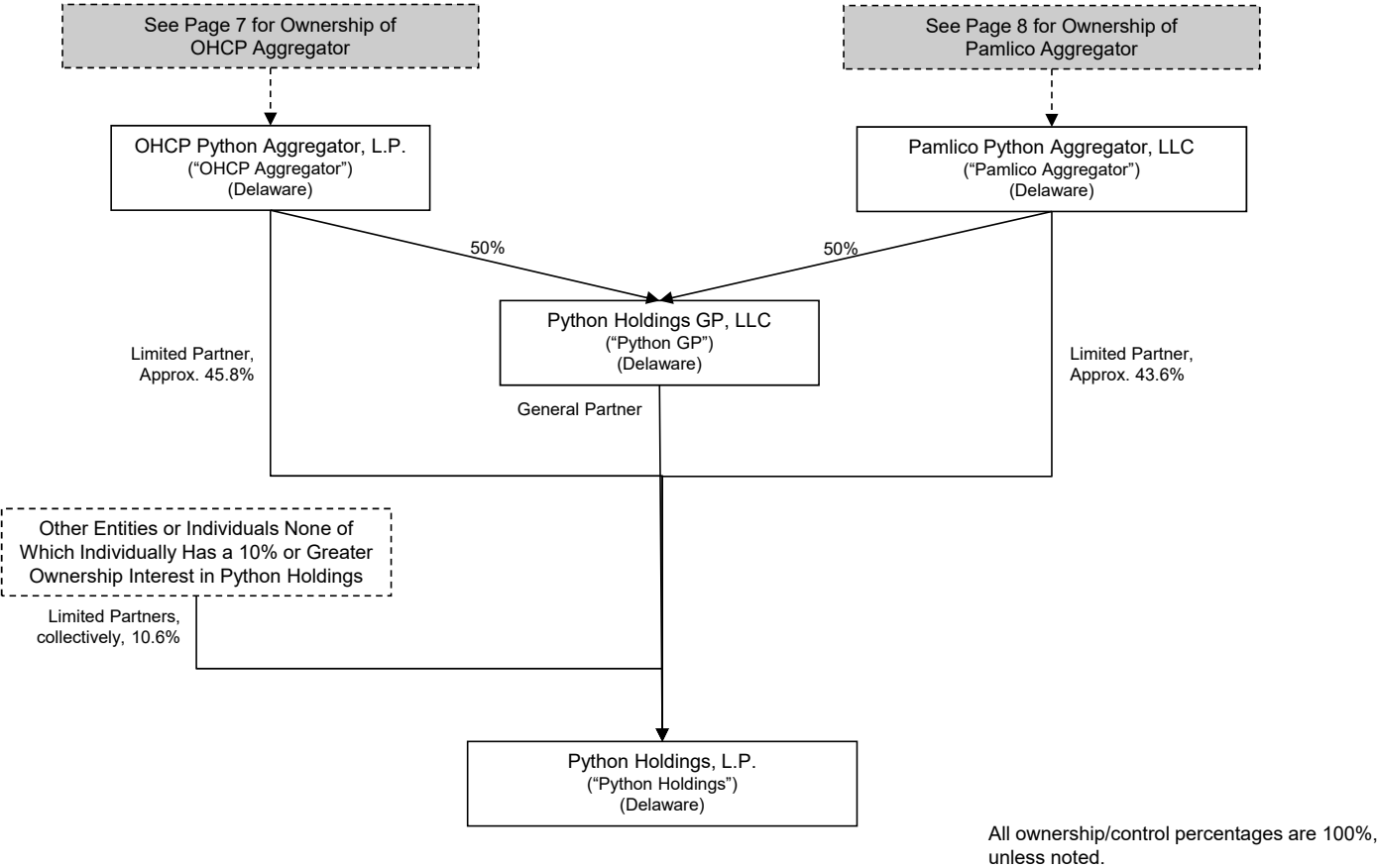
# Current and Post-Transaction Corporate Ownership Structure of PC III Holdings



## Post-Python Transaction Corporate Ownership Structure of Clarity and NTS Licensees

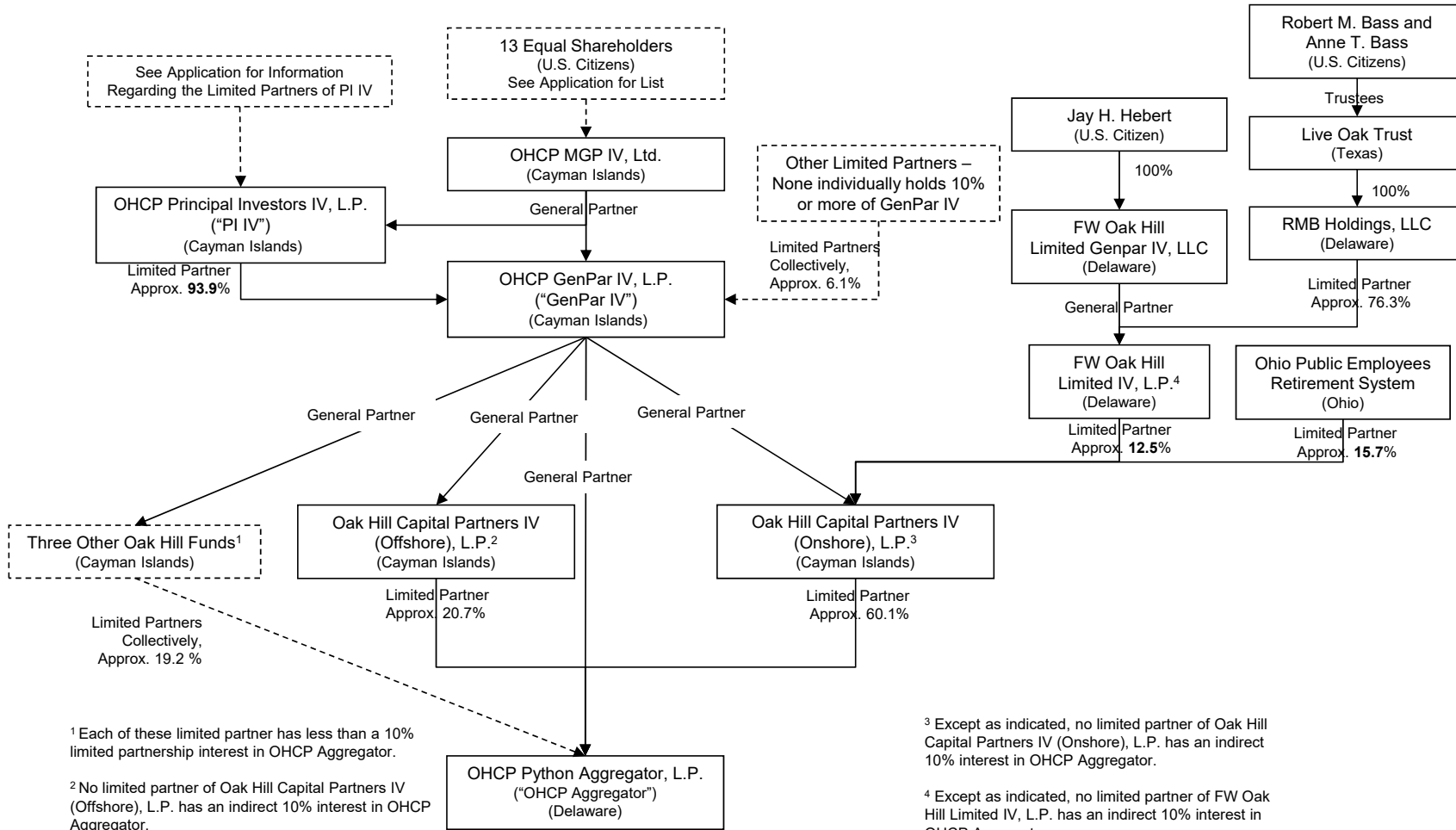


# Post-Python Transaction Corporate Ownership Structure of Python Holdings

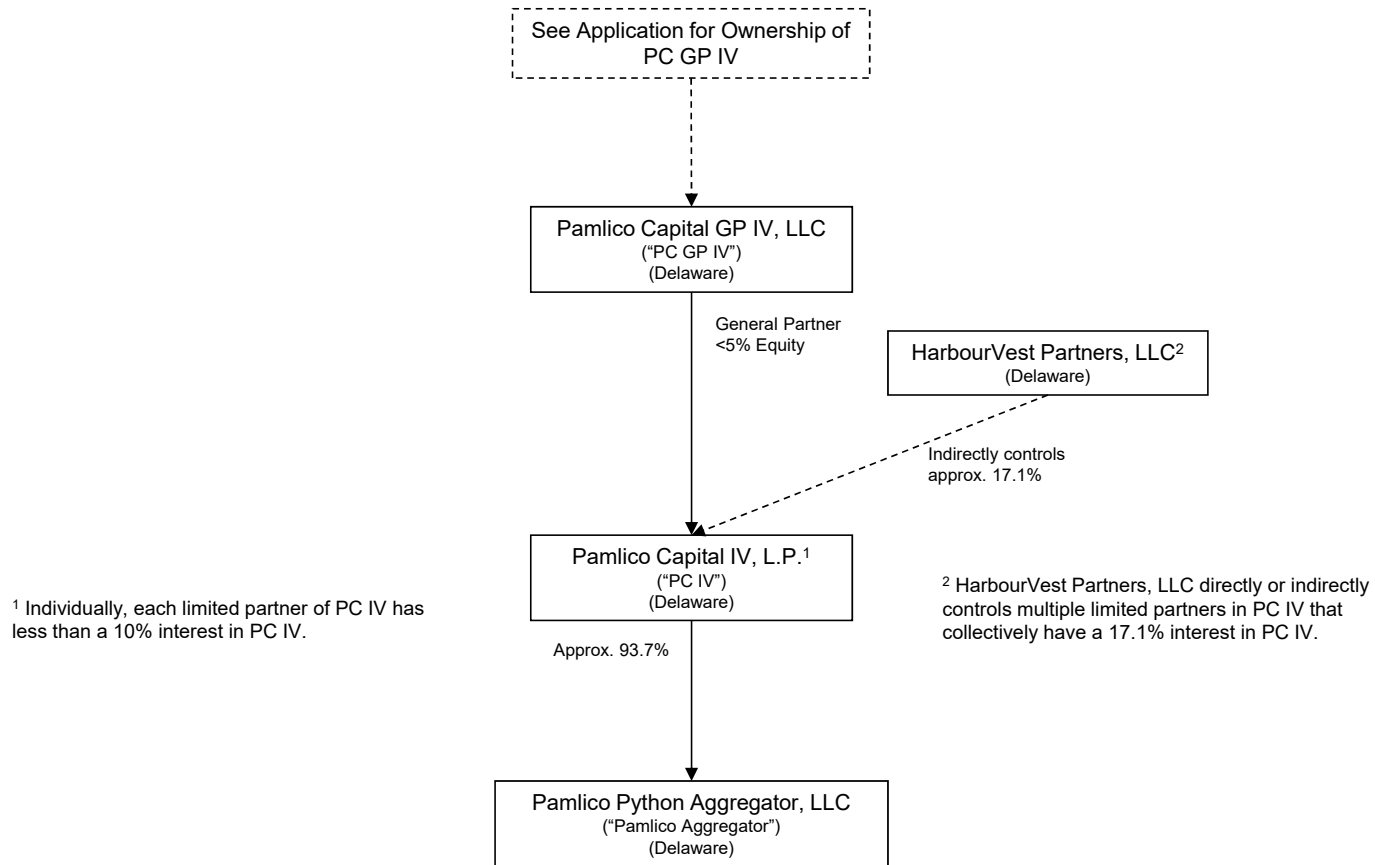




## Corporate Ownership Structure of OHCP Aggregator



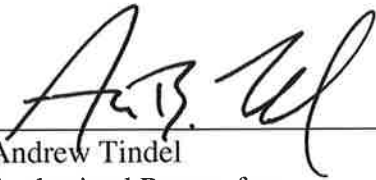
## Corporate Ownership Structure of Pamlico Aggregator



## VERIFICATION

I, Andrew Tindel, state that I am authorized to make this Verification on behalf PC III CTH Holdings, L.P. (the "Company"); that the foregoing filing was prepared under my direction and supervision; and that the contents with respect to the Company are true and correct to the best of my knowledge, information, and belief.

I declare under penalty of perjury that the foregoing is true and correct. Executed this 9<sup>th</sup> day of January, 2019.

  
\_\_\_\_\_  
Andrew Tindel  
Authorized Person for  
PC III CTH Holdings, L.P.

## VERIFICATION

I, Christopher Taylor, state that I am an Authorized Representative of Python Intermediate II, LLC (the “Company”); that I am authorized to make this Verification on behalf of the Company; and that the contents in the foregoing filing with respect to the Company are true and correct to the best of my knowledge, information, and belief.

I declare under penalty of perjury that the foregoing is true and correct. Executed this 28th day of January, 2019.

  
\_\_\_\_\_  
Christopher Taylor  
Authorized Representative  
Python Intermediate II, LLC

## VERIFICATION

I, J. Keith Davidson, state that I am Chief Financial Officer of Clarity Telecom, LLC d/b/a Vast Broadband (together, the "Company"); that I am authorized to make this Verification on behalf of the Company; that the foregoing filing was prepared under my direction and supervision; and that the contents with respect to the Company are true and correct to the best of my knowledge, information, and belief.

I declare under penalty of perjury that the foregoing is true and correct. Executed this 10<sup>th</sup> day of January, 2019.



J. Keith Davidson  
Chief Financial Officer  
Clarity Telecom, LLC

## VERIFICATION

I, William Morrow, state that I am an authorized officer of T3 North Intermediate Holdings, Inc.; that I am authorized to make this Verification on behalf of T3 North Intermediate Holdings, Inc., NTS, Inc. and its subsidiaries, including NTS Communications, Inc., NTS Telephone Company, LLC, PRIDE Network, Inc. and XFone USA, Inc. (collectively, the "Company"); that the foregoing filing and its content with respect to the Company are true and correct to the best of my knowledge, information, and belief, formed after reasonable inquiry.

I declare under penalty of perjury that the foregoing is true and correct. Executed this 28th day of January, 2019.



William Morrow