



PUBLIC NOTICE

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GRANT OF CONDITIONAL CERTIFICATION FOR CLEARCAPTIONS, LLC, TO PROVIDE INTERNET PROTOCOL CAPTIONED TELEPHONE SERVICE AFTER ITS ACQUISITION BY CC OPPORTUNITIES, LLC

CG Docket No. 03-123

By the Chief, Consumer and Governmental Affairs Bureau:

Conditional certification is granted to ClearCaptions, LLC (ClearCaptions), to continue to provide Internet Protocol Captioned Telephone Service (IP CTS)¹ supported by the Interstate Telecommunications Relay Service (TRS) Fund² following the acquisition of majority ownership of ClearCaptions by CC Opportunities, LLC (CC Opportunities). By this action, ClearCaptions, which currently holds a full certification to provide IP CTS,³ will remain eligible for compensation from the TRS Fund after the change in ownership, pending Commission action on an application for full certification of the post-merger entity. We find it to be in the public interest to grant such conditional certification to ensure the uninterrupted provision of service pending a full determination of ClearCaptions' qualifications.

Background

On December 19, 2023, CC Opportunities and ClearCaptions (Applicants) filed an application for conditional certification to provide IP CTS.⁴ Applicants state that, upon consummation of the proposed

¹ IP CTS, a form of telecommunications relay service (TRS), “permits an individual who can speak but who has difficulty hearing over the telephone to use a telephone and an internet Protocol-enabled device via the internet to simultaneously listen to the other party and read captions of what the other party is saying. With IP CTS, the connection carrying the captions between the relay service provider and the relay service user is via the internet, rather than the public switched telephone network.” 47 CFR § 64.601(a)(23). TRS are “telephone transmission services that provide the ability for an individual who is deaf, hard of hearing, deaf-blind, or who has a speech disability” to communicate with others via wire or radio “in a manner that is functionally equivalent to the ability of a hearing individual who does not have a speech disability.” *Id.* § 64.601(a)(43).

² The TRS Fund compensates eligible providers of Internet-based and interstate TRS for their reasonable costs of providing these services. *See id.* § 64.604(c)(5)(iii).

³ *Telecommunications Relay Services and Speech-to-Speech Services for Individuals with Hearing and Speech Disabilities; ClearCaptions Internet-Based TRS Certification Application*, CG Docket No. 03-123, Order, 38 FCC Rcd 2471 (CGB 2023) (*ClearCaptions Certification Order*) (authorizing ClearCaptions to provide IP CTS for a five-year period, through April 3, 2028).

⁴ *See Application of CC Opportunities, LLC and ClearCaptions, LLC for Conditional Certification to Provide Internet Protocol Captioned Telephone Service*, CG Docket No. 03-123 (filed Dec. 19, 2023) (Application), <https://www.fcc.gov/ecfs/document/121966686766/1> (redacted).

transaction, CC Opportunities will acquire controlling (between 86% and 94%)⁵ voting and equity interests in ClearCaptions Intermediate, LLC, which in turn directly owns and controls 99% of the voting and equity interest in ClearCaptions.⁶ CC Opportunities does not currently hold Commission certification as an IP CTS provider. Therefore, Applicants seek conditional certification to enable ClearCaptions to maintain its eligibility, on an interim basis, to receive compensation from the TRS Fund following its acquisition by CC Opportunities.⁷ Upon such grant and consummation of the acquisition, Applicants state, the post-merger ClearCaptions, which then will be majority owned and controlled by CC Opportunities, will file an application for full certification to provide IP CTS under its changed ownership.⁸ A draft of that application, attached to the Application, substitutes the post-transaction entity as the applicant, describes how the post-transaction entity will comply with the Commission's minimum TRS standards, and provides information about the new owners.⁹

Applicants state that "ClearCaptions will continue to provide IP CTS services and comply with applicable Commission regulations."¹⁰ Additionally, Applicants explain, CC Opportunities, through LGK Advisors II, L.P., LGK Advisors III, L.P., and their affiliated entities (together, LGK Advisors), "will provide ClearCaptions with access to additional financial and business expertise and resources that will enable ClearCaptions to continue to grow and develop innovative IP CTS solutions and products."¹¹ Applicants assert that a conditional grant is in the public interest because, through its ownership and control of ClearCaptions, CC Opportunities intends to "further ClearCaptions' mission to maintain and expand the IP CTS that it offers to deaf and hard of hearing Americans," by leveraging "its financial and other resources" and adding individuals from LGK Advisors to ClearCaptions' board of directors to "contribute a new and independent perspective, while ClearCaptions continues under existing day-to-day management, with the oversight of those key individuals."¹²

The Bureau placed the application on Public Notice.¹³ No comments or reply comments were received. Subsequently, Applicants met with Commission staff to discuss the Application.¹⁴

⁵ Applicants explain that, "prior to closing, additional minority equity holders will be offered the right to sell . . . which, depending on the volume of those who elect to sell, will cause [CC Opportunities'] ownership interests to ultimately fluctuate within the stated range." Application at 6 n.4.

⁶ *Id.* at 6. CC Opportunities will also directly own and the control the remaining 1% voting and equity interest in ClearCaptions following consummation of the transactions. *Id.* at 6-7.

⁷ *Id.* at 2-3.

⁸ *Id.* at 3.

⁹ *See id.*, Exh. A, "[Draft] Application of ClearCaptions, LLC, as Owned and Controlled by CC Opportunities, LLC, for Full Certification to Provide Internet Protocol Captioned Telephone Service."

¹⁰ *Id.* at 13.

¹¹ *Id.* at 9-10.

¹² *Id.* at 10.

¹³ *See Comment Sought on Application of CC Opportunities, LLC, and ClearCaptions, LLC, for Conditional Certification as a Provider of Internet Protocol Captioned Telephone Service*, CG Docket No. 03-123, Public Notice, DA 24-52 (CGB Jan. 17, 2024).

¹⁴ *See, e.g.*, Letter from Tamar E. Finn, ClearCaptions, to Marlene H. Dortch, FCC, CG Docket Nos. 03-123, 13-24, and 22-408 (filed Jan. 18, 2024).

Discussion

Commission certification to provide TRS Fund-supported relay service is not transferable to a non-certified entity.¹⁵ To be granted certification, an applicant must establish that its provision of TRS will meet the Commission's minimum TRS standards¹⁶—a determination that turns on the actions of its owners, who are ultimately responsible for complying with the Commission's rules.¹⁷ Therefore, “the certification of a provider does not automatically transfer to new owners.”¹⁸ Because CC Opportunities, which will acquire a controlling interest in ClearCaptions, does not currently hold Commission certification as an IP CTS provider, the post-acquisition entity, while retaining its corporate identity, must be granted certification on its own account under the new owners.

However, the Commission may grant conditional certification, without prejudice to its final determination of the applicant's qualifications, if additional time is needed for the Commission to complete its evaluation.¹⁹ Such conditional certifications are also granted to allow continuity of service after a change in ownership while preserving the Commission's ability to fully review an application for certification on the merits.²⁰

Compliance with minimum standards. As noted above, the Application includes as an exhibit a draft application for full certification, which substitutes the post-transaction entity as the applicant, describes how the post-transaction entity will comply with the Commission's minimum TRS standards, and provides information about the new owners.²¹ The Application and the attached draft application for full certification represent that, upon consummation of the acquisition, ClearCaptions will continue to have systems, policies, and procedures in place that enable it to comply with the minimum TRS standards. No party has demonstrated any basis for challenging this representation, and after reviewing the applicant's documentation, we find no reason to conclude that this change in ownership will detract from ClearCaptions' ability to meet the minimum TRS standards. Further, our conditional certification will permit the Commission to evaluate over the next 24 months the extent of ClearCaptions' compliance with such standards following the acquisition.

Accordingly, we find that the public interest and the objectives of section 225 are served by authorizing ClearCaptions to provide TRS under the proposed new ownership, pending a determination as to full certification.

¹⁵ See *Consumer and Governmental Affairs Bureau Clarifies the Transferability of Telecommunications Relay Service (TRS) Provider Certification*, CG Docket No. 03-123, Public Notice, 23 FCC Rcd 10438, 10438 (CGB 2008) (*Certification Transfer PN*); see also *Structure and Practices of the Video Relay Service Program*, CG Docket No. 10-51, Second Report and Order and Order, 26 FCC Rcd 10898, 10918, para. 47 (2011) (*Internet-based TRS Certification Order*) (reaffirming the ruling in the *Certification Transfer PN*).

¹⁶ 47 CFR § 64.606(b)(2)(i).

¹⁷ *Certification Transfer PN*, 23 FCC Rcd at 10439.

¹⁸ *Id.*

¹⁹ *Internet-based TRS Certification Order*, 26 FCC Rcd at 10914-15, para. 37; see also *Misuse of Internet Protocol (IP) Captioned Telephone Service; Telecommunications Relay Services and Speech-to-Speech Services for Individuals with Hearing and Speech Disabilities*, CG Docket Nos. 13-24 and 03-123, Report and Order, Declaratory Ruling, Further Notice of Proposed Rulemaking, and Notice of Inquiry, 33 FCC Rcd 5800, 5835, para. 64 (2018); *ClearCaptions Certification Order*, 38 FCC Rcd at 2472, para. 3.

²⁰ *Internet-based TRS Certification Order*, 26 FCC Rcd at 10914-15, para. 37. The ability to issue conditional grants of certification “balances the need for continuity of service with the need to ensure that only qualified applicants for [Internet-based TRS] service are eligible to receive compensation from the TRS Fund for their provision of [Internet-based TRS] services.” *Internet-based TRS Certification Order*, 26 FCC Rcd at 10914-15, para. 37.

²¹ Application, Exh. A.

For these reasons, the Bureau grants ClearCaptions conditional certification to provide IP CTS after completion of the merger transaction, for a period not to exceed 24 months from the date of this Public Notice, pending the Commission's review of a forthcoming full certification application. This grant is subject to the condition that ClearCaptions must file an application for full certification, under the new ownership, within 15 days after the date the merger transaction is consummated.²² This grant of conditional certification, which is without prejudice to the Commission's final determination on the anticipated full certification application, is dependent on the Commission verifying the information provided in that application and confirming the company's compliance with the Commission's minimum standards, a process that may include, but is not limited to, conducting one or more site inspections of the applicant's call centers facilities.

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Additional Information: For additional information on this proceeding, contact Stephen Wang at 202-418-1634, or Stephen.Wang@fcc.gov, of the Consumer and Governmental Affairs Bureau, Disability Rights Office.

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²² See Application at 1-3.