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

In the Matter of)
Citizens Telecommunications Company of Idaho, Citizens Telecommunications Company of Montana and Frontier Communications)))
Northwest Inc.,)
Petitioners/Licensees) File No. ISP-PDR-
and)
Northwest Fiber, LLC,)
Petitioner/Transferee)
)
Petition for Declaratory Ruling Under)
Section 310(b)(4) of the Communications)
Act of 1934, as Amended)

JOINT PETITION FOR DECLARATORY RULING

Pursuant to 47 U.S.C. Section 310(b)(4) of the Communications Act of 1934, as amended (the "Communications Act"), and 47 C.F.R. Section 1.5000(a) of the Commission's Rules, Citizens Telecommunications Company of Idaho, Citizens Telecommunications Company of Montana and Frontier Communications Northwest Inc. (collectively, the "Licensees") and Northwest Fiber, LLC ("Northwest Fiber" or "Transferee") (collectively, the "Petitioners"), petition the Commission for a declaratory ruling that it would serve the public interest to permit indirect foreign ownership of the Licensees, which currently hold FCC common carrier radio station licenses, to exceed the 25-percent benchmark specified in Section 310(b)(4) of the Communications Act. The Licensees currently are direct and indirect wholly owned subsidiaries of Frontier

Communications Corporation ("Frontier").¹ This Petition is filed in connection with Northwest Fiber's proposed acquisition of the Licensees from Frontier.

Specifically, Petitioners request that the Commission:

- 1. Approve the foreign ownership and control structure contemplated by the transaction described herein, which would result in aggregate foreign ownership of roughly 90% voting and 85% equity of Northwest Fiber, and ultimately the Licensees;
- 2. Specifically approve the following identified foreign entities and individuals (collectively, the "Identified Foreign Investors") each to hold, directly or indirectly, equity and/or voting interests of 5 percent (5%) or more in Northwest Fiber, and ultimately in the Licensees: (a) a group of investment funds domiciled in the Cayman Islands and ultimately controlled by Searchlight Capital Partners II GP, LLC, a Delaware limited liability company; (b) Canada Pension Plan Investment Board ("CPPIB"), a Canadian crown corporation; (c) CPP Investment Board Private Holdings, Inc., a Canadian investment fund and a wholly owned subsidiary of CPPIB; (d) British Columbia Investment Management Corporation ("BCI"), a British Columbia statutory corporation; (e) IMCPE 2019 Inc., a Canadian investment fund and a wholly owned subsidiary of BCI; (f) Public Sector Pension Investment Board ("PSP"), a Canadian crown corporation; (g) Port-aux-Choix Private Investments Inc., a Canadian investment fund and a wholly owned subsidiary of PSP; (h) Erol Uzumeri, a co-founder of investment manager Searchlight Capital Partners, L.P. and a Canadian citizen; and

Frontier Communications Northwest Inc. is a wholly owned subsidiary of Frontier Communications ILEC Holdings LLC, which is in turn a wholly owned subsidiary of Frontier. Citizens Telecommunications Company of Idaho and Citizens Telecommunications Company of Montana are wholly owned subsidiaries of Frontier.

- (i) Oliver Haarmann, a co-founder of Searchlight Capital Partners, L.P. and a German citizen.
- 3. Provide advance approval for each Identified Foreign Investor to increase its direct or indirect equity and/or voting interests in Northwest Fiber, and ultimately in the Licensees, to up to a 49.99% non-controlling interest, provided the investor is not already deemed to have a controlling interest;
- 4. Provide advance approval for the Identified Foreign Investors to own collectively, directly or indirectly, equity and/or voting interests of up to 100% in Northwest Fiber, and ultimately in the Licensees, so long as no single Identified Foreign Investor that is not currently deemed to have a controlling interest owns more than a 49.99% interest or a controlling interest; and
- 5. Provide advance approval for Northwest Fiber to have additional unidentified foreign ownership of up to 100% of the equity and/or voting interests not held by the Identified Foreign Investors, provided that it seeks approval of any new individual foreign investor that would own 5% or more.²

Some of the unidentified limited partners in the various Searchlight funds are non-U.S., and some of the Identified Foreign Investors may also be investing in the Searchlight funds as limited partners in addition to the co-investments identified herein. None of these existing, undisclosed investments would constitute 5% or more of the equity or voting interests of Northwest Fiber, nor would they change the aggregate foreign ownership for which approval is being requested. To maintain flexibility, advanced approval is being sought to permit those unidentified entities to increase their existing investments without seeking FCC approval so long as each unapproved non-U.S. investor has less than a 5% equity and voting interest in Northwest Fiber.

Applications seeking Commission approval to transfer control of FCC licenses and authorizations involved in the proposed transaction are being filed concurrently with this Petition, including radio station licenses and domestic and international Section 214 authorizations.³ Further information regarding the proposed transaction, including a full description of the parties, the transaction and its public interest benefits, is set forth in the Consolidated Application for the Partial Assignment and Transfer of Control of Domestic and International Section 214 Authorizations filed by Frontier and Northwest Fiber, which is incorporated herein by reference.

I. INTRODUCTION AND SUMMARY

The Licensees collectively hold 56 common carrier fixed point-to-point microwave licenses (collectively, the "Licenses"), which are subject to the Section 310(b)(4) foreign ownership restrictions.

Pursuant to a Purchase Agreement (the "Agreement") dated as of May 28, 2019, by and between Frontier, its wholly owned direct subsidiary Frontier Communications ILEC Holdings LLC, and Northwest Fiber, a wholly owned subsidiary of Northwest Fiber Holdco, LLC ("Holdco"), Frontier will sell its local wireline, video and related long distance operations in Idaho, Montana, Oregon and Washington (collectively, the "Territory") to Northwest Fiber in an all-cash transaction valued at approximately \$1.352 billion. At the closing of the transactions contemplated by the Agreement (the

Northwest Fiber also will be acquiring control of Frontier's wholly owned subsidiary Citizens Telecommunications Company of Oregon, which does not hold any common carrier radio station licenses and thus is not part of this Petition.

"Closing"), the Licensees will become wholly owned direct subsidiaries of Northwest Fiber.⁴

Northwest Fiber will be roughly 90% owned and controlled by investment funds affiliated with Searchlight Capital Partners, L.P., a Delaware limited partnership (collectively, "Searchlight"), which will elect a majority of the company's board of directors. Some of the Searchlight funds are domiciled in the Cayman Islands, and two of the three founders of Searchlight are non-U.S. citizens.

WaveDivision Capital VII, LLC ("WDC"), a Washington limited liability company controlled by U.S. citizens, will have a roughly 10% equity and voting interest in, and will manage the day-to-day operations of, Northwest Fiber. Steve Weed, the founder of WDC and a U.S. citizen, will serve as chairman of Northwest Fiber's board of directors.

Finally, three large Canadian pension funds—Canada Pension Plan Investment Board, through its wholly owned subsidiary CPP Investment Board Private Holdings, Inc.; British Columbia Investment Management Corporation, through its wholly owned subsidiary IMCPE 2019 Inc.; and Public Sector Pension Investment Board, through its wholly owned subsidiary Port-aux-Choix Private Investments Inc.—will each indirectly hold significant interests in Northwest Fiber through co-investments in certain Searchlight funds and each elect one board member.

In connection with the proposed transaction, the Petitioners file this Petition to request a declaratory ruling that it would serve the public interest to permit foreign

⁴ As part of the proposed transaction, each of the Licensees will be converted into Delaware limited liability companies.

ownership of the Licensees to exceed the 25-percent benchmark specified in Section 310(b)(4). For the reasons provided herein, the proposed transaction—which is in the public interest—raises no significant foreign ownership or control issues that would implicate U.S. national security, law enforcement, foreign policy or trade policy concerns. *First*, once the proposed transaction is complete, the Licensees will be managed by WDC from within the United States by U.S. citizens. *Second*, the Identified Foreign Investors are largely pension or investment funds seeking to maximize returns, and are not under the influence or control of any foreign government or state-controlled entity. *Third*, as active investors in the U.S. telecommunications and technology space, these Identified Foreign Owners are well known to the FCC and national security agencies. Therefore, Petitioners hereby respectfully request that the Commission grant this Petition for Declaratory Ruling and find the proposed indirect foreign ownership of the Licensees, as described herein, to be in the public interest.

For the Commission's reference, a chart depicting the current and post-transaction ownership of Licensees is provided as Exhibit B.

II. DESCRIPTION OF THE PETITIONERS

The Licensees provide a wide array of communications and broadband services over their networks under the Frontier trade name in the Territory, but also provide fixed wireless broadband services using the Licenses.⁵ All Licensees are domiciled and based in the United States, as detailed in <u>Exhibit A</u>.

The Licensees do not use any equipment or services from Chinese telecommunications firms Huawei Technologies Co. Ltd. or ZTE Corporation. Northwest Fiber does not expect to use any equipment or services from either company.

As of the Closing, Northwest Fiber will be owned roughly 90% by Searchlight II OPT, L.P., a Delaware limited partnership and master aggregator of an investor group led by funds affiliated with Searchlight, and 10% by WDC. Searchlight is a leading private equity investment company, and has worked successfully in partnership with leading businesses throughout North America and Europe. Searchlight derives value through thoughtful strategic direction, operational expertise and deep industry knowledge.

Searchlight's funds invest in companies across various sectors, including communications, media, consumer and business services. Searchlight is ultimately controlled by its three founding partners: Eric Zinterhofer, a U.S. citizen; Erol Uzumeri, a Canadian citizen; and Oliver Haarmann, a German citizen. The limited partners of Searchlight are passive economic investors, including a mix of public pension plans, family offices, university endowments and corporate pension plans. Searchlight will have the right to elect a majority of Northwest Fiber's board of directors.

WDC, headquartered in Kirkland, Washington, is a private investment firm focused on the broadband industry. Founded in 2003 by Kirkland, Washington-based broadband entrepreneur Steve Weed, WDC has invested in various entities in the

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Searchlight has extensive expertise investing in the global telecommunications and media sectors, including investments in fixed-line voice and broadband, mobile, pay-TV, content and managed services. Recent examples of relevant investments include: (i) Liberty Latin America, a fixed and mobile communications operator in Latin America; (ii) Rackspace, a global provider of managed IT infrastructure and services, offering outsourced cloud computing and managed hosting; (iii) Eolo, a provider of fixed wireless access connectivity to residential and business clients across rural areas in Italy; (iv) Uniti Group, a U.S.-listed real estate investment trust ("REIT") that owns and manages fiber and tower infrastructure assets; and (vi) Mitel, a global unified communications solutions provider. Past Searchlight investments include (i) Electric Lightwave, a fiber-based competitive communications provider in the Pacific Northwest and (ii) General Communication Inc., the largest communications (cable, fiber and wireless) provider in Alaska.

broadband industry and telecommunications space. Mr. Weed has 37 years of experience in the industry. After the Closing, the Licensees' day-to-day operations will be managed by Mr. Weed and his team, which bring extensive technical, organizational, regulatory and management experience in building and operating residential and business next-generation fiber networks. Mr. Weed will serve as the chairman of Northwest Fiber's board of directors. Other members of the WDC management team also have significant experience in the telecommunications space: managing directors Harold Zeitz and Wayne Schattenkerk were formerly the President and Chief Financial Officer, respectively, of Wave Broadband, and collectively have more than 35 years of experience in the industry. Messrs. Zeitz and Schattenkerk are both U.S. citizens.

Finally, three large Canadian pension funds will co-invest in Northwest Fiber through investments in certain Searchlight funds. Canada Pension Plan Investment Board will have roughly 19%, British Columbia Investment Management Corporation will have roughly 18% and Public Sector Pension Investment Board will have roughly 30%, of the total economic interests in Northwest Fiber. While each of these Canadian investors will have the right to appoint one member of Northwest Fiber's board of directors and will

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WDC has invested in various entities in the telecommunications space across the United States and Canada, including Hargray Communications, MetroNet, RCN Telecom Services/Grande Communications/Wave Broadband and Xplornet Communications. Other than RCN/Grande/Wave, there will be no competition between any of these companies and Northwest Fiber. There will be a small (roughly nine percent of premises) overlap between the networks of RCN/Grande/Wave and Northwest Fiber. Moreover, while Mr. Weed holds a small (less than two percent) equity investment in RCN/Grande/Wave, he does not have a managerial position and has resigned from the board of directors of RCN Corporation. For Hargray Communications, Mr. Weed has a small minority interest and is a member of the board of directors.

have certain consent rights to protect its minority investment, these entities will not exercise day-to-day control over the Transferring Companies.

Due to the foreign equity and voting interests in Northwest Fiber proposed to be held by the Identified Foreign Investors, Petitioners are filing this Petition for Declaratory Ruling pursuant to Section 310(b)(4) of the Act.

III. GRANT OF THIS PETITION IS IN THE PUBLIC INTEREST

In its implementation of Section 310(b)(4) of the Act, the Commission determined that allowing indirect foreign investment in common carrier radio licenses and companies that provide fixed or mobile telecommunications service beyond the 25-percent benchmark established in Section 310(b)(4) could promote competition in the U.S. telecommunications market, thereby promoting the U.S. public interest.⁸ Specifically, the Commission described the benefits of indirect foreign investment in U.S. licensees,⁹ and expanded its "open entry" standard to apply to both World Trade Organization ("WTO") Member and non-WTO Member countries.¹⁰ At the same time, the Commission stated that it would continue to coordinate with the relevant Executive Branch agencies to ensure that requests to exceed foreign ownership benchmarks are consistent with national security, law enforcement, foreign policy and trade policy concerns.¹¹

Review of Foreign Ownership Policies for Common Carrier and Aeronautical Radio Licensees under Section 310(b)(4) of the Communications Act of 1934, as Amended, Second Report and Order, FCC 13-50, 28 FCC Rcd 5741 (2013) ("Foreign Ownership 2d R&O").

⁹ *Id.* ¶¶ 3, 13.

¹⁰ *Id.* ¶¶ 5, 22, 26.

¹¹ *Id.* ¶¶ 1, 5, 26, 30–37.

The proposed transaction raises no significant foreign ownership or control issues that would implicate U.S. national security, law enforcement, foreign policy or trade policy concerns, and is in the public interest. Following the Closing, the Licensees will be managed by WDC through Mr. Weed and his team from within the United States. All senior members of the WDC team are U.S. citizens who have proven success in deploying networks and expanding broadband access across the Pacific Northwest. While the Identified Foreign Investors will together elect the majority of the board of directors, they will not exercise day-to-day management of the Licensees.

Moreover, the Identified Foreign Investors are financial investors, including broadly held pension and investment funds, and are investing in Northwest Fiber solely to maximize economic returns. None of the Identified Foreign Investors is under the control of any government—federal or provincial. They operate without political, social or other non-investment objectives and therefore do not raise any issues that would implicate U.S. national security, law enforcement, foreign policy or trade policy concerns. Finally, as active investors in the U.S. telecommunications and technology space, the Identified Foreign Investors are known investors to U.S. national security agencies, including Team Telecom and the Committee on Foreign Investment in the United States ("CFIUS"), which have previously permitted these entities to invest significantly in U.S. telecommunications and/or technology companies.¹²

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See, e.g., Domestic Section 214 Application Granted for the Transfer of Control of Mitel Cloud Services, Inc. to MLN TopCo Ltd., FCC Public Notice, WC Dkt. No. 18-162, DA 18-208 (Nov. 27, 2018) (noting investment by all three Canadian pension plans); In re Applications Filed by Altice N.V. and Cablevision Systems Corporation to Transfer Control of Authorizations from Cablevision Systems Corporation to Altice N.V., Memorandum Opinion and Order, WC Docket No. 15-257, DA 16-485, ¶ 6 n.20 (May 3, 2016) (noting investment by CPPIB); In re BCE Inc. and Loral Skynet Corporation and 4363205 Canada

The proposed transaction also offers significant public interest benefits. The transaction contemplates no immediate changes to the existing network or services of the Licensees. It will be transparent to customers—other than a change in name and billing or administrative matters, there will be no immediate changes to customer rates, terms or conditions. The transaction will enable the continued provision of high-quality communications services, with no change in the Licensees' existing operations. In addition to completing any existing build-out obligations that Frontier has in the Territory under the Connect America Fund ("CAF") Phase II program, Northwest Fiber contemplates additional investments to upgrade the broadband network and enable the launch of up to 1 gigabit per second service in certain markets. Northwest Fiber's management team, which is based in the state of Washington, has collectively more than 70 years of industry experience and proven success in expanding broadband access and providing service in the Pacific Northwest, ensuring that the Licensees' technical and operational standards will be maintained.

Inc., 4363213 Canada Inc., and Skynet Satellite Corporation for Consent to Transfer of Control or Assignment of Licenses and Authorizations held by Telesat Canada, Able Infosat Communications, Inc., Loral Skynet Corporation, and Loral Skynet Network Services, Inc. and Petitions for Declaratory Ruling that the Transaction is Consistent with Section 310(b)(4) of the Communications Act, Memorandum Opinion and Order and Declaratory Ruling, IB Docket No. 07-44, ¶¶ 5, 27 (Oct. 3, 2007) (noting investment by PSP). On June 19, 2018, CFIUS approved and cleared an application for Cleco Energy, a subsidiary of Cleco Partners LP, to purchase NRG Energy, Inc., an integrated power generation and distribution company based in New Jersey. Cleco Partners is a Delaware limited partnership that is majority owned by Canadian-based investment entities, including BCI and Macquarie Infrastructure and Real Assets, which hold approximately 37% and 54% equity interests, respectively. See Public Interest Statement, Attachment to FCC Form 603, FCC Application for Assignments of Authorization and Transfers of Control (May 29, 2015) (showing interest held by BCI); Cleco Corporate Holdings LLC, SEC Form 10-Q, at 43 (Aug. 31, 2018) (noting CFIUS approval).

Accordingly, the Commission should grant the instant Petition and find the current and proposed indirect foreign ownership structure of Licensees in the public interest.

The information required by Section 1.5001 of the Commission's Rules is provided in Exhibit A attached hereto.

IV. CONCLUSION

Based on the foregoing, the Petitioners respectfully submit that the public interest, convenience and necessity would be furthered by the Commission granting the instant Petition and issuing a declaratory ruling that the proposed foreign ownership of Licensees is in the public interest.

Respectfully submitted,

/s/ Patrick S. Campbell

Patrick S. Campbell

Paul, Weiss, Rifkind, Wharton & Garrison LLP

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Counsel for Transferee

/s/ William F. Maher

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Counsel for the Licensees

Dated: June 28, 2019

EXHIBIT A

Information Requested Under 47 C.F.R. Section 1.5001 of the Commission's Rules

(a) Name, FRN, Address/Phone, Place and Type of Business Organization, Name and Title of Officer Certifying

Citizens Telecommunications Company of Idaho (Licensee)

Citizens Telecommunications Company of Idaho
401 Merritt 7
Norwalk, CT 06581
203-614-5030 (Tel.)

Place and type of business organization: Delaware company

Name and title of officer certifying:

Kevin Saville Senior Vice President & General Counsel 401 Merritt 7 Norwalk, CT 06851 Kevin.saville@ftr.com

Citizens Telecommunications Company of Montana (Licensee)

Citizens Telecommunications Company of Montana 401 Merritt 7
Norwalk, CT 06581 203-614-5030 (Tel.)

Place and type of business organization: Delaware company

Name and title of officer certifying:

Kevin Saville Senior Vice President & General Counsel 401 Merritt 7 Norwalk, CT 06851 Kevin.saville@ftr.com

Frontier Communications Northwest Inc. (Licensee)

Frontier Communications Northwest Inc. FRN: 0001583244 1800 41st Street
Everett, WA 98201 203-614-5030 (Tel.)

Place and type of business organization: Washington corporation

Name and title of officer certifying:

Kevin Saville Senior Vice President & General Counsel 401 Merritt 7 Norwalk, CT 06851 Kevin.saville@ftr.com

Transferee

Northwest Fiber, LLC c/o Searchlight Capital Partners, L.P. 745 Fifth Avenue, 27th Floor New York, NY 10151 212-293-3730 (Tel.)

Place and type of business organization: Delaware limited liability company

Name and title of officer certifying:

Eric Zinterhofer President Northwest Fiber, LLC 745 Fifth Avenue, 27th Floor New York, NY 10151 ezinterhofer@searchlightcap.com

(b) Legal Counsel Contact

For Northwest Fiber, LLC (Transferee):

Patrick S. Campbell

Paul, Weiss, Rifkind, Wharton & Garrison LLP

2001 K Street, NW

Washington, DC 20006-1047

202-223-7323 (Tel)

202-204-7371 (Fax)

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For the Licensees:

William F. Maher Jennifer L. Kostyu Wilkinson Barker Knauer LLP 1800 M Street, NW, Suite 800N Washington, DC 20036 202-783-4141 (Tel) 202-783-5851 (Fax) WMaher@wbklaw.com JKostyu@wbklaw.com

(c) (1) Type of Radio Service

A list of the radio station licenses that are held by the Licensees, and that Northwest Fiber will control post-Closing, is set out in Exhibit C.

(2) Associated Transfer of Control Applications

Concurrently with the filing of this Petition, the Petitioners filed applications for partial assignment and transfer of control of the radio station licenses and domestic and international Section 214 authorizations and licenses to Northwest Fiber. The Form 603 wireless applications associated with the proposed transaction are available at: ULS File Nos. 0008706469, 0008706476 and 0008706478.

(d) Type of Declaratory Ruling Request

Transferee requests a declaratory ruling pursuant to Section 310(b)(4) of the Communications Act and Section 1.5000(a)(1) of the Commission's Rules.

(e)-(g) Direct and Indirect Equity/Voting Interests of 10% or More or a Controlling Interest in the U.S. Parent

Unless otherwise stated, each specified interest below is the ultimate direct or indirect interest held in Northwest Fiber, and therefore the Licensees, based upon application of the Commission's rules. As shown in the organizational chart attached as Exhibit B, Northwest Fiber is the direct 100% holder and controlling U.S. parent of the Licensees:

Name: Northwest Fiber, LLC

Address: c/o Searchlight Capital Partners, L.P.

745 Fifth Avenue, 27th Floor

New York, NY 10151

Citizenship: Delaware limited liability company

Principal Business: Investment Activities

Interest Held: 100% equity and voting interest in the Licensees

Northwest Fiber will be a direct wholly owned subsidiary of Northwest Fiber Intermediate, LLC:

Name: **Northwest Fiber Intermediate, LLC**Address: c/o Searchlight Capital Partners, L.P.

745 Fifth Avenue, 27th Floor

New York, NY 10151

Citizenship: Delaware limited liability company

Principal Business: Investment Activities

Interest Held: 100% equity and voting interest

Northwest Fiber Intermediate, LLC will be a direct wholly owned subsidiary of Northwest Fiber Parent, LLC:

Name: Northwest Fiber Parent, LLC

Address: c/o Searchlight Capital Partners, L.P.

745 Fifth Avenue, 27th Floor

New York, NY 10151

Citizenship: Delaware limited liability company

Principal Business: Investment Activities

Interest Held: 100% equity and voting interest

Northwest Fiber Parent, LLC will be a direct wholly owned subsidiary of Northwest Fiber Holdco, LLC:

Name: Northwest Fiber Holdco, LLC

("Holdco")

Address: c/o Searchlight Capital Partners, L.P.

745 Fifth Avenue, 27th Floor

New York, NY 10151

Citizenship: Delaware limited liability company

Principal Business: Investment Activities

Interest Held: 100% equity and voting interest

Upon completion of the transaction the following entities will each hold, directly or indirectly, a 10% or greater equity and/or voting interest, or a controlling interest, in Holdco, and therefore in Northwest Fiber and the Licensees: 13

Name: WaveDivision Capital VII, LLC

Address: c/o WDC Management, LLC

135 Lake Street South, Suite 1000

Kirkland, WA 98033

Citizenship: Washington (U.S.) limited liability company

Principal Business: Investment activities

Interest Held: 10% equity and voting interest

WaveDivision Capital VII, LLC has one member, Steve Weed, and is managed by WDC Management, LLC (which is in turn managed by Mr. Weed and has Mr. Weed as its sole member).

Name: Searchlight II OPT, L.P.

("Searchlight Aggregator LP")

Address: 745 Fifth Avenue, 27th Floor

New York, NY 10151

Citizenship: Delaware limited partnership

Principal Business: Investment activities

Interest Held: 90% equity and voting interest

Name: Searchlight II OPT G.P., LLC

("Searchlight Aggregator GP")

Address: 745 Fifth Avenue, 27th Floor

New York, NY 10151

Citizenship: Delaware limited liability corporation
Principal Business: Holding Company General Partner
O% equity and 90% voting interest

Upon completion of the proposed Transaction, the following entities will each be a direct limited partner of Searchlight Aggregator LP. While all current 10 percent or greater investors are reflected in this filing, the precise, post-closing

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¹³ 47 C.F.R. § 1.5002.

equity interests of investors in these entities have not been finalized. Thus, the precise allocation of ownership of Searchlight Aggregator LP is uncertain at this time. Information regarding each direct limited partner of Searchlight Aggregator LP, and its most recently known ownership allocation, is set forth below.

Name: SC II OPT, L.P.

("Main Fund Splitter")

Address: 745 Fifth Avenue, 27th Floor

New York, NY 10151

Citizenship: Delaware limited partnership

Principal Business: Investment activities

Interest Held: 10% equity and 11% voting interest

Name: Searchlight Capital II (FC) AIV, L.P.

("FC AIV")

Address: 745 Fifth Avenue, 27th Floor

New York, NY 10151

Citizenship: Delaware limited partnership

Principal Business: Investment activities

Interest Held: 3% equity and voting interest ¹⁴

Name: SC II PV OPT, L.P.

("PV Fund Splitter")

Address: 745 Fifth Avenue, 27th Floor

New York, NY 10151

Citizenship: Delaware limited partnership

Principal Business: Investment activities

Interest Held: 13% equity and 14% voting interest

Name: SC II OPT Co-Invest Holdings, L.L.C.

("Co-Investor Blocker")

Address: 745 Fifth Avenue, 27th Floor

New York, NY 10151

Citizenship: Delaware limited liability company

Principal Business: Investment activities

Interest Held: 60% equity and 67% voting interest

⁴ Although FC AIV holds indirectly less than 10% of Northwest Fiber, it is included here because its general partner controls interests in addition to FC AIV's interest that exceed 10%.

Name: Searchlight Capital II OPT Co-Invest

Partners US, L.P. ("Co-Invest U.S.")

Address: 745 Fifth Avenue, 27th Floor

New York, NY 10151

Citizenship: Delaware limited partnership

Principal Business: Investment activities

Interest Held: 5% equity and voting interest ¹⁵

Upon completion of the proposed transaction, the following entities will each be a direct or indirect (through a blocker) limited partner of Main Fund Splitter.

Name: SC II Outpost Holdings, L.L.C.

("Main Fund Blocker")

Address: 745 Fifth Avenue, 27th Floor

New York, NY 10151

Citizenship: Delaware limited liability company

Principal Business: Investment activities

Interest Held: 10% equity and 11% voting interest

Name: Searchlight Capital II, L.P. (Cayman ELP)

("Main Fund")

Address: 745 Fifth Avenue, 27th Floor

New York, NY 10151

Citizenship: Cayman Islands exempted limited partnership

Principal Business: Holding partnership

Interest Held: 10% equity and 11% voting interest

At the Closing, Main Fund will be controlled by its general partner Searchlight Capital Partners II GP, L.P. ("General Partner"), which, in turn, is controlled by its general partner Searchlight Capital Partners II GP, LLC ("Upper GP"). Main Fund Splitter and FC AIV will each also be controlled by General Partner. Main Fund will be managed by Searchlight Capital Partners, L.P. ("Manager"), which, in turn, is controlled by Searchlight Capital Partners, LLC ("Manager GP"). Manager GP and Manager, which are fund managers, will both have no equity or voting interests.

Although Co-Invest U.S. currently holds indirectly less than 10% of Northwest Fiber, it is included here because other LP interests within the Searchlight funds may be syndicated to additional U.S. co-investors through Co-Invest U.S., thus potentially increasing Co-Invest U.S.'s interest.

Name: Searchlight Capital Partners II GP, L.P.

("General Partner")

Address: 745 Fifth Avenue, 27th Floor

New York, NY 10151

Citizenship: Cayman Islands exempted limited partnership

Principal Business: Holding partnership

Interest Held: 1% equity and 90% voting interest

Name: Searchlight Capital Partners II GP, LLC

("Upper GP")

Address: 745 Fifth Avenue, 27th Floor

New York, NY 10151

Citizenship: Delaware limited liability company

Principal Business: Investment activities

Interest Held: 0% equity and 90% voting interest

Name: Searchlight Capital Partners, L.P.

("Manager")

Address: 745 Fifth Avenue, 27th Floor

New York, NY 10151

Citizenship: Delaware limited partnership

Principal Business: Investment activities

Interest Held: 0% equity and voting interest

Name: Searchlight Capital Partners, LLC

("Manager GP")

Address: 745 Fifth Avenue, 27th Floor

New York, NY 10151

Citizenship: Delaware limited liability company

Principal Business: Investment activities

Interest Held: 0% equity and voting interest

At the Closing, General Partner will control PV Fund Splitter, of which SC II PV Outpost Holdings, LLC ("PV Fund Blocker") will be the sole limited partner. PV Fund Blocker will in turn be 100% owned and controlled by Searchlight Capital II OPT PV, L.P. ("PV Fund AIV"), of which Searchlight Capital II OPT Feeder, LP ("Cayman Blocker") will be the sole limited partner. General Partner will also control both PV Fund AIV and Cayman Blocker. PV Fund AIV will also be managed by Manager.

Name: SC II PV Outpost Holdings, LLC

("PV Fund Blocker")

Address: 745 Fifth Avenue, 27th Floor

New York, NY 10151

Citizenship: Delaware limited liability company

Principal Business: Investment activities

Interest Held: 13% equity and 14% voting interest

Name: Searchlight Capital II OPT PV, L.P.

("PV Fund AIV")

Address: 745 Fifth Avenue, 27th Floor

New York, NY 10151

Citizenship: Delaware limited partnership

Principal Business: Investment activities

Interest Held: 13% equity and 14% voting interest

Name: Searchlight Capital II OPT Feeder, L.P.

("Cayman Blocker")

Address: 745 Fifth Avenue, 27th Floor

New York, NY 10151

Citizenship: Cayman Islands exempted limited partnership

Principal Business: Holding partnership

Interest Held: 13% equity and 14% voting interest

Co-Invest U.S.—a limited partner of Searchlight Aggregator LP—will be controlled by its general partner SC II OPT Co-Invest GP, LLC ("Co-Invest GP"), which in turn will be directly owned and controlled by General Partner.

Name: SC II OPT Co-Invest GP, LLC

("Co-Invest GP")

Address: 745 Fifth Avenue, 27th Floor

New York, NY 10151

Citizenship: Delaware limited liability company

Principal Business: Investment activities

Interest Held: 0% equity and 67% voting interest

At Closing, Co-Invest Blocker will be directly controlled by Searchlight Capital II OPT Co-Invest Partners, L.P. ("Co-Invest LP"). Co-Invest GP will in turn control Co-Invest LP.

Name: Searchlight Capital II OPT Co-Invest

Partners, L.P. ("Co-Invest LP")

Address: 745 Fifth Avenue, 27th Floor

New York, NY 10151

Citizenship: Delaware limited partnership

Principal Business: Investment activities

Interest Held: 60% equity and 67% voting interest

At the Closing, the following individuals will have a 10 percent or greater voting interest in Northwest Fiber by virtue of their membership interests in Upper GP, which is the ultimate controlling entity for the Searchlight funds.

Name: Eric Zinterhofer

Address: 745 Fifth Avenue, 27th Floor

New York, NY 10151

Citizenship: United States
Principal Business: Individual

Interest Held: 0% equity and 33.33% voting interest

Name: Erol Uzumeri

Address: 22 Adelaide Street West, 35th Floor

Toronto, ON M5H 4E3

Canada

Citizenship: Canada Principal Business: Individual

Interest Held: 0% equity and 33.33% voting interest

Name: Oliver Haarmann

Address: 56 Conduit Street, 4th Floor

Mayfair, London W1S 2YZ

England

Citizenship: Germany Principal Business: Individual

Interest Held: 0% equity and 33.33% voting interest

Finally, the following non-Searchlight, non-U.S. entities will have a 10% or greater indirect equity interest in Northwest Fiber by virtue of their limited partnership interests principally in Co-Invest LP and possibly in one or more of the other Searchlight entities identified above:

Name: Public Sector Pension Investment Board

Address: 1250 René-Lévesque Boulevard West

Suite 1400

Montréal, Québec H3B 5E9

Canada

Citizenship: Canadian crown corporation

Principal Business: Public pension plan

Interest Held: 30% equity and 47% voting interest

Name: **Port-aux-Choix Private Investments Inc.**Address: c/o Public Sector Pension Investment Board

1250 René-Lévesque Boulevard West

Suite 1400

Montréal, Québec H3B 5E9

Canada

Citizenship: Canadian corporation Principal Business: Investment activities

Interest Held: 30% equity and 47% voting interest

Name: Canada Pension Plan Investment Board

Address: One Queen Street East

Suite 2500

Toronto, ON M5C 2W5

Canada

Citizenship: Canadian crown corporation

Principal Business: Public pension plan

Interest Held: 19% equity and 30% voting interest

Name: **CPP Investment Board Private Holdings, Inc.**

Address: c/o Canada Pension Plan Investment Board

One Queen Street East

Suite 2500

Toronto, ON M5C 2W5

Canada

Citizenship: Canadian corporation Principal Business: Investment activities

Interest Held: 19% equity and 30% voting interest

Name: British Columbia Investment Management

Corporation

Address: 750 Pandora Avenue, Victoria BC V8W 0E4

Canada

Citizenship: British Columbia statutory corporation

Principal Business: Public pension plan

Interest Held: 18% equity and 29% voting interest

Name: IMCPE 2019 Inc.

Address: c/o British Columbia Investment Management

Corporation

750 Pandora Avenue, Victoria BC V8W 0E4

Canada

Citizenship: Canadian corporation Principal Business: Investment activities

Interest Held: 18% equity and 29% voting interest

To the Transferee's knowledge, upon Closing, no other person or entity, directly or indirectly, owns or controls a ten percent (10%) or greater interest in Holdco or Licensees through any other means.

(h) Estimate of Aggregate Foreign Ownership and Ownership/Control Structure

The ownership and control structure is depicted in the organization chart in Exhibit B and described above, which demonstrates how the percentages below were determined pursuant to Section 1.5002 of the Commission's Rules. As described in the body of this Petition, this Petition for Declaratory Rulemaking is required because the foreign equity and voting interests exceed the 25-percent benchmark identified in Section 310(b)(4) of the Communications Act. This foreign ownership is in the public interest for the reasons provided in Section III of this Petition.

	Aggregate direct and/or indirect foreign <i>voting</i> interests in Northwest Fiber	Aggregate direct and/or indirect foreign <i>equity</i> interests in Northwest Fiber
Current	-	-
Upon full completion of the proposed transaction	~90%	~85%

(i) Request for Specific Approval of 5 Percent or More in U.S. Parent

Transferee requests specific approval for the following Identified Foreign Investors to directly or indirectly hold equity and/or voting interests of 5% or more in Northwest Fiber and ultimately in Licensees. *See* Exhibit B thereto.

Searchlight Capital Partners II GP. L.P. (Cayman) Searchlight Capital II, L.P. (Cayman) Searchlight Capital II OPT GP (Cayman) Searchlight Capital II OPT Feeder, LP (Cayman) Erol Uzumeri (Canadian) Oliver Haarmann (German)
Public Sector Pension Investment Board (Canadian)
Port-aux-Choix Private Investments Inc. (Canadian)
Canada Pension Plan Investment Board (Canadian)
CPP Investment Board Private Holdings, Inc. (Canadian)
British Columbia Investment Management Corporation (Canadian)
IMCPE 2019 Inc. (Canadian)

There are no other foreign owners with a five percent or greater direct or indirect equity and/or voting interest in the Transferee or Holdco, and all limited partners in Searchlight Capital Partner II GP, L.P., Searchlight Capital II, L.P., Searchlight Capital II OPT GP and Searchlight II OPT Feeder, LP are fully insulated in accordance with Section 1.5003 of the Commission's Rules.

(j) Citizenship of Foreign Investors Named in (i)

Canada, Germany and the Cayman Islands (all entities named above in (i)).

See (e)–(g) above for place and type of organization and principle business(es) of entities named in (i).

See (e)–(g) above for 10% interest holders of the entities named in (i).

(k) Request for Advance Approval

Transferee requests advance approval for:

- 1. Each Identified Foreign Investor to increase its direct or indirect equity and/or voting interests in Northwest Fiber, and ultimately in the Licensees, to up to a 49.99% non-controlling interest, provided the investor is not already deemed to have a controlling interest;
- 2. The Identified Foreign Investors to own collectively, directly or indirectly, equity and/or voting interests of up to 100% in Northwest Fiber, and ultimately in the Licensees, so long as no single Identified Foreign Investor that is not currently deemed to have a controlling interest owns more than a 49.99% interest or a controlling interest; and

3. Northwest Fiber to have additional unidentified foreign ownership of up to 100% of the equity and/or voting interests not held by the Identified Foreign Investors, provided that it seeks approval of any new individual foreign investor that would own 5% or more.

EXHIBIT B

Current and Post-Transaction Ownership Structure

(see attached)

EXHIBIT C

Common Carrier Radio Service Licenses Being Transferred

Citizens Telecommunications Company of Idaho

• Common Carrier Fixed Point-to-Point Microwave Licenses:

Call Sign	Frequencies (MHz)	
KPQ36	11,245	
KYO98	6,063.8; 11,405	
KYO99	10,915	
WQLB601	10,755	

Citizens Telecommunications Company of Montana

• Common Carrier Fixed Point-to-Point Microwave Licenses:

Call Sign	Frequencies (MHz)
KOY43	6,286.2
KTQ94	5,945.2; 6,063.8
KTQ95	6,197.2; 6,315.84
WAD85	10,835

Frontier Communications Northwest Inc.

• Common Carrier Fixed Point-to-Point Microwave Licenses:

Call Sign	Frequencies (MHz)
KOT44	6,011.9; 6,071.2; 6,130.5
KOT46	10,915; 11,075
KOT61	11,365; 11,525
KOU44	10,835; 10,995; 10,715; 10,995
KOU45	10,795; 10,995
KPC65	6,264; 6,382.6; 6,323.3; 6,263.952; 6,352.902; 6,234.3
KPF69	5,982.3; 5,952.61; 6,160.162; 11,365; 11,525
KPF72	6,011.912; 6,130.573; 6,100.9
KPF73	6,308.4275; 6,397.3775
KPJ97	114,25; 11,585
KPJ99	10,935; 11,095
KPV30	6,308.4275

Call Sign	Frequencies (MHz)
KPZ87	10,835
KTF21	10,755; 10,915; 10,735
KTF53	10,835; 10,995; 5,945.2
KTF54	6,226.89; 6,345.49; 6,197.24
KTF55	5,974.85; 6,093.45
KTF80	10,755; 10,915; 11,115
KVU35	11,627.5
KVU69	11,605; 11,685
KYO55	6,056.3875; 6,145.3375
KZS57	11,137.5; 6,197.24; 6,226.89
KZS62	11,215; 11,445
WAY64	10,815; 10,975
WAY65	11,505; 11,665
WAY66	10,815; 10,975; 10,935
WAY67	6,315.84
WAY68	11,545; 11,625
WBB253	11,365; 11,525
WCG296	5,945.2; 5,974.85
WDU585	6,655
WDU586	6,655; 6,815
WDU587	6,555; 6,815
WDU588	6,555; 6,725
WGW364	11,405; 11,605
WGW395	11,405; 11,565; 11,225
WHU42	11,245
WLB942	6,197.24; 10,995
WLC567	6,197.24; 5,945.2
WLL704	10,755; 10,915
WOF75	6,412.2; 6,293.603; 6,352.902; 6,352.9; 6,263.95; 6,382.553
WPF39	6,367.73
WPF42	6,115.69
WPQQ701	5,945.2; 11,485
WPX64	6,197.24
WQWB304	6,078.625
WQWB305	6,330.665
WSL38	6,725

DECLARATION

I, Kevin Saville, state that I am Senior Vice President & General Counsel of Frontier Communications Corporation and am authorized to make this declaration on behalf of Citizens Telecommunications Company of Idaho, Citizens Telecommunications Company of Montana and Frontier Communications Northwest Inc. (collectively, the "Licensees"). I have read the foregoing Petition for Declaratory Ruling. The Licensees have calculated their current ownership interests disclosed in the Petition based on a review of the Commission's rules, and the interests disclosed in the Petition satisfy each of the pertinent standards and criteria set forth in those rules.

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

/s/ Kevin Saville

Name: Kevin Saville

Title: Senior Vice President & General Counsel

Frontier Communications Corporation

DECLARATION

I, Eric Zinterhofer, state that I am President of Northwest Fiber, LLC ("Transferee"), and am authorized to make this declaration on behalf of Transferee. I have read the foregoing Petition for Declaratory Ruling. Transferee has calculated the ownership interests disclosed in the Petition based on its review of the Commission's rules, and the interests disclosed in the Petition satisfy each of the pertinent standards and criteria set forth in those rules.

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

/ s/ Eric Zinterhofer

Name: Eric Zinterhofer

Title: President, Northwest Fiber, LLC