

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

In the Matter of)
)
)

CSC Wireless, LLC)

Petition for Declaratory Ruling under)
Section 310(b)(4) of the Communications)
Act of 1934, as Amended)
)
_____)

File No. ISP-PDR-2020 _____

To: International Bureau
Federal Communications Commission

PETITION FOR DECLARATORY RULING

Pursuant to 47 U.S.C. § 310(b)(4) of the Communications Act of 1934, as amended (the “Act”),¹ and 47 C.F.R. § 1.5000(a)(1) of the Commission’s rules,² CSC Wireless, LLC (“Petitioner” or “CSC”) respectfully petitions the Federal Communications Commission (“Commission”) for a declaratory ruling that it would not serve the public interest to prohibit indirect foreign ownership of Petitioner of up to 100 percent, thus exceeding the 25-percent benchmark for foreign ownership as set forth in Section 310(b)(4) of the Act. Granting this request will enable Petitioner to seek participation in Auction 107 and to hold common carrier wireless licenses awarded in that auction and more generally. The Commission has previously found that the foreign ownership of Petitioner’s controlling U.S. parent raises no significant national security, law enforcement, foreign policy, or trade policy concerns.³

¹ 47 U.S.C. § 310(b)(4).

² 47 C.F.R. § 1.5000(a)(1).

³ See *Wireless Telecommunications Bureau Assignment of License Authorization Applications, Transfer of Control of License Applications, De Facto Transfer Lease Applications and Spectrum Manager Lease*

I. BACKGROUND

Section 310(b)(4) of the Act prohibits the Commission from issuing a common carrier radio license to:

any corporation directly or indirectly controlled by any other corporation of which more than one-fourth of the capital stock is owned of record or voted by aliens, their representatives, or by a foreign government or representative thereof or by any corporation organized under the laws of a foreign country, if the Commission finds the public interest will be served by the refusal or revocation of such license.⁴

In the *Foreign Participation Order*, the Commission concluded that allowing additional foreign investment in common carrier wireless licensees beyond the 25 percent benchmark established in Section 310(b)(4) could promote competition in the U.S. market, thereby serving the public interest.⁵ The Commission also observed that “removing barriers to entry and focusing on competitive safeguards will promote effective competition in the U.S. telecommunications services market by removing unnecessary regulation and barriers to entry that can stifle competition and deprive U.S. consumers of the benefits of lower prices, improved service quality, and service innovations.”⁶ Moreover, the Commission recently reaffirmed that, while it is always necessary to protect interests related to national security, law enforcement, foreign policy, and trade policy, foreign investment is “an important source of financing for U.S.

Notifications, Designated Entity Reportable Eligibility Event Applications, and Designated Entity Annual Reports Action, FCC Report No. 13030, 2018 WL 1325076 (rel. Mar. 14, 2018) (approving the *pro forma* transfer of control of Altice USA from Altice N.V. to Next Alt S.à.r.l); *In re Applications Filed by Altice N.V. and Cablevision Systems Corp. to Transfer Control of Authorizations from Cablevision Systems Corp. to Altice N.V.*, Memorandum Opinion and Order, 31 FCC Rcd 4365, 4388 ¶ 49 (WCB/IB/MB/WTB 2016) (“*Altice-Cablevision Transfer Order*”).

⁴ 47 U.S.C. § 310(b)(4).

⁵ See *Rules and Policies on Foreign Participation in the U.S. Telecommunications Market*, Report and Order and Order on Reconsideration, 12 FCC Rcd 23891, 23940 ¶ 111 (1997).

⁶ *Id.* at 23897 ¶ 11.

telecommunications companies, fostering technical innovation, economic growth, and job creation.”⁷

As explained below, Petitioner’s foreign ownership raises no significant issues with respect to national security and is in the public interest. Accordingly, Petitioner requests that the Commission grant this Petition for Declaratory Ruling and find that it would not serve the public interest to prohibit indirect foreign ownership of Petitioner, as described herein, and should not prevent Petitioner from holding common carrier wireless licenses.

II. DESCRIPTION OF THE PETITIONER

CSC is a limited liability company with its principal place of business located at One Court Square West, Long Island City, NY 11101. CSC currently does not hold any common carrier wireless licenses. However, CSC seeks to participate in Auction 107 for flexible use overlay licenses in the 3.7-3.98 GHz band, and, accordingly, submits this Petition for Declaratory Ruling.⁸

CSC is a wholly owned subsidiary of Altice USA, Inc. (“Altice USA”), a Delaware-organized corporation. Altice USA is one of the largest broadband communications and video service providers in the United States. Altice USA serves its customers through two business segments: Optimum, which operates in the New York metropolitan area; and Suddenlink, which principally operates in markets in the south-central United States. Through these business segments, Altice USA delivers broadband, pay television, telephony services, Wi-Fi hotspot access, proprietary content, and advertising services to approximately 4.9 million residential and

⁷ *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, 28 FCC Rcd 5741, 5744 ¶ 3 (2013).

⁸ *See Auction of Flexible-Use Service Licenses in the 3.7-3.98 GHz Band for Next-Generation Wireless Services*, Public Notice, 35 FCC Rcd 8404, 8416 ¶ 34 (2020).

business customers. Its footprint extends across 21 states through a fiber-rich hybrid-fiber coaxial broadband network with more than 8.8 million homes passed as of December 31, 2019.

Altice USA is also an innovator in the wireless space, offering Altice Mobile as a nationwide mobile service that features a multitude of services, including flexible options for by-the-gig and unlimited data, text, talk, mobile hotspot use, video streaming, and international text and talk from the United States to dozens of countries, as well as flexible options for data, text and talk while traveling abroad in those same countries. Altice Mobile combines Altice USA's own mobile core infrastructure with its partner wireless carriers' networks in the United States, giving consumers fast and reliable wireless coverage wherever they are. The Commission has previously recognized the unique and innovative nature of Altice USA's wireless business.⁹

Altice USA is directly controlled by Next Alt S.à.r.l. ("Next Alt"), a holding company organized in Luxembourg. As of August 31, 2020, Next Alt held 39.4 percent of the outstanding equity and 91.6 percent of the voting interest in Altice USA. Altice USA is also indirectly held by Next Luxembourg S.C.S.p. and Next Luxembourg Management G.P. S.à.r.l., also Luxembourg-organized holding corporations, as well as Patrick Drahi, an Israeli citizen.¹⁰ Because Petitioner is indirectly controlled by an entity with foreign ownership interests in excess of the applicable limit or benchmark set forth in Section 310(b), Petitioner seeks a declaratory ruling pursuant to Section 310(b)(4) of the Act so that it may participate in Auction 107.

⁹ See, e.g., *In re Applications of T-Mobile US, Inc., and Sprint Corporation*, Memorandum Opinion and Order, Declaratory Ruling, and Order of Proposed Modification, 34 FCC Rcd 10578, 10708 ¶ 291 (2019) ("We also note that under one of the Applicants' Commitments, on which we condition our approval, contemplates New T-Mobile's expansion onto its network the scope of Sprint's unique iMVNO-oriented agreement with Altice") (*"T-Mobile/Sprint Merger Order"*); *In re Matter of Numbering Policies for Modern Communications*, Order, 33 FCC Rcd 12501, 12505 ¶ 9 (WCB 2018).

¹⁰ See Appendix A.

III. INFORMATION REQUIRED

Pursuant to 47 C.F.R. § 1.5001 of the Commission's rules, Petitioner submits the following information in support of its Petition:

1. Section 1.5001(a): Contact Information, FRN, Place of Organization, Type of Business Organization, and Name and Title of Officer Certifying to the Information Contained in the Petition

Name: CSC Wireless, LLC

FRN: 0027517473

Mailing Address: 1 Court Square, Long Island City, NY 11101

Place of Organization: Delaware, United States

Telephone: (929) 418-4836

Email Address: Paul.Jamieson@AlticeUSA.com

Type of Organization: Limited Liability Company

Officer Certifying: Paul Jamieson, Vice President, Government Affairs & Policy, Altice USA

2. Section 1.5001(b): Legal Counsel Contact

Not applicable.

3. Section 1.5001(c)(1): Licensees and Licenses Covered By Declaratory Ruling

Petitioner files this request for a declaratory ruling so that it may seek to participate in Auction 107 for flexible use overlay licenses in the 3.7-3.98 GHz band.

4. Section 1.5001(d): Type of Declaratory Ruling

Petitioner requests a declaratory ruling pursuant to § 1.5000(a)(1).

5. Section 1.5001(e) and (g): Holders of Direct Interests of 10% or More or a Controlling Interest in the Controlling U.S. Parent of the Petitioning Applicant

Petitioner's controlling U.S. parent is Altice USA, a Delaware-organized corporation.

Appendix A depicts the intervening ownership structure between Petitioner and Altice USA.

The following entity directly owns 10 percent or more of Petitioner's controlling U.S. parent,

Altice USA:

Name: Next Alt S.à.r.l.

Address: 5, rue Eugène Ruppert, L-2453 Luxembourg

Place of Organization: Luxembourg

Type of Organization: Corporation
Principal Business: Telecommunications and Cable Television
Percentage Held: 39.4% equity and 91.6% voting

6. Section 1.5001(f) and (g): Holders of Indirect Interests of 10% or More or a Controlling Interest in the Controlling U.S. Parent of the Petitioning Applicant

The following entities indirectly own 10 percent or more of Petitioner's controlling U.S. parent, Altice USA:

Name: Next Luxembourg S.C.S.p.
Address: 5, rue Eugène Ruppert, L-2453 Luxembourg
Place of Organization: Luxembourg
Type of Organization: Corporation
Principal Business: Telecommunications and Cable Television
Direct Interest: 100% equity and 100% voting in Next Alt S.à.r.l.

Name: Next Luxembourg Management G.P. S.à.r.l.
Address: 5, rue Eugène Ruppert, L-2453 Luxembourg
Place of Organization: Luxembourg
Type of Organization: Corporation
Principal Business: Telecommunications and Cable Television
Direct Interest: <1% equity and <1% voting in Next Luxembourg S.C.S.p (general partner)

Name: Patrick Drahi
Address: 5, rue Eugène Ruppert, L-2453 Luxembourg
Citizenship: Israel
Percentage Owned: 100% equity and 100% voting in Next Luxembourg Management G.P. S.à.r.l. and more than 99.99% equity and 99.99% voting in Next Luxembourg Management S.C.S.p.

7. Section 1.5001(h)(1): Estimate of Aggregate Foreign Ownership

Petitioner is a wholly owned subsidiary of Altice USA. 39.4 percent of Altice USA's equity and 91.6 percent voting interests are held by subsidiaries of Patrick Drahi. The remaining 60.6 percent of Altice USA's shares are held by public shareholders, none of which hold 10 percent or more interest in Altice USA and with no foreign shareholder holding more than 5 percent interest. Such interests, and the interests noted above, were calculated in accordance

with Section 1.5002 of the Commission's rules. Further information regarding the circumstances that prompted the filing of this Petition and demonstrating that the public interest would be served by grant of the Petition are provided in Sections I and IV of this Petition.

8. Section 1.5001(h)(2): Ownership Chart

A chart depicting Petitioner's ownership and control structure is set out in Appendix A.

9. Section 1.5001(i) and (j): Requests for Specific Approval

Petitioner requests specific approval for each of the entities listed above in response to 47 C.F.R. § 1.5001(e)-(g).

10. Section 1.5001(k): Requests for Advance Approval

Petitioner seeks approval for the following entities and individual, which have a controlling interest in Altice USA, to increase their interest in Altice USA at some future time up to any amount, including 100 percent of the equity and voting interests in Altice USA:

- Next Alt S.à.r.l
- Next Luxembourg S.C.S.p.
- Next Luxembourg Management G.P. S.à.r.l.
- Patrick Drahi

IV. GRANT OF THIS PETITION IS IN THE PUBLIC INTEREST

Granting the Petition is consistent with the standards set forth in Section 310(b)(4) of the Act, the Commission's foreign ownership rules, and Commission precedent. The Commission has repeatedly recognized that permitting foreign ownership beyond Section 310(b)(4)'s 25 percent benchmark promotes competition in the U.S., is an important sources of financing, and fosters technical innovation, economic growth, and job creation. Because of this, the

Commission has regularly approved requests seeking up to 100 percent foreign ownership of common carrier wireless licensees, most recently in the T-Mobile/Sprint transaction.¹¹

Moreover, grant of the requested relief will clearly serve the public interest. Petitioner seeks to compete for licenses in Auction 107—spectrum that will help advance a variety of new mobile technologies, including enhancing the nationwide deployment of 5G. With the financial resources available through foreign ownership, CSC will be able to participate in Auction 107, ensuring greater competition in the auction consistent with the Act’s stated objectives.¹² Those resources will also in turn enable CSC to fully utilize 3.7-3.98 GHz spectrum to provide additional competition in the wireless market as part of its innovative wireless service offering, which will directly benefit consumers. Finally, CSC’s holding of common carrier wireless licenses raises no significant national security, law enforcement, foreign policy, or trade policy concerns.¹³ Accordingly, there are no grounds upon which the Commission could conclude that it would serve the public interest to prohibit indirect foreign ownership of Petitioner in excess of the 25 percent benchmark in Section 310(b)(4) of the Act.

CONCLUSION

For the forgoing reasons, the Commission should promptly grant this Petition.

¹¹ See *T-Mobile/Sprint Merger Order*, 34 FCC Rcd at 10738 ¶ 362.

¹² 47 U.S.C. 309(j)(3)(B) (encouraging the Commission to establish a system of competitive bidding that promotes “competition and . . . [and avoids the] excessive concentration of licenses”).

¹³ See *Altice-Cablevision Transfer Order*, *supra* note 3, ¶ 49 (“The DOJ Petition states that the Executive Branch Agencies advise the Commission that they have no objection to grant of the applications provided that we condition it on compliance by Altice and Cablevision with the commitments and undertakings set forth in the 2016 LOA from the Applicants and Cequel to the DOJ, pursuant to which Applicants are bound by the definitions, rights, and obligations contained in the 2015 NSA between Altice, Cequel, and the DOJ. We find that grant of the Applications, subject to compliance with the 2016 LOA and 2015 NSA, will serve the public interest, convenience, and necessity.”).

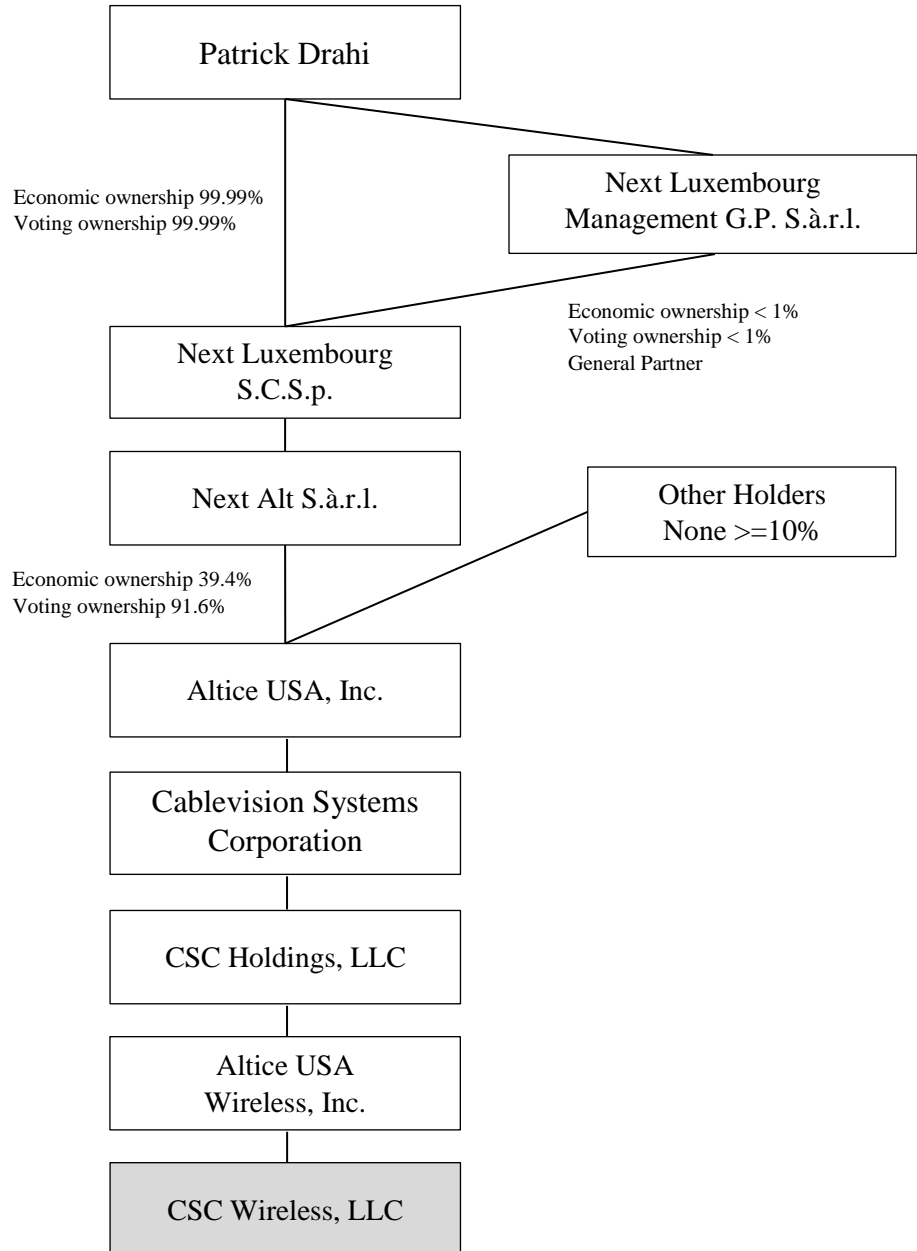
Respectfully submitted,

/s/ Paul Jamieson

Paul Jamieson
Vice President
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September 21, 2020

Appendix A
CSC Wireless, LLC
Indirect Ownership Attachment¹



¹ All ownership and control is 100% unless otherwise noted. Identified percentages are voting interests as of August 31, 2020.

Appendix B

CERTIFICATION

On behalf of CSC Wireless, LLC, I certify that the information in this Petition is in accordance with the provisions of Sections 1.16 and 1.5000(c)(1) of the Commission's rules, 47 C.F.R. § 1.16 and 1.5000(c)(1). In particular, CSC Wireless, LLC has calculated the ownership interests disclosed in the Petition based upon its review of the Commission's rules. The interests disclosed satisfy each of the pertinent standards and criteria set forth in the rules.

/s/ Paul Jamieson

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