

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

In the Matter of)	
)	
Frontier Communications Corporation,)	
<i>Transferor</i>)	
)	
and)	WC Docket No. 19-_____
)	
Northwest Fiber, LLC,)	IB File No. ITC-T/C-2019_____
<i>Transferee</i>)	
)	
Application for Consent to Partially Assign)	
and Transfer Control of Domestic and)	
International Authorizations Pursuant to)	
Section 214 of the Communications Act of)	
1934, As Amended, and Sections 63.04, 63.18)	
and 63.24 of the Commission’s Rules.)	

**CONSOLIDATED APPLICATION FOR THE PARTIAL
ASSIGNMENT AND TRANSFER OF CONTROL OF DOMESTIC
AND INTERNATIONAL SECTION 214 AUTHORIZATIONS**

Pursuant to Section 214 of the Communications Act of 1934, as amended (“the Act”),¹ and Sections 63.04, 63.18 and 63.24 of the Commission’s rules,² Frontier Communications Corporation (“Frontier” or “Transferor”) and Northwest Fiber, LLC (“Northwest Fiber” or “Transferee”) (collectively, the “Applicants”) request Commission consent to: (1) transfer control of certain domestic and international Section 214 authorizations held by Frontier’s wholly owned subsidiaries (i) Citizens Telecommunications Company of Idaho (“Frontier Idaho”), (ii) Citizens Telecommunications Company of Montana (“Frontier Montana”),

¹ 47 U.S.C. § 214.

² 47 C.F.R. §§ 63.04, 63.18 and 63.24.

(iii) Citizens Telecommunications Company of Oregon (“Frontier Oregon”) and (iv) Frontier Communications Northwest Inc. (“Frontier Northwest”) ((i) through (iv) collectively, the “Transferring Companies”) from Frontier to Northwest Fiber; and (2) assign certain long distance customer relationships from Frontier Communications of America, Inc. (“Frontier America”) and Frontier Communications Online and Long Distance Inc. (“Frontier LD”) to Northwest Fiber. The transaction represents the sale to Northwest Fiber of Frontier’s entire operations across four states—Idaho, Montana, Oregon and Washington (collectively, the “Territory”). Following the transaction, Frontier will continue to operate in the other 25 states in which it currently provides services.

Northwest Fiber will be roughly 90 percent 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. Searchlight is a leading private equity investment company, and has worked successfully in partnership with leading businesses throughout North America and Europe. Searchlight’s funds invest in companies across various sectors, including communications, media, consumer and business services.³ Searchlight is ultimately controlled by its three founding partners: Eric Zinterhofer, a

³ 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. See Exhibit 2 for a more exhaustive description of telecommunications entities in which Searchlight, WaveDivision Capital VII, LLC and the Canadian pension plans have invested that are subject to the FCC’s jurisdiction.

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.

WaveDivision Capital VII, LLC (“WDC”), a Washington limited liability company controlled by U.S. citizens, will have a roughly 10 percent equity and voting interest in, and will manage the day-to-day operations of, Northwest Fiber. WDC, headquartered in Kirkland, Washington, is a private investment firm focused on the broadband industry. Founded in 2003 by broadband entrepreneur Steve Weed, a U.S. Citizen, WDC has invested in various entities in the telecommunications space.⁴ After the closing of the proposed transaction (the “Closing”), the Transferring Companies 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 chairman of Northwest Fiber’s Board of Directors.

In addition, 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

⁴ 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 (less than 10 percent) interest and is a member of the board of directors.

interests in Northwest Fiber through co-investments in certain Searchlight funds. While each of these Canadian investors will have the right to appoint one member of Northwest Fiber’s board of directors and will have certain consent rights to protect its minority investment, these entities will not exercise day-to-day control over the Transferring Companies.

The proposed transaction will not result in any competitive harm and will promote competition in the Territory. The proposed transaction contemplates no immediate changes to the existing network or impairment of services provided by the Transferring Companies. 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, service quality, terms or conditions. The transaction will enable the continued provision of high-quality communications services, with no change in the Transferring Companies’ 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,⁵ Northwest Fiber plans additional investments to upgrade the broadband network and enable the launch of up to 1 gigabit per second service in certain markets.⁶ Moreover, as discussed in Exhibit 1, the proposed transaction raises no significant

⁵ As of April 30, 2019, Frontier had enabled 69 percent (28,019 locations) of CAF locations in the Territory and expects to satisfy the 80 percent completion milestone as of December 31, 2019. Frontier will continue this work up until the Closing; Northwest Fiber has contractually agreed to complete any remaining buildout required to complete the 100 percent (40,570 locations) in the Territory as of December 31, 2020.

⁶ The limited cap on high-cost universal service support that the FCC imposed in *Hargray* is not applicable here. *In re Joint Application of W. Mansfield Jennings Limited Partnership and Hargray Communications Group, Inc., for Consent to the Transfer of Control of ComSouth Corporation Pursuant to Section 214 of the Communications Act of 1934*, Memorandum Opinion and Order, 33 FCC Rcd 4780 (2018) (“*Hargray*”). In *Hargray*, the FCC expressed concern that the combination of two companies receiving high-cost universal service support under different mechanisms, one fixed and one cost-based, could result in cost shifting that could harm the Commission’s goal of ensuring that limited universal service resources are distributed efficiently and effectively. *Id.* ¶¶ 2, 11, 19–27. In this transaction, Northwest Fiber does not have any existing telecommunications holdings and does not currently receive any universal service funds from the FCC. Upon the Closing,

foreign ownership or control issues that would implicate U.S. national security, law enforcement, foreign policy, or trade policy concerns.⁷ Once the proposed transaction is complete, the Transferring Companies will be managed by Mr. Weed and his team at WDC from within the United States, *i.e.*, by U.S. citizens who have proven success and understand the challenges associated with deploying and expanding broadband and other services in the Pacific Northwest.

The proposed transaction includes the transfer to Northwest Fiber of: (1) the assets, operations and customer relationships related to Frontier's provision of incumbent local exchange,⁸ broadband and video services to residential, small business and enterprise customers in the Territory; and (2) certain related long distance customer relationships in those areas. To effectuate the transaction, Frontier will cause the ownership interests of the Transferring Companies to be transferred to Northwest Fiber. At the Closing, the Transferring Companies will thus become wholly owned direct subsidiaries of Northwest Fiber. In addition, certain customers of Frontier America and Frontier LD in the Territory will be assigned to Northwest Fiber.

Consistent with Section 63.04(b) and Commission practice, the Applicants have consolidated their request for Commission consent to the transaction into a single lead

Northwest Fiber will only, indirectly through the Transferring Companies, receive universal service funds that the Transferring Companies already receive, maintaining the status quo.

⁷ The Transferring Companies 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.

⁸ Section 652 of the Act prohibits cable operators from owning more than a 10 percent financial or management interest in a local exchange carrier, and vice versa. 47 U.S.C. § 572. This section does not apply to this transaction because Northwest Fiber is not a cable operator acquiring a local exchange carrier, or the other way around.

application, and are submitting separate filings for each affected licensee and/or authorization.

Specifically, the Applicants seek consent to the following:⁹

- The transfer of control of the blanket domestic Section 214 operating authority held by each of the Transferring Companies.
- The transfer of control of the international Section 214 authorization held by Frontier Northwest (ITC-214-20080219-00079).
- The partial assignment of blanket domestic and international Section 214 authority held by Frontier America and Frontier LD to Northwest Fiber as they relate to certain long distance customers in the Territory.¹⁰
- The transfer of control of 56 common carrier fixed point-to-point microwave wireless licenses held by Frontier Idaho, Frontier Montana and Frontier Northwest.
- A petition for declaratory ruling that it would serve the public interest to permit the indirect foreign ownership of Frontier Idaho, Frontier Montana and Frontier Northwest, which hold common carrier wireless licenses, in excess of the 25 percent benchmark of Section 310(b)(4) of the Act.

This narrative provides the information required by the International Section 214 Main Form and Sections 63.04 and 63.18 of the Commission's rules. Attached as Exhibit 1 is a statement providing a more detailed description of the parties and of the proposed transaction, and a discussion demonstrating that the transaction will serve the public interest.

⁹ The FCC authorizations and licenses subject to these applications are provided in Attachment A to Exhibit 1. As noted below, the Transferring Companies will be converted to Delaware limited liability companies concurrently with Closing. Notice of the *pro forma* reorganization will be provided to the FCC post-closing consistent with the FCC's *pro forma* requirements.

¹⁰ Because only certain customer relationships of Frontier America and Frontier LD are being assigned through this transaction, the Applicants seek only a partial assignment of Section 214 authority. Frontier America and Frontier LD will retain their respective international Section 214 authorizations upon closing and do not seek to assign them here. The Applicants therefore request that the Commission issue a new international Section 214 file number to Northwest Fiber in connection with the transaction.

I. RESPONSE TO ITEMS ON INTERNATIONAL SECTION 214 MAIN FORM

A. Answer to Question 10 – Section 63.18(c)-(d)

Frontier, a Delaware corporation, is a holding company that has a number of wholly owned subsidiaries that provide communications services and hold various FCC licenses and authorizations. Frontier does not hold any international Section 214 authorizations itself, but directly or indirectly controls subsidiaries that hold such authorizations to provide international facilities-based and/or resold services, including Frontier Northwest (ITC-214-20080219-00079), Frontier America (ITC-214-19971202-00753) and Frontier LD (ITC-214-20090528-00565).¹¹

Northwest Fiber currently does not hold any international Section 214 authorizations itself, but requests that the Commission issue it a new international Section 214 file number in connection with the partial assignment of Section 214 authority from Frontier America and Frontier LD. As previously noted, Frontier America and Frontier LD will retain their respective international Section 214 authorizations upon the Closing and do not seek to assign them here.

Northwest Fiber is the transferee for all applications included in this transaction. The address and telephone number for it and the Transferring Companies post-transaction will be:

Northwest Fiber, LLC
c/o WDC Management, LLC
135 Lake Street South
Suite 1000
Kirkland, WA 98033
425.250.8199 (tele.)
steve@wavedc.com

¹¹ The other Frontier subsidiaries that hold international Section 214 authorizations are: Commonwealth Telephone Enterprises, Inc. (ITC-214-19960726-00343); GVN Services (ITC-214-20020225-00113); Frontier Communications of the Southwest Inc. (ITC-214-20090528-00563); Frontier Communications of the Carolinas LLC (ITC-214-20090528-00564); Frontier Mid-States Inc. (ITC-214-20080219-00081); Citizens Telecommunications Company of California Inc. (ITC-214-20080219-00078); Frontier West Virginia Inc. (ITC-214-20080219-00071); Frontier North Inc. (ITC-214-20080219-00082); SNET America, Inc. (ITC-214-19930716-00119, ITC-214-19950215-00064 and ITC-214-19960223-00083); Frontier California Inc. (ITC-214-20080219-00063); Frontier Florida LLC (ITC-214-20080219-00064); and Frontier Southwest Inc. (ITC-214-20080219-00077).

Correspondence concerning these applications should be directed to:

For Frontier:

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Norwalk, CT 06851
203.614.5030 (tele.)
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B. Answer to Question 11 – Section 63.18(h)

Concurrently with the Closing, each of the Transferring Companies will be converted into Delaware limited liability companies.¹² The Transferring Companies will then be

¹² Frontier Idaho, Frontier Montana and Frontier Oregon currently are companies organized under the laws of Delaware while Frontier Northwest is a corporation organized under the laws of Washington.

transferred to and become wholly owned direct subsidiaries of Northwest Fiber. After the Closing, the following entities will hold, directly or indirectly, a 10 percent or greater ownership interest in the Transferring Companies. 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.

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% 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% 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% interest

Upon completion of the transaction, the following entities will each hold, directly or indirectly, a 10 percent or greater equity 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% 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.

¹³ Unless otherwise noted, each limited partnership listed in this section will have certain other limited partners that are insulated in accordance with Commission rules and will not exercise any control over the entity. None of these other limited partners will have a 10 percent indirect ownership interest in Transferee or Northwest Fiber. If any investment causes an entity or individual not already disclosed herein to obtain a 10 percent or greater interest in Transferee, Applicants will update the information in this Application.

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% 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
Interest Held: 90% interest

Upon completion of the proposed transaction, the following entities will each be a direct limited partner of Searchlight Aggregator LP. While all 10 percent or greater investors are reflected in this filing, the precise, post-closing equity interests of investors in these entities have not yet 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: 11% 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% interest¹⁴

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: 14% interest

Name: **SC II OPT Co-Invest Holdings, L.L.C.**
("Co-Invest Blocker")
Address: 745 Fifth Avenue, 27th Floor
New York, NY 10151
Citizenship: Delaware limited liability company
Principal Business: Investment activities
Interest Held: 67% interest

Name: **Searchlight Capital II OPT Co-Invest
Partners U.S., 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% interest¹⁵

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.

¹⁴ Although FC AIV holds indirectly less than 10 percent of Northwest Fiber, it is included here because its general partner controls interests in addition to FC AIV's interest that exceed 10 percent.

¹⁵ Although Co-Invest U.S. currently holds indirectly less than 10 percent of Northwest Fiber, it is included here because other limited partnership 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: **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: 11% 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: 11% 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 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.

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: 90% interest

Name: **Searchlight Capital Partners II GP, LLC**
 (“Upper GP”)
Address: 745 Fifth Avenue, 27th Floor
New York, NY 10151
Citizenship: Delaware limited company
Principal Business: Investment activities
Interest Held: 90% interest

Name: **Searchlight Capital Partners, L.P.**
 (“Manager”)
Address: 745 Fifth Avenue, 27th Floor
New York, NY 10151
Citizenship: Delaware limited company
Principal Business: Investment activities
Interest Held: 0% interest

Name: **Searchlight Capital Partners, LLC**
 (“Manager GP”)
Address: 745 Fifth Avenue, 27th Floor
New York, NY 10151
Citizenship: Delaware limited company
Principal Business: Investment activities
Interest Held: 0% 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 percent 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: 14% 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: 14% 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: 14% interest

At the Closing, Co-Invest U.S.—a direct 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: 67% interest

At the 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: 67% interest

At the Closing, the following individuals will have a 10 percent or greater 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: 33.33% interest

Name: Erol Uzumeri
Address: 22 Adelaide Street West, 35th Floor
Toronto, ON M5H 4E3
Canada
Citizenship: Canada
Principal Business: Individual
Interest Held: 33.33% interest

Name: Oliver Haarmann
Address: 56 Conduit Street, 4th Floor
Mayfair, London W1S 2YZ
England
Citizenship: Germany
Principal Business: Individual
Interest Held: 33.33% interest

Finally, the following non-Searchlight, non-U.S. entities will have a 10 percent 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: 47% 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: 47% 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: 30% 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: 30% 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: 29% 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: 29% interest

No other person or entity will hold a direct or indirect 10 percent or greater ownership interest in the Transferring Companies post-closing. Attachment B of Exhibit 1 includes charts depicting the pre- and post-Closing ownership structure of the Transferring Companies.

C. Answer to Question 13 – Narrative of Transfer of Control and Public Interest Statement

A description of the transaction and demonstration of how the transaction is in the public interest is attached as Exhibit 1.

D. Answer to Question 20 – Section 63.12

The Applicants request streamlined treatment of their international Section 214 applications pursuant to Section 63.12 of the Commission’s rules. Neither the Transferring Companies nor Northwest Fiber have foreign carrier affiliates and will continue to have no such affiliates post-Closing. They therefore qualify for a presumption of non-dominance under Section 63.10 of the Commission’s rules on all U.S.-international routes.

II. INFORMATION REQUIRED BY SECTION 63.04 OF THE COMMISSION’S RULES IN RELATION TO TRANSFER OF BLANKET DOMESTIC 214 AUTHORITY

In support of the Applicants’ request for consent to partially assign and transfer control of certain assets and customer relationships related to the provision of local exchange, exchange access, and long distance services in Idaho, Montana, Oregon and Washington from Frontier to Northwest Fiber, the following information is submitted pursuant to Section 63.04 of the

Commission's rules. Specifically, Section 63.04(b) provides that applicants submitting a joint domestic/international Section 214 application should include the information requested in paragraphs (a)(6) through (a)(12) of Section 63.04.

Section 63.04(a)(6) – Description of the transaction:

A description of the transaction and demonstration of how it is in the public interest is attached as Exhibit 1.

Section 63.04(a)(7) – Description of the geographic area in which the transferor and transferee offer domestic telecommunications services, and what services are provided in each area:

A description of the geographic area in which the Transferor and Transferee offer domestic telecommunications services, and a description of the services provided, is contained in Exhibit 1.

Section 63.04(a)(8) – Statement as to how the application qualifies for streamlined treatment:

The Applicants request streamlined treatment of their domestic Section 214 applications. Northwest Fiber, the Transferee, is not a telecommunications provider. They therefore qualify for streamlined processing under Section 63.04 of the Commission's rules.

Section 63.04(a)(9) – Identification of all other Commission applications related to this transaction:

The applications and filings related to this transaction are identified on page 6 of this narrative.

Section 63.04(a)(10) – Statement of whether the applicants request special consideration because either party is facing imminent business failure:

The Applicants do not request special consideration because no parties to this transaction are facing imminent business failure.

Section 63.04(a)(11) – Identification of any separately filed waiver requests being sought in conjunction with this application:

No separately filed waiver requests are sought in conjunction with this transaction.

Section 63.04(a)(12) – Statement showing how grant of the application will serve the public interest, convenience and necessity:

A demonstration of how the transaction is in the public interest is attached as Exhibit 1.

III. CONCLUSION

For the reasons stated above and in Exhibit 1, the Applicants respectfully request that the Commission approve the proposed transaction.

Respectfully submitted,

By: NORTHWEST FIBER, LLC

/s/ Eric Zinterhofer

Eric Zinterhofer
President, Northwest Fiber, LLC
c/o Searchlight Capital Partners, L.P.
745 Fifth Avenue, 27th Floor
New York, NY 10151

By: FRONTIER COMMUNICATIONS
CORPORATION

/s/ Kevin Saville

Kevin Saville
Sr. Vice President & General Counsel
Frontier Communications Corporation
401 Merritt 7
Norwalk, CT 06851

June 28, 2019

EXHIBIT 1 TO APPLICATION

Description of the Parties
Description of the Transaction
Public Interest Statement
Administrative Matters

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I. INTRODUCTION

Frontier Communications Corporation (“Frontier”) and Northwest Fiber, LLC (“Northwest Fiber”) (collectively, the “Applicants”) request Commission consent under Sections 214 and 310 of the Communications Act of 1934, as amended (the “Act”),¹ and Sections 63.04, 63.18 and 63.24 of the Commission’s rules,² to the partial assignment and transfer of control of the FCC authorizations and licenses of certain wholly owned direct and indirect subsidiaries of Frontier to Northwest Fiber. The assignment and transfer of control will effectuate the sale of Frontier’s local wireline, video, and related long-distance operations in four states—Idaho, Montana, Oregon and Washington (collectively, the “Territory”)—pursuant to the Purchase Agreement (the “Agreement”), dated as of May 28, 2019, by and between the Applicants. Following the transaction, Frontier will continue to provide services in the other 25 states in which it currently operates.

Specifically, the sale contemplated herein includes the transfer of control of domestic and international Section 214 authorizations and wireless radio licenses held by (i) Citizens Telecommunications Company of Idaho (“Frontier Idaho”), (ii) Citizens Telecommunications Company of Montana (“Frontier Montana”), (iii) Citizens Telecommunications Company of Oregon (“Frontier Oregon”), and (iv) Frontier Communications Northwest Inc. (“Frontier Northwest”) ((i) through (iv) collectively, the “Transferring Companies”) and the assignment of certain related long-distance customer relationships from Frontier Communications of America, Inc. (“Frontier America”) and Frontier Communications Online and Long Distance Inc.

¹ 47 U.S.C. §§ 214, 310.

² 47 C.F.R. §§ 63.04, 63.18 and 63.24.

(“Frontier LD”) to Northwest Fiber.³ Concurrently with the closing of the transactions contemplated by the Agreement (the “Closing”), Northwest Fiber will acquire all of the issued and outstanding equity interests of the Transferring Companies in an all-cash transaction valued at approximately \$1.352 billion.

Northwest Fiber will be roughly 90 percent 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. Searchlight, a leading private equity investment company, has worked successfully in partnership with leading businesses throughout North America and Europe. Searchlight’s funds invest in companies across various sectors, including communications, media, consumer and business services, deriving value through thoughtful strategic direction, operational expertise and deep industry knowledge.

WaveDivision Capital VII, LLC (“WDC”), a Washington limited liability company controlled by U.S. citizens, will have a roughly 10 percent equity and voting interest in, and will manage the day-to-day operations of, Northwest Fiber. WDC, headquartered in Kirkland, Washington, is a private investment firm focused on the broadband industry. Founded in 2003 by broadband entrepreneur Steve Weed, WDC has invested in various entities in the telecommunications space and seeks to bring better internet connections to more homes and businesses throughout North America. After the Closing, the Transferring Companies will be managed by Mr. Weed and his team, which bring extensive technical, organizational, regulatory and management experience in operating residential and business communications networks.

³ The FCC authorizations and licenses involved in this transaction are listed in Attachment A and the associated applications.

The proposed transaction is in the public interest as it will benefit existing Frontier customers as well as future Northwest Fiber customers in the Territory.⁴ Specifically, Northwest Fiber plans to invest millions of dollars to upgrade the Transferring Companies' network and enable the launch of improved broadband services, including the launch of up to 1 gigabit per second (Gbps) service in certain markets. This investment is in addition to the Transferring Companies' participation in the Connect America Fund ("CAF") Phase II program,⁵ which will continue post-Closing.⁶

The Applicants also intend to provide a smooth transition for both retail and wholesale customers. The proposed transaction, which contemplates no change to existing services of the Transferring Companies, will enable the continued provision of high-quality communications services, and additional investments in the existing networks that will eventually result in improved services. It will be transparent to customers—other than a change in name and billing or administrative matters, the Transferring Companies will continue to exist as operating entities

⁴ As demonstrated throughout this application, the Applicants have the requisite qualifications to hold Commission licenses and the proposed transaction will comply with the Act, other applicable statutes and the Commission's rules.

⁵ As of April 30, 2019, Frontier had enabled 69 percent (28,019 locations) of CAF locations in the Territory and expects to satisfy the 80 percent completion milestone as of December 31, 2019. Frontier will continue this work up until the Closing; Northwest Fiber has contractually agreed to complete any remaining buildout required to complete the 100 percent (40,570 locations) in the Territory as of December 31, 2020.

⁶ The limited cap on high-cost universal service support that the FCC imposed in *Hargray* is not applicable here. *Joint Application of W. Mansfield Jennings Limited Partnership and Hargray Communications Group, Inc., for Consent to the Transfer of Control of ComSouth Corporation Pursuant to Section 214 of the Communications Act of 1934*, Memorandum Opinion and Order, 33 FCC Rcd 4780 (2018) ("*Hargray*"). In *Hargray*, the FCC expressed concern that the combination of two companies receiving high-cost universal service support under different mechanisms, one fixed and one cost-based, could result in cost shifting that could harm the Commission's goal of ensuring that limited universal service resources are distributed efficiently and effectively. *Id.* ¶¶ 2, 11, 19–27. In this transaction, Northwest Fiber does not have any existing telecommunications holdings and does not currently receive any universal service funds from the FCC. Upon the Closing, Northwest Fiber

in the affected areas. Immediately following the Closing, existing retail and wholesale customers will continue to receive substantially the same services on the same terms and conditions under their existing contracts, price lists and tariffs.

Interconnection agreements and collective bargaining agreements also will not change as a result of the transaction.

Where there are shared customer contracts between other Frontier entities and a Transferring Company, Frontier and Northwest Fiber have agreed to work in good faith to separate that portion of the shared contract that applies to the Transferring Company; Northwest Fiber will then honor and assume the Transferring Companies' obligations under that portion of the contract.⁷ Frontier's current operations support systems ("OSS") for both retail and wholesale customers will be replicated for Northwest Fiber so that, at Closing, there will not be a flash cut to a totally new system. Wholesale customers—including competitors—in the Territory will not have to process orders in a different manner or have their existing OSS arrangements disrupted. To further ensure a smooth transition, Frontier will continue to provide system support for not less than six months after Closing. In addition, the Transferring Companies will continue to comply with all of the statutory obligations applicable to incumbent local exchange carriers ("ILECs") under Sections 251 and 252 of the Act.⁸

The proposed transaction also will not result in any competitive harm and will promote competition in Idaho, Montana, Oregon and Washington. The transaction will not reduce the

will only, indirectly through the Transferring Companies, receive universal service funds that the Transferring Companies already receive, maintaining the status quo.

⁷ Frontier and Northwest Fiber will make similar adjustments to any other affected tariffs as necessary.

⁸ 47 U.S.C. §§ 251, 252. Section 652 of the Act prohibits cable operators from owning more than a 10% financial or management interest in a local exchange carrier, and vice versa. 47 U.S.C. § 572.

number of competitors in any region because Northwest Fiber does not currently compete with Frontier for customers in any of the affected areas. Instead, by upgrading the networks of the Transferring Companies, Northwest Fiber will increase competition to the broadband service offered by cable companies. Moreover, post-Closing, Northwest Fiber will continue to face intense competition from other service providers, including wireless, cable and broadband providers, for both retail and business customers.

Finally, 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. Once the proposed transaction is complete, the Transferring Companies will be managed from within the United States by U.S. citizens who understand local markets and the challenges associated with broadband deployment, and who have proven success in providing communications services and expanding broadband access in the Pacific Northwest. Although some entities in the control chain are domiciled abroad and will have a 10 percent or greater indirect equity interest in Northwest Fiber by virtue of their limited partnership interests in the Searchlight entities, their employees will not be employed by, or have an active role in the day-to-day management of, the Transferring Companies.⁹

In sum, the proposed transaction serves the public interest and will not cause competitive harm. The Commission should therefore expeditiously approve it.

Section 652 does not apply to this transaction because Northwest Fiber is not a cable operator acquiring a local exchange carrier, or the other way around.

⁹ As discussed below, Northwest Fiber is filing a petition for declaratory ruling that it would serve the public interest to permit the indirect foreign ownership of common carrier wireless licensees Frontier Idaho, Frontier Montana and Frontier Northwest in excess of the 25 percent benchmark of Section 310(b)(4) of the Act.

II. DESCRIPTION OF THE PARTIES

A. Northwest Fiber

Northwest Fiber is an indirect, wholly owned subsidiary of Northwest Fiber Holdco, LLC (“Holdco”), which is a Delaware limited liability company that was formed for the purposes of implementing the proposed transaction. As of Closing, through Holdco, Northwest Fiber will be owned jointly by WDC and Searchlight II OPT, L.P., a Delaware limited partnership and master aggregator of an investor group led by funds affiliated with Searchlight Capital Partners, L.P., with Searchlight holding the vast majority of the interests of Northwest Fiber. At Closing, Mr. Weed will serve as chairman of Northwest Fiber’s Board of Directors; Harold Zeitz and Wayne Schattenkerk will be Chief Executive Officer (“CEO”) and Chief Financial Officer (“CFO”), respectively, of Northwest Fiber.

WDC, a private Kirkland, Washington-based investment firm focused on the broadband industry, has invested in various entities in the telecommunications space across the United States and Canada, including Hargray Communications (South Carolina), MetroNet (Indiana), RCN Telecom Services/Grande Communications/Wave Broadband (California, Illinois, Massachusetts, New York, Oregon, Pennsylvania, Texas, Washington and Washington, D.C.) and Xplornet Communications (New Brunswick, Canada).¹⁰ Mr. Weed was founder and CEO of Wave Broadband, which grew to become one of the largest broadband companies on the West Coast, until its sale in 2018. Other members of the WDC management team also have significant experience in the telecommunications space: managing directors Harold Zeitz and Wayne

¹⁰ Other than RCN/Grande/Wave, there will be no overlap between the networks of any of these companies and Northwest Fiber. There will be a small (roughly 9 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

Schattenkerk were formerly the President and CFO, respectively, of Wave Broadband, and collectively have more than 35 years of experience in the industry.

Searchlight is a leading private equity investment company that derives value through thoughtful strategic direction, operational expertise and deep industry knowledge—its limited partners are passive economic investors, including a mix of public pension plans, family offices, university endowments and corporate pension plans. Searchlight has worked successfully in partnership with leading businesses throughout North America and Europe, investing in companies across various sectors, including communications, media, consumer and business services.¹¹

Northwest Fiber thus is well qualified to acquire control of the Transferring Companies and their FCC licenses and authorizations.

B. Frontier

Frontier, a publicly traded corporation, is a leading provider of communications services to urban, suburban and rural communities, currently in 29 states.¹² As a full-service wireline

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.

¹¹ 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 (v) 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.

¹² Frontier now serves approximately 4.5 million customers and has 3.7 million broadband subscribers. Frontier’s current service territories are located in Alabama, Arizona, California, Connecticut, Florida, Georgia, Idaho, Illinois, Indiana, Iowa, Michigan, Minnesota, Mississippi, Montana,

communications provider, through its wholly owned operating companies, Frontier provides a wide array of communications and broadband services over its fiber optic and copper networks, including local and long-distance voice, broadband data and video. In addition to residential services, Frontier offers communications solutions to small, medium and enterprise businesses.¹³

Across Idaho, Montana, Oregon and Washington, the states involved in this transaction, Frontier's network passes 1.7 million residential and business locations, of which approximately 500,000 are fiber-to-the-premises capable. As of March 31, 2019, Frontier served more than 350,000 residential and commercial customers in these states, which accounted for \$619 million of revenue, \$46 million of net income and \$272 million of Adjusted EBITDA (earnings before interest, taxes, depreciation and amortization). Frontier has made a strategic decision to sell its operations in these four geographically contiguous states, which will reduce Frontier's debt and strengthen its liquidity.

III. DESCRIPTION OF THE TRANSACTION

Pursuant to the Agreement by and between Frontier, its wholly owned direct subsidiary Frontier Communications ILEC Holdings LLC ("Intermediate Holdco") and Northwest Fiber, a wholly owned subsidiary of Holdco, Northwest Fiber will acquire all of the issued and outstanding equity interests of the Transferring Companies in an all-cash transaction valued at approximately \$1.352 billion. All of the network and assets owned and used by Frontier to

Nebraska, Nevada, New Mexico, New York, North Carolina, Ohio, Oregon, Pennsylvania, South Carolina, Tennessee, Texas, Utah, Washington, West Virginia and Wisconsin.

¹³ Frontier Idaho provides intrastate services in Idaho, Frontier Montana provides intrastate services in Montana, Frontier Oregon provides intrastate services in Oregon, and Frontier Northwest provides intrastate service in Idaho, Oregon and Washington. Frontier Idaho, Frontier Montana and Frontier Oregon are companies organized under the laws of Delaware, while Frontier Northwest is a corporation organized under the laws of Washington. Interstate and international long-distance services are provided through Frontier America and Frontier LD, both of which are Delaware corporations.

support and provide services to its customers in the Territory will be transferred to Northwest Fiber. Specifically, Frontier will transfer its direct ownership interests in Frontier Idaho, Frontier Montana and Frontier Oregon to Northwest Fiber and will also cause Intermediate Holdco, of which Frontier Northwest is a direct wholly owned subsidiary, to transfer its ownership interests in Frontier Northwest to Northwest Fiber.¹⁴ Upon completion of the transaction, the Transferring Companies, with their local exchange, broadband and video subscribers, will become wholly owned direct subsidiaries of Northwest Fiber. In addition, long-distance voice customers of Frontier America and Frontier LD in the four states will be assigned to Northwest Fiber. These customers represent primarily originating switched long-distance traffic initiating from the local exchanges in the Territory that are a part of this transaction.

The proposed transaction thus will result in the transfer of ownership of the Transferring Companies and their incumbent local exchange, broadband and video businesses in the Territory, as well as certain related long-distance customer relationships in these areas, from Frontier to Northwest Fiber.¹⁵

Corporate organizational charts depicting the proposed transaction are attached as Attachment B.

IV. PUBLIC INTEREST STATEMENT

Under Sections 214(a) and 310(d) of the Act, the Commission must determine whether the proposed partial assignment and transfer of control of Commission licenses and

¹⁴ In conjunction with the proposed transaction, each of the Transferring Companies will be converted into Delaware limited liability companies and notices of *pro forma* reorganizations will be filed as needed.

¹⁵ The Applicants will comply with any applicable anti-slamming requirements in the Commission's rules that arise from the transaction. *See* 47 C.F.R. § 64.1100 *et seq.*

authorizations is consistent with the public interest, convenience and necessity.¹⁶ This transaction will generate substantial public interest benefits in Idaho, Montana, Oregon and Washington with no countervailing harms. Accordingly, the Commission should promptly approve the transaction.

The proposed transaction fully satisfies the Commission's public interest standard. The Commission considers the following questions in making its public interest assessment:

(1) whether the transaction complies with the specific provisions of the Act, other applicable statutes and the Commission's rules; (2) whether the transaction could result in public interest harms by substantially frustrating or impairing the Commission's implementation or enforcement of the Act or interfere with the objectives of that and other statutes; and (3) whether the transaction will yield affirmative public interest benefits beyond fostering the free transferability of licenses and authorizations.¹⁷

The proposed transaction satisfies all prongs of the Commission's test. The applications and accompanying materials show that this transaction satisfies the first prong because it

¹⁶ See, e.g., *Applications of Level 3 Communications, Inc. and CenturyLink, Inc. for Consent to Transfer Control of Licenses and Authorizations*, Memorandum Opinion and Order, 32 FCC Rcd 9581, ¶ 8 (2017) (“*Level 3-CenturyLink Order*”); *Applications of AT&T, Inc. and DIRECTV for Consent to Assign or Transfer Control of Licenses and Authorizations*, Memorandum Opinion and Order, 30 FCC Rcd 9131, ¶ 18 (2015) (“*AT&T-DIRECTV Order*”); *Applications of Comcast Corp., General Electric Co., and NBC Universal, Inc. for Consent to Assign Licenses and Transfer Control of Licenses*, Memorandum Opinion and Order, 26 FCC Rcd 4238, ¶ 22 (2011) (“*Comcast-NBCU Order*”); *SBC Communications Inc. and AT&T Corp. Applications for Approval of Transfer of Control*, Memorandum Opinion and Order, 20 FCC Rcd 18290, ¶ 16 (2005) (“*SBC-AT&T Order*”); *Verizon Communications Inc. and MCI, Inc. Applications for Approval of Transfer of Control*, Memorandum Opinion and Order, 20 FCC Rcd 18433, ¶ 16 (2005) (“*Verizon-MCI Order*”).

¹⁷ See, e.g., *Level 3-CenturyLink Order*, 32 FCC Rcd at ¶¶ 8–10; *AT&T-DIRECTV Order*, 30 FCC Rcd at ¶ 18; *Comcast-NBCU Order*, 26 FCC Rcd at ¶ 22; *SBC-AT&T Order*, 20 FCC Rcd at ¶ 16; *Ameritech Corp. and SBC Communications Inc.*, Memorandum Opinion and Order, 14 FCC Rcd 14712, ¶ 48 (1999) (“*Ameritech-SBC Order*”); *Applications filed by Qwest Communications Int’l Inc. and CenturyTel, Inc. d/b/a CenturyLink For Consent to Transfer of Control*, Memorandum Opinion and Order, 26 FCC Rcd 4194, ¶ 7 (2011) (“*Qwest-CenturyLink Order*”).

complies with the provisions of the Act, other statutes and Commission rules. In assessing the remaining two prongs, the Commission considers whether a proposed transaction could result in public interest harms by determining whether it would substantially frustrate or impair the objectives or implementation of the Act or related statutes, and then considers the transaction's public interest benefits.¹⁸ The Commission's review takes place against a backdrop where the Commission "has long recognized the clear public interest benefits in a license or authorization holder being able to assign or transfer control of its license or authorization freely."¹⁹ Here, the proposed transaction does not frustrate or otherwise interfere with the objectives of the Act or related statutes. Instead, it will yield substantial public interest benefits and will not result in any material harms.

A. The Transaction Will Generate Substantial Public Interest Benefits

The proposed transaction will significantly benefit consumers in Idaho, Montana, Oregon and Washington. *First*, Northwest Fiber intends to invest significantly (measured in the hundreds of millions of dollars) in the Transferring Companies to upgrade and/or improve various aspects of the business, including the network, product capabilities and operations. Among other things, the anticipated investments are expected to expand the availability of fiber-based communications services to hundreds of thousands of residential and businesses premises within the Territory, enhance product capabilities (most notably enabling faster broadband speeds, including up to 1 Gbps in certain markets), and improve customer experience and service. This investment will enable Northwest Fiber to offer faster broadband, improve service

¹⁸ See, e.g., *Level 3-CenturyLink Order*, 32 FCC Rcd at ¶¶ 9–11; *AT&T-DIRECTV Order*, 30 FCC Rcd at ¶ 18; *Comcast-NBCU Order*, 26 FCC Rcd at ¶ 22; *Qwest-CenturyLink Order*, 26 FCC Rcd at ¶ 7; *SBC-AT&T Order*, 20 FCC Rcd at ¶ 16; *Verizon-MCI Order*, 20 FCC Rcd at ¶ 16.

¹⁹ *Level 3-CenturyLink Order*, 32 FCC Rcd at ¶ 10.

and expand network capacity to retail and wholesale customers in the state. The more robust network will ensure that retail and business customers, including technology, agriculture, mining and other key industries in the region, reap the benefits of an upgraded network and other enhanced services.

At the same time, Northwest Fiber will continue to honor the broadband deployment obligations of Frontier through its participation in the Connect America Fund (“CAF”) Phase II program. Frontier intends to meet its CAF Phase II obligation to deploy 10 megabits per second service to various locations in the Territory by the end of 2019, and Northwest Fiber has committed to fulfilling any remaining deployment requirements post-Closing.

Second, the Transferring Companies will be well financed and emerge from this transaction as a stronger, more stable competitor with a financial structure and substantial cash flow that will enable it to make the planned investments, including in broadband, and to provide even more efficient service in these areas. Specifically, Northwest Fiber will be well capitalized at Closing, with approximately \$300 million of cash and over \$500 million in total available liquidity. Northwest Fiber will also be prudently leveraged, having been capitalized with roughly equal parts debt and equity. Taken together, Northwest Fiber’s more than \$500 million in liquidity and prudently leveraged balance sheet position it well to execute its plan to upgrade and enhance the Transferring Companies’ network.

Third, the Transferring Companies will be able to draw upon the extensive managerial and communications experience of Northwest Fiber’s leadership. The management team has significant experience operating in these regions, and a demonstrated commitment to serving the Pacific Northwest and expanding the availability of fiber-optic infrastructure and services to consumers. The management team also has experience maintaining and running older telephony

systems and networks. Steve Weed, the Chairman of Northwest Fiber—who has 37 years of experience in the industry—founded and led Wave Broadband, a Washington-headquartered fiber-based operator, until 2018 when those operations were sold to another company. As noted above, other members of the management team also have extensive industry experience: Harold Zeitz, who will be CEO, and Wayne Schattenkerk, who will be CFO, come to Northwest Fiber from Wave Broadband with 17 and 18 years in the industry, respectively. In addition, Northwest Fiber’s managerial team will also be supported by numerous managers, directors and supervisors who form part of the 1,000 (plus) transferring employees. These management personnel have expertise on a range of key operational functions, including customer service, customer care and support, network technologies, emergency management and public safety, interconnection issues and regulatory reporting. The Transferring Companies thus will continue to be operated by highly experienced, well-qualified personnel who have a plan and the financial resources to maintain or, in certain markets, upgrade the legacy system to a state-of-the-art fiber network.

Finally, Northwest Fiber believes in maintaining strong local ties in the communities it serves. It will be a true local company with over 1,000 employees, with management and leadership that grew up, and currently live and work, in the Pacific Northwest. Having successfully built and grown the Kirkland, Washington-based competitive broadband company Wave Broadband, the leadership team of Northwest Fiber has a deep understanding of these markets and the unique challenges presented by providing services to Pacific Northwest communities. Northwest Fiber plans to retain the existing Frontier employees associated with the Transferring Companies that currently work in the Territory.

Through the proposed transaction, the Transferring Companies will benefit from improved access to capital, enhancing their competitive position in the telecommunications

services space and their ability to provide a variety of innovative products and services in the Pacific Northwest.

Because its consummation will provide tangible and significant public interest benefits without any countervailing public interest harms, the proposed transaction should therefore be approved.

B. The Transaction Will Not Result in Any Public Interest Harms

1. The Transaction Will Enhance, Not Harm, Competition

The proposed transaction will not result in any competitive harm, and will instead enhance competition. The transaction will not reduce the number of competitors in any region because Northwest Fiber does not currently compete with Frontier for customers in any of the affected areas.²⁰ Prior to this transaction, Northwest Fiber also had no plans for initiating operations in these territories. Thus, the transaction will not result in a reduction in the number of competitors or eliminate the possibility of a future new competitor in these areas. Instead, Northwest Fiber intends to upgrade the core network facilities of the Transferring Companies, and will expand fiber and service options to consumers in the Territory, which, in turn, will create additional options for customers seeking high-speed data service. As such, existing service providers will face increased competition from Northwest Fiber's improved offerings.

Post-Closing, Northwest Fiber will continue to face intense competition from other service providers, such as cable operators, wireless carriers, long-distance carriers, competitive

²⁰ There are no U.S. telecommunications companies that would be considered "affiliates" of Northwest Fiber through Searchlight's and WDC's other investments. As noted earlier, *see supra* note 10, while there will be a small (roughly nine percent of premises) overlap between the networks of RCN/Grande/Wave and Northwest Fiber, Mr. Weed holds less than two percent equity interest in RCN/Grande/Wave, does not have a managerial position and has resigned from the board of directors of RCN Corporation. Other than RCN/Grande/Wave, there will be no overlap or competition between any of these companies and Northwest Fiber.

local exchange carriers, satellite video and broadband providers, as well as other wireline carriers. More market participants are now competing to meet the communications needs of the same customer base, increasing competitive pressures. Northwest Fiber intends to invest in new facilities and new and innovative services and packages. This in turn will encourage competitors to do the same, strengthening competition in the Territory. As the Commission has long recognized, competition facilitates improved service, more choices, new products and lower prices.²¹

Northwest Fiber's acquisition of long-distance service customers from Frontier also will not negatively affect competition. The Commission has long acknowledged that competition to offer interexchange services is intense.²² A wide variety of service providers will continue to provide long-distance services in these territories and nationwide after Closing, and consumers will continue to have a wide range of competitive choices for long-distance service providers.

²¹ See, e.g., *Applications for Consent to the Transfer of Control of Licenses and Section 214 Authorizations by Time Warner Inc. and America Online, Inc. to AOL Time Warner, Inc.*, Memorandum Opinion and Order, 18 FCC Rcd 16835, ¶ 12 (2003) (“The Commission has continually recognized competition as an important policy objective for communications services, bringing consumer benefits of increased choice, lower prices, improved service, and new product offerings.”); *Implementation of Section 6002(b) of the Omnibus Budget Reconciliation Act of 1993: Annual Report and Analysis of Competitive Market Conditions With Respect to Commercial Mobile Services*, Eighth Report, 18 FCC Rcd 14783, ¶ 13 (2003) (enhanced competition benefits consumers by “increasing customer choice, offering innovative services, and introducing new technologies”).

²² See, e.g., *Petition of USTelecom for Forbearance Pursuant to 47 U.S.C. § 160(c) from Enforcement of Obsolete ILEC Legacy Regulations That Inhibit Deployment of Next-Generation Networks*, Memorandum Opinion and Order, 31 FCC Rcd 6157, ¶ 49 (2015) (The “stand-alone long distance market has dramatically changed in the decades since the equal access requirements were established. Today, customers for wireline voice services have increasingly popular choices that did not exist when the equal access requirements were established, such as interconnected VoIP from facilities-based and over-the-top providers.”); *SBC-AT&T Order*, 20 FCC Rcd at ¶¶ 146–52 (noting presence of extensive national networks with excess capacity); see also *id.* at ¶ 91 (noting “significant evidence in the record that long distance service purchased on a stand-alone basis is becoming a fringe market”).

2. The Transaction Will Provide for a Smooth Transition for Customers

The proposed transaction is intended to be seamless for the Transferring Companies' customers. Upon consummation of the transaction, the Transferring Companies will continue to operate in their respective territories and existing retail and wholesale customers will continue to receive substantially the same services with the same prices, terms and conditions under their existing contracts and tariffs.

With respect to retail customers, Northwest Fiber intends to continue to provide substantially the same telecommunications and information services after the Closing. Northwest Fiber will honor existing tariffs, price lists and contracts. Because the Transferring Companies will continue to be operating entities, most contracts and tariffs will not be affected by the transaction. Any future changes in the rates, terms, or conditions of service will be consistent with any applicable federal and state requirements.

Frontier also intends that wholesale customer arrangements will remain substantially the same as a result of this transaction. The Transferring Companies will remain bound by their existing tariffs and contracts, and existing facilities and arrangements will remain undisturbed. To the extent that a wholesale arrangement involves services both within and outside the acquired territories, or involves Frontier entities in addition to the Transferring Companies, Northwest Fiber plans to assume Frontier's rights and obligations under those arrangements as they relate to the acquired territories and the Transferring Companies, and Frontier will retain those rights and obligations that apply outside the acquired territories or the Transferring Companies. In such cases, the division and reallocation will be accomplished after notice to or discussion with the affected parties. Northwest Fiber stands ready to retain existing agreements

or put in place new agreements on substantially the same terms and conditions, when necessary, so as not to disrupt existing arrangements.²³

Frontier offers facilities-based services under the FiOS[®] brand in Oregon and Washington. The Transferring Companies will continue to provide these services after the completion of the transaction. Frontier will provide video transport services to Northwest Fiber, and Northwest Fiber will negotiate and secure comparable content programming and transport rights with content providers so that customers will have substantially the same content available today.

Frontier and Northwest Fiber also have in place a plan for the transition of customers, operations support systems (“OSS”), and billing systems to minimize the possibility of retail or wholesale customers experiencing service, ordering, or billing disruptions. In addition, wholesale customers—including competitors—in these states will not have to process orders in a different manner or have their existing OSS arrangements disrupted. To further ensure a smooth transition, Frontier will continue to provide transition services and system support for at least six months after Closing, and Northwest Fiber may elect to continue to take some or all of the support from Frontier for up to three years.

The Transferring Companies will own, control and/or have access to all assets needed for their voice, broadband and video businesses, including network facilities, equipment, customers, employees, real estate and the like.

²³ When another Frontier entity has contracted on behalf of a Transferring Company and in the case of contracts or tariffs that cover other Frontier entities as well as a Transferring Company, Northwest Fiber and Frontier have agreed to work in good faith to separate the portion of the shared contract or tariff that applies to the Transferring Company, and Northwest Fiber has agreed to honor and assume Frontier’s obligations and rights under that portion of the contract or tariff.

3. The Transaction Will Not Implicate U.S. National Security

The transaction raises no significant foreign ownership or control issues that would implicate U.S. national security, law enforcement, foreign policy, or trade policy concerns. At the Closing, the Transferring Companies will be managed from within the United States by U.S. citizens who understand local markets and the challenges associated with broadband deployment, and who have proven success in deploying networks and expanding broadband access across the Pacific Northwest. Although some of the Searchlight entities in the control chain are domiciled in the Cayman Islands and will have a 10 percent or greater indirect equity interest in Northwest Fiber by virtue of their limited partnership interests, those non-U.S. funds will not separately exercise any day-to-day management of the Transferring Companies.

The Searchlight funds also include three major 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.—each of which is entitled to one of the nine seats on the board of directors. While each of these Canadian investors will have the right to appoint one member of Northwest Fiber’s board of directors and will have certain consent rights to protect its minority investment, these entities will not exercise day-to-day control over the Transferring Companies. Moreover, the Canadian entities are broadly held pension funds investing in Searchlight and the Transferring Companies solely for financial reasons. They are not under the control of any foreign government—federal or provincial—and operate only to maximize returns, without any consideration of political, social or other non-investment objectives.

In addition, the Transferring Companies do not use any equipment or services from Chinese telecommunications firms Huawei Technologies Co. Ltd. or ZTE Corporation. Post-Closing, Northwest Fiber does not expect to use any equipment or services from either company.

4. The Transaction Will Promote Job Preservation in the Territory

While not a regulatory issue, the Applicants also note that the proposed transaction will serve the public interest by promoting job preservation and creation. Specifically, the proposed transaction includes the retention of slightly more than 1,000 highly skilled Frontier employees. Of these, approximately 800 are members of the International Brotherhood of Electrical Workers (“IBEW”) and Communications Workers of America (“CWA”) labor unions—Northwest Fiber will assume responsibility for the existing collective bargaining agreements and expects to work constructively with union leaders. The remaining approximately 200 non-union and management employees will join the Northwest Fiber team with their same current salary and comparable benefits.

V. ADMINISTRATIVE MATTERS

A. Request for Approval of Additional Authorizations

The lists of licenses referenced in Attachment A and in related applications are intended to be complete and to include all of the licenses and authorizations held by the respective licensees that are subject to the transaction. The Transferring Companies, however, may now have on file, and may hereafter file, additional requests for authorizations for new or modified facilities related to the assets to be transferred to Northwest Fiber, which may be granted before the Commission takes action on these applications. Accordingly, the Applicants request that any Commission approval of the applications filed for this transaction include authority for Northwest Fiber to acquire control of the following:

- Any license or authorization issued to a Transferring Company during the Commission’s consideration of the applications and the period required for consummation of the transaction following approval;
- Any construction permits held by a Transferring Company that mature into licenses after closing; and
- Applications that are filed after the date of these applications and that are pending at the time of consummation.

Such authorization would be consistent with Commission precedent.²⁴ Moreover, the parties request that the Commission’s approval of the applications include any facilities or authorizations that may have been inadvertently omitted.

B. Exemption from Cut-Off Rules

Pursuant to Sections 1.927(h), 1.929(a)(2) and 1.933(b) of the Commission’s rules,²⁵ to the extent necessary,²⁶ the Applicants request a blanket exemption from any applicable cut-off rules in cases where Northwest Fiber files amendments to pending applications to reflect

²⁴ See, e.g., *Qwest-CenturyLink Order*, 26 FCC Rcd at ¶ 46; *Applications of AT&T Wireless Services, Inc. and Cingular Wireless Corp. for Consent to Transfer Control of Licenses and Authorizations*, Memorandum Opinion and Order, 19 FCC Rcd 21522, ¶ 275 (2004) (“*AT&T-Cingular Order*”); *Application of WorldCom, Inc., and MCI Communications Corp. for Transfer of Control of MCI Communications Corp. to WorldCom, Inc.*, Memorandum Opinion and Order, 13 FCC Rcd 18025, ¶ 226 (1998); *NYNEX Corp. and Bell Atlantic Corp. for Consent to Transfer Control of NYNEX Corp. and Its Subsidiaries*, Memorandum Opinion and Order, 12 FCC Rcd 19985, ¶ 247 (1997); *Craig O. McCaw and Am. Tel. and Telegraph Co. for Consent to the Transfer of Control of McCaw Cellular Communications, Inc. and its Subsidiaries*, Memorandum Opinion and Order, 9 FCC Rcd 5836, ¶ 137 n.300 (1994) (“*McCaw-AT&T Order*”).

²⁵ 47 C.F.R. §§ 1.927(h), 1.929(a)(2) and 1.933(b).

²⁶ See *Sprint Nextel Corp. and Clearwire Corp. Applications for Consent to Transfer Control of Licenses, Leases, and Authorizations*, Memorandum Opinion and Order, 23 FCC Rcd 17570, ¶ 105 (2008) (“*Sprint-Clearwire Order*”). With respect to cut-off rules under Sections 1.927(h) and 1.929(a)(2), the Commission has previously found that the public notice announcing the transaction will provide adequate notice to the public with respect to the licenses involved, including for any license modifications pending. In such cases, it determined that a blanket exemption of the cut-off rules was unnecessary. See *Ameritech Corp. and GTE Consumer Services Inc. for Consent to Transfer Control of Licenses and Authorizations*, Memorandum Opinion and Order, 15 FCC Rcd 6667, ¶ 2 n.6 (WTB 1999); *Comcast Cellular Holdings, Co. and SBC Communications, Inc. for*

consummation of the proposed transfer of control. This exemption is requested so that amendments to pending applications to report the change in ultimate ownership of these licenses would not be treated as major amendments. The scope of the transaction demonstrates that the ownership change would not be made for the acquisition of any particular pending application, but as part of a larger transaction undertaken for an independent and legitimate business purpose. The Commission's approval of such application would be consistent with its previous decisions routinely granting a blanket exemption in cases involving similar transactions.²⁷

C. Trafficking

To the extent authorizations for unconstructed systems are covered by this transaction, these authorizations are merely incidental, with no separate payment being made for any individual authorization or facility. Accordingly, this transaction raises no trafficking issues, and there is no reason to review the transaction for trafficking.

D. Ex Parte Status

The Applicants request that the Commission treat this proceeding as permit-but-disclose pursuant to Section 1.1206 of the Commission's rules.²⁸ The public interest in expeditiously considering these applications would be served by the flexibility permitted by permit-but-disclose procedures.²⁹

Consent to Transfer Control of Licenses and Authorizations, Memorandum Opinion and Order, 14 FCC Rcd 10604, ¶ 2 n.3 (WTB 1999).

²⁷ See, e.g., *Sprint-Clearwire Order*, 23 FCC Rcd at ¶ 105; *AT&T-Cingular Order*, 19 FCC Rcd at ¶ 275; *PacifiCorp Holdings, Inc. and Century Tel. Enterprises, Inc. for Consent to Transfer Control of Pacific Telecom, Inc., a Subsidiary of PacifiCorp Holdings, Inc.*, Memorandum Opinion and Order, 13 FCC Rcd 8891, ¶ 47 (WTB 1997); *McCaw-AT&T Order*, 9 FCC Rcd at ¶ 137 n.300.

²⁸ See 47 C.F.R. § 1.1206.

²⁹ Pursuant to Section 1.1200(a) of the Commission's rules, the Commission may adopt modified ex parte procedures in particular proceedings if the public interest so requires. See 47 C.F.R. § 1.1200(a).

E. Other Filings

In connection with this transaction, Northwest Fiber is filing a petition for declaratory ruling that it would serve the public interest to permit the indirect foreign ownership of common carrier wireless licenses held by Frontier Idaho, Frontier Montana and Frontier Northwest in excess of the 25 percent benchmark of Section 310(b)(4) of the Act. On June 21, 2019, the U.S. Federal Trade Commission granted early termination of the waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, with respect to the pending transaction. The parties also are making filings or notifications with the Committee on Foreign Investment in the United States (“CFIUS”), the Montana Public Service Commission, the Public Utility Commission of Oregon, the Washington Utilities and Transportation Commission and with local cable TV (or video) franchising authorities as may be required.

VI. CONCLUSION

For the reasons above, the Applicants respectfully submit that the proposed transaction will serve the public interest, convenience and necessity, and thus should be approved.

ATTACHMENT A

List of FCC Authorizations and Licenses Being Assigned or Transferred

PARTIAL ASSIGNMENTS

- Partial assignment of Blanket Domestic Section 214 Authority of Frontier Communications of America, Inc. (“Frontier America”) and Frontier Communications Online and Long Distance Inc. (“Frontier LD”) to Northwest Fiber, LLC (“Northwest Fiber”) as they relate to certain long-distance customers in Idaho, Montana, Oregon and Washington.
- Partial assignment of International Section 214 Authority of Frontier America and Frontier LD to Northwest Fiber as it relates to certain long-distance customers in Idaho, Montana, Oregon and Washington.¹

TRANSFERS OF CONTROL

Citizens Telecommunications Company of Idaho

- Blanket Domestic Section 214 Authority
- Common Carrier Fixed Point-to-Point Microwave Licenses:

KPQ36
KYO98
KYO99
WQLB601

Citizens Telecommunications Company of Montana

- Blanket Domestic 214 Authority
- Common Carrier Fixed Point-to-Point Microwave Licenses:

KOY43
KTQ94

¹ Because only certain customer relationships of Frontier America and Frontier LD are being assigned through this transaction, the Applicants seek only a partial assignment of Section 214 authority. Frontier America and Frontier LD will retain their respective international Section 214 authorizations after closing and do not seek to assign them here. The Applicants therefore request that the Commission issue a new international Section 214 file number to Northwest Fiber in connection with the transaction.

KTQ95
WAD85

Citizens Telecommunications Company of Oregon

- Blanket Domestic 214 Authority

Frontier Communications Northwest Inc.

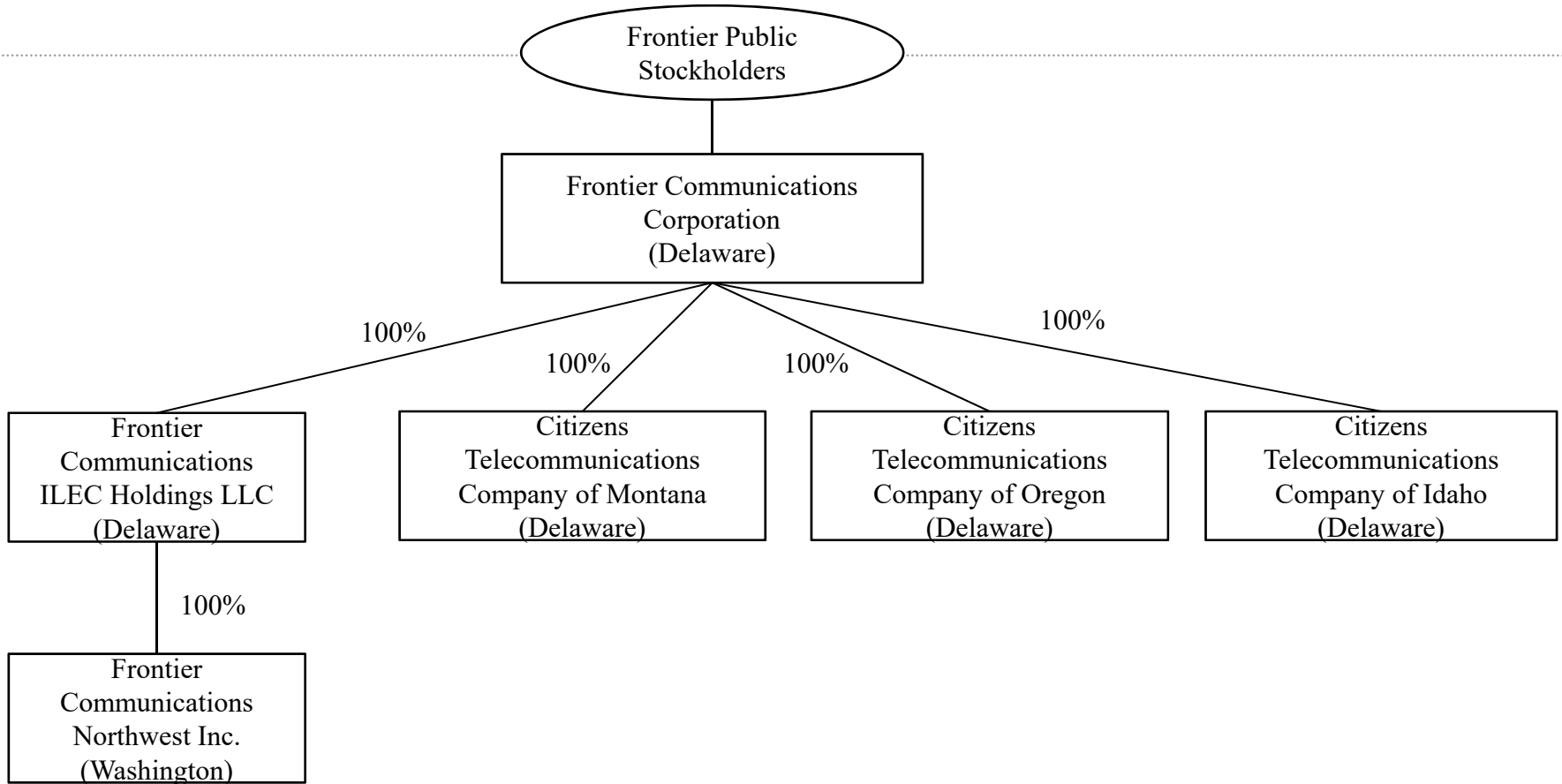
- International Section 214 Authorization – ITC-214-20080219-00079
- Blanket Domestic 214 Authority
- Common Carrier Fixed Point-to-Point Microwave Licenses:

KOT44	WAY65
KOT46	WAY66
KOT61	WAY67
KOU44	WAY68
KOU45	WBB253
KPC65	WCG296
KPF69	WDU585
KPF72	WDU586
KPF73	WDU587
KPJ97	WDU588
KPJ99	WGW364
KPV30	WGW395
KPZ87	WHU42
KTF21	WLB942
KTF53	WLC567
KTF54	WLL704
KTF55	WOF75
KTF80	WPF39
KVU35	WPF42
KVU69	WPQQ701
KYO55	WPX64
KZS57	WQWB304
KZS62	WQWB305
WAY64	WSL38

ATTACHMENT B

Pre- and Post-Closing Ownership Structure

Current Ownership Structure of the Transferring Companies



Comprehensive Post-Closing Structure Chart (Upper Tier)

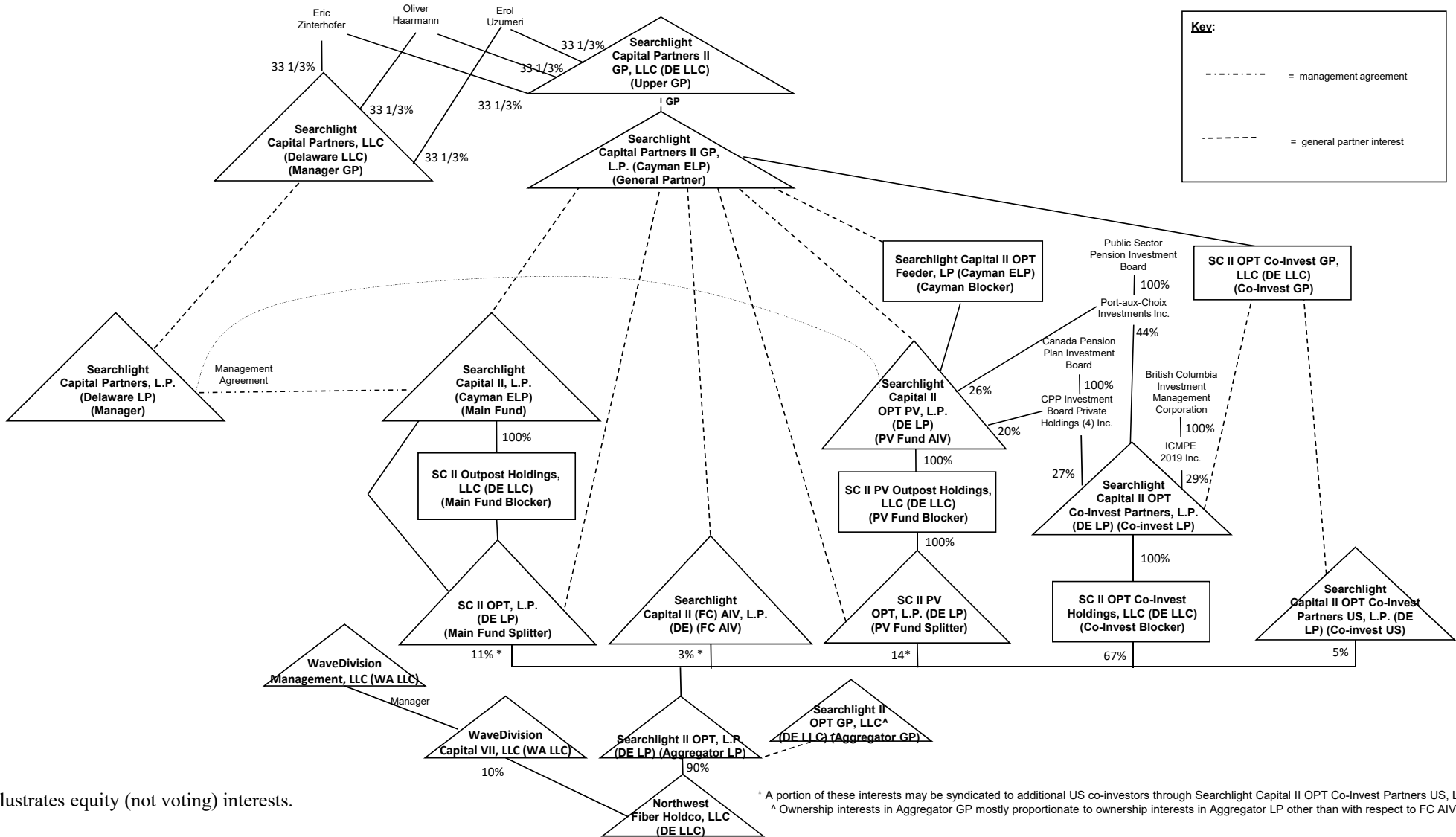
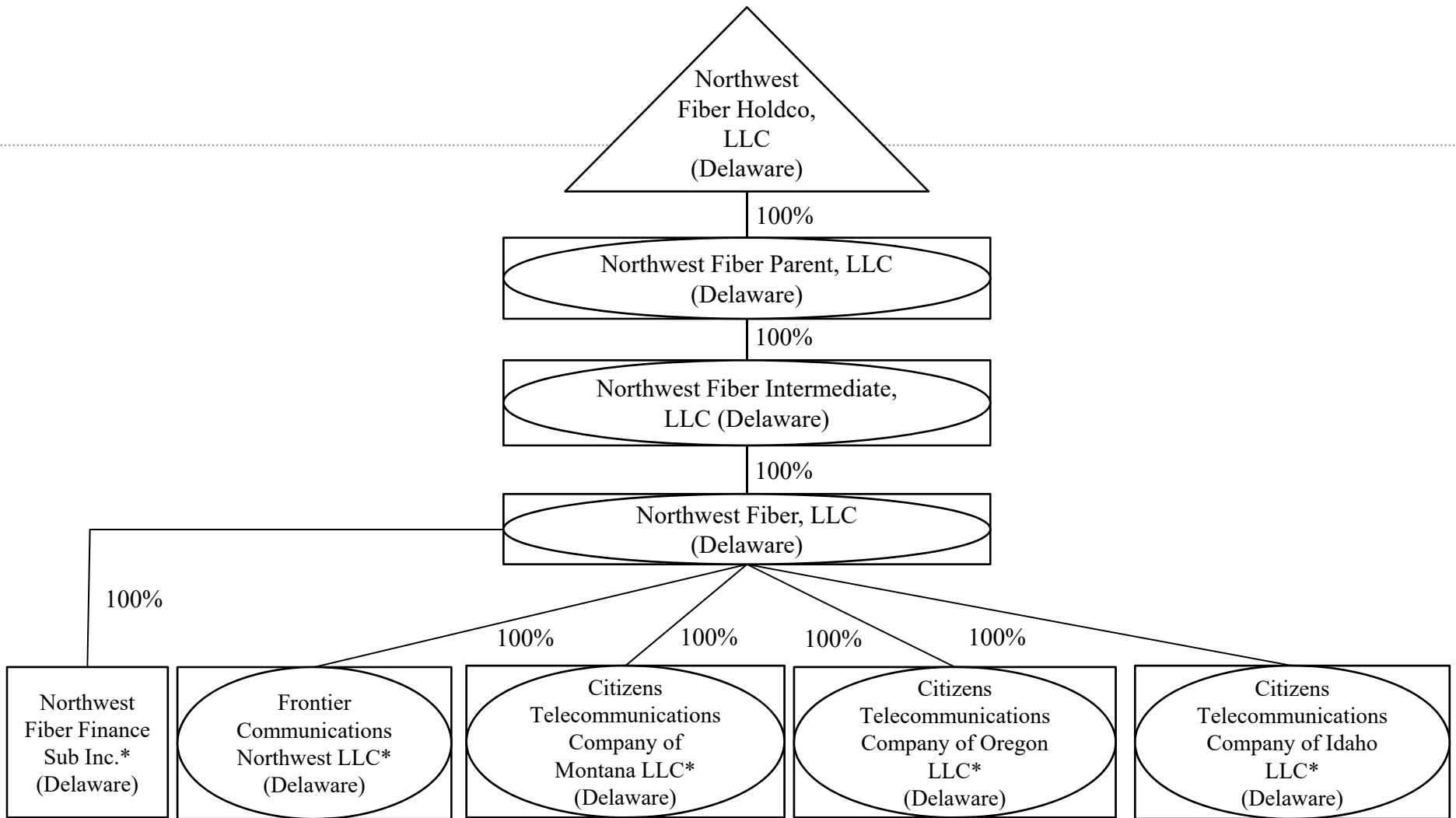


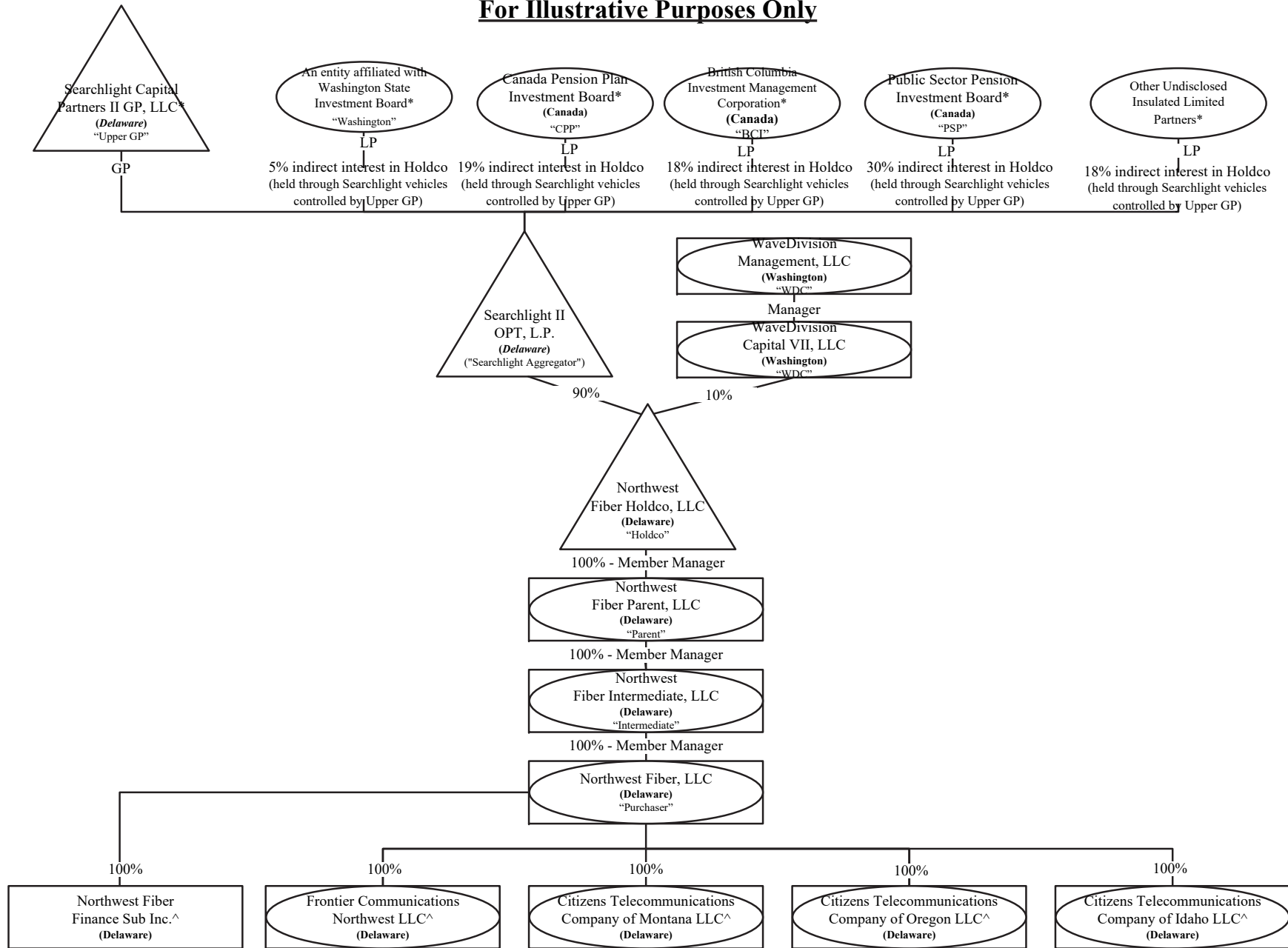
Chart illustrates equity (not voting) interests.

Comprehensive Post-Closing Structure Chart (Lower Tier)



* Anticipated name of the entity following incorporation or conversion to a limited liability company, as applicable. Name subject to confirmation.

Simplified Schematic Post-Closing Structure Chart:
For Illustrative Purposes Only



* Interests to be held by these entities in Searchlight Aggregator will be held indirectly through intermediary entities.

^ Presumed name of entity following conversion to LLC or incorporation. Name subject to confirmation.

EXHIBIT 2

INVESTOR INVESTMENTS IN ENTITIES SUBJECT TO FCC JURISDICTION

Searchlight

- Searchlight, through its wholly owned subsidiary MLN Topco Ltd., recently acquired Mitel, a global unified communications solutions provider, in an all-cash transaction valued at approximately \$2.0 billion,¹ including Mitel’s net debt. The FCC approved the application for transfer of control of Mitel, which held domestic and international Section 214 authorizations, to MLN Topco on November 27, 2018.² The transaction closed November 30, 2018. There will be no overlap or competition between Mitel and Northwest Fiber.
- In 2018, Searchlight-affiliated investment funds invested \$150 million in Global Eagle Entertainment, a leading provider of in-flight media, content, connectivity and data analytics to the airline industry.³ Global Eagle has a blanket license to provide services using satellite Earth Stations Aboard Aircrafts, which operate as an application of the fixed-satellite service.⁴ The investment took the form of a second-lien note with initial payment-in-kind followed by cash conversion, as well as warrants that are not exercisable until January 2021⁵—Searchlight did not initially acquire an equity interest in Global Eagle but later acquired common equity in the public markets; thus, no transfer of control applications were filed the FCC in connection with this transaction. In any event, Global Eagle does not provide any telecommunications services that compete with any services that will be provided by Northwest Fiber.
- Searchlight-affiliated investment funds acquired 100% of the parent of Puerto Rico Cable Acquisition Company Inc., d/b/a Choice Cable TV (“Choice”), a fixed and mobile communications services provider in Puerto Rico, for roughly \$276.4 million.⁶ Choice’s operations were then combined with Liberty Cablevision of Puerto Rico LLC (“LCPR”), with Searchlight owning 40% of the combined LCPR—the remaining 60% was owned by Liberty Latin America. LCPR had an

¹ Press Release, *Mitel Enters into Definitive Arrangement Agreement to be Acquired by Affiliates of Searchlight Capital Partners for \$2.0 Billion*, SEC Form 8-K Ex. 99.1 (Apr. 24, 2018).

² *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).

³ Press Release, *Global Eagle Announces \$150 million Investment from Searchlight Capital Partners* (Mar. 9, 2018).

⁴ Global Eagle Entertainment Inc., Annual Report 2018 (SEC Form 10-K), at 13 (Mar. 18, 2019).

⁵ *Id.* at 36, 46.

⁶ Liberty Latin America Ltd., *Registration Statement* (SEC Form S-1), at F-63 (Nov. 16, 2017).

application pending before the FCC for an international Section 214 authorization⁷; however, in April 2017, the Justice Department requested deferral of FCC action pending completion a review by national security agencies.⁸ Searchlight transferred its 40% stake in LCPR to Liberty Latin America in exchange for 9,500,000 Liberty Latin America Class C shares, and notified the FCC of the pro forma transfer of control, which went into effect on December 29, 2017.⁹ On April 26, 2018, the FCC granted the international authorization.¹⁰ The transaction closed on or around October 17, 2018.¹¹ There is no overlap between the networks of Choice and Northwest Fiber.

- Searchlight and affiliates of funds managed by Apollo Global Management, LLC acquired Rackspace, a global provider of managed IT infrastructure and services, for \$32.00 per share in cash,¹² or approximately \$4.3 billion.¹³ On October 29, 2016, the FCC approved the transfer of control of Rackspace’s four FCC Part 90 private carrier business radio services licenses to Inception Parent, Inc.¹⁴ The transaction closed on November 3, 2016. Rackspace does not provide any telecommunications services, and therefore does not compete with Northwest Fiber.
- Searchlight announced on June 15, 2016, its purchase of 10,000,000 shares of Communications Sales & Leasing, Inc. (“CS&L”), representing a 6.6% equity ownership in CS&L,¹⁵ presently known as Uniti Group Inc., a U.S.-listed real estate investment trust (“REIT”) that owns and manages fiber and tower

⁷ IBFS FCC File No. ITC-214-20170323-00053 (Apr. 20, 2017).

⁸ Letter from Bernal R. Paz, National Security Division, Dep’t of Justice, to Marlene H. Dortch, FCC (Apr. 16, 2017).

⁹ Notification of Pro Forma Transfer of Control, *In re CWC New Cayman Limited ARCOS-1 USA, Inc., A.SurNet, Inc., Columbus Networks USA, Inc. Liberty Cablevision of Puerto Rico LLC, CWC New Cayman Limited, Columbus Networks Telecommunications Services USA, Inc., Columbus Networks Puerto Rico, Inc., Liberty Global plc and Liberty Latin America Ltd.* (Jan. 26, 2018).

¹⁰ FCC Public Notice, International Authorizations Granted, DA 18-419, at 2 (Apr. 26, 2018).

¹¹ Press Release, Searchlight Capital, *Liberty Latin America Acquires Remaining 40% of Liberty Cablevision of Puerto Rico* (Oct. 17, 2018).

¹² Press Release, Searchlight Capital, *Rackspace Completes Previously Announced Transaction with Affiliates of Funds Affiliated with Apollo Global Management to Become a Private Company* (Nov. 3, 2016).

¹³ *Rackspace Hosting shares rise after Apollo Global buys it in \$4.3 billion deal*, CNBC (Aug. 26, 2016), available at <https://www.cnbc.com/2016/08/26/apollo-global-to-buy-rackspace-hosting-in-43-billion-deal.html>.

¹⁴ See FCC Public Notice, Wireless Telecommunications Bureau, Assignment of License Authorization Applications, Transfer of Control of Licensee Applications, De Facto Transfer Lease Applications and Spectrum Manager Lease Notifications, Designated Entity Reportable Eligibility Event Applications, and Designated Entity Annual Reports Action, at 10 (Nov. 2, 2016) (approving transfer of control for FCC File No. 0007520640).

¹⁵ Communications Sales & Leasing, Inc., Schedule 13D, at 2 (Jun. 15, 2016).

infrastructure assets.¹⁶ Various of Uniti Group's wholly owned subsidiaries are FCC licensees.¹⁷ In connection with the transaction, Searchlight obtained the right to designate one member to CS&L's board of directors; this designation right will terminate if Searchlight's ownership drops below 5% prior to June 15, 2019 and or below 8% thereafter. Searchlight's board designee resigned from Uniti's board in the second quarter of 2019. There will be no overlap or competition between Uniti Group and Northwest Fiber.

- Searchlight and affiliated funds previously held 36.3% of the common stock of the parent of Integra, a provider of fiber-based, carrier-grade networking, communications and technology solutions, which, in 2014, acquired Seattle-based World Communications, Inc. ("WCI").¹⁸ The FCC approved the transfer of control of WCI,¹⁹ which held Section 214 authorizations from the Commission to provide domestic and international resold telecommunications services. The transaction closed on or around October 1, 2014. In September 2015, Integra acquired control of Optic Access, LLC, a provider of domestic and international Section 214 services to customers California and Washington.²⁰ The FCC

¹⁶ Uniti Group, Inc. f/k/a Communications Sales & Leasing, Inc., Annual Report 2016 (SEC Form 10-K), at 29 (June 15, 2016); Press Release, Searchlight Capital, *Communications Sales & Leasing, Inc. Announces Disposition by Windstream of Half of Retained Stake* (Jun. 15, 2016), available at <https://www.globenewswire.com/news-release/2016/06/15/848932/0/en/Communications-Sales-Leasing-Inc-Announces-Disposition-by-Windstream-of-Half-of-Retained-Stake.html>.

¹⁷ Contact Network LLC holds domestic Section 214 authority (local resale), common carrier point-to-point microwave, and nationwide 3650–3700 MHz licenses; Hunt Telecommunications LLC holds international Section 214 authority; Nexus Systems, Inc. holds international Section 214 authority, common carrier point-to-point microwave, nationwide 3650–3700 MHz and private microwave licenses; PEG Bandwidth IL, LLC holds common carrier point-to-point microwave licenses; Southern Light LLC holds domestic Section 214 authority (CAP/LEC) and common carrier point-to-point microwave licenses; Talk America Services, LLC holds domestic Section 214 authority (local resale) and international Section 214 authority; and Uniti Fiber LLC holds domestic Section 214 authority (other mobile services), international Section 214 authority and common carrier point-to-point microwave licenses.

¹⁸ FCC Public Notice, *Domestic Section 214 Application Filed for the Transfer of Control of World Communications, Inc. to Integra Telecom Holdings, Inc.: Streamlined Pleading Cycle Established*, WC Dkt. No. 14-123, DA 14-1216 (Aug. 21, 2014); Joint International and Domestic Application for Streamlined Consent to Transfer Control, *In re World Communications, Inc. and Integra Telecom Holdings, Inc.*, at 3, 9 (Aug. 1, 2014).

¹⁹ FCC Public Notice, *International Authorizations Granted*, DA 14-1212 (Aug. 21, 2014); FCC Public Notice, *Notice of Domestic Section 214 Authorization Granted*, WC Dkt. No. 14-123, DA 14-1343 (Sept. 21, 2014).

²⁰ As noted above, Searchlight had a 36.3% equity interest. See FCC Public Notice, *Domestic Section 214 Application Filed for the Transfer of Control of Optic Access, LLC to Integra Telecom Holdings, Inc.*, WC Dkt. No. 15-202, DA 15-973, at 1 (Aug. 28, 2015).

approved the transfer of control.²¹ The transaction closed on October 13, 2015. Searchlight relinquished its interest in Integra in November 2016.²²

- On December 4, 2014, Searchlight announced that it would be making a \$75 million investment in General Communication, Inc. (“GCI”), the largest communications (cable, fiber and wireless) provider in Alaska.²³ The investment took the form of an unsecured note with attached share appreciation rights—Searchlight did not acquire an equity interest in GCI; thus, no transfer of control applications were filed the FCC in connection with this transaction, which closed on February 2, 2015.²⁴ In any event, there will be no overlap between the networks of GCI and Northwest Fiber.

Public Sector Pension Investment Board (“PSP”)

- PSP was an investor in the Mitel transaction described above.
- In 2007, 4363205 Canada, a Canadian holding company in which PSP invested, acquired Telesat Canada, which held FCC earth station, international Section 214 and wireless licenses held by Telesat and affiliated entities.²⁵ The FCC approved the transfer of control subject to the applicants’ compliance with conditions imposed by the Justice Department.²⁶ The transaction closed on October 23,

²¹ FCC Public Notice, *Notice of Domestic Section 214 Authorization Granted*, WC Dkt. No. 15-202, DA 15-1086 (Sept. 28, 2015); FCC Public Notice, *International Authorizations Granted*, DA 15-1107 (Oct. 1, 2015).

²² On November 30, 2016, Zayo Group Holdings, Inc. announced that it had entered into an agreement to acquire Electric Lightwave, formerly known as Integra Telecom, for \$1.42 billion in cash. See Press Release, Searchlight Capital, *Zayo to Acquire Electric Lightwave* (Nov. 30, 2016). The transaction closed on March 1, 2017. Press Release, Searchlight Capital, *Zayo Closes Acquisition of Electric Lightwave* (Mar. 1, 2017). The FCC granted approval to transfer the Section 214 Authorizations on February 10, 2017. See FCC Public Notice, *Domestic Section 214 Authorization Granted for the Transfer of Control of the Subsidiaries of Electric Lightwave Parent, Inc. to Zayo Group, LLC*, WC Dkt. No. 16-401, DA 17-163 (Feb. 10, 2017).

²³ Press Release, Searchlight Capital, *GCI Investment by Private Equity Firm Searchlight*, (Dec. 4, 2014), available at <https://www.searchlightcap.com/news/gci-investment-by-private-equity-firm-searchlight/>.

²⁴ General Communication, Inc., and Searchlight Alx, Ltd., *Amended and Restated Securityholder Agreement*, (Jul. 13, 2015).

²⁵ *In re BCE Inc. and Loral Skynet Corporation and 4363205 Canada 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, ¶ 6 (Oct. 3, 2007) (noting 36% equity investment by PSP).

²⁶ *Id.* ¶ 36.

2007.²⁷ There will be no overlap in services provided by Telesat Canada and Northwest Fiber.

British Columbia Investment Management Corporation (“BCI”)

- BCI was an investor in the Mitel transaction described above.
- Cleco Partners LP, a Delaware limited partnership in which BCI holds a 37% equity interest,²⁸ through its wholly owned subsidiary Cleco Energy LLC,²⁹ purchased NRG Energy, Inc., an integrated power generation and distribution company based in New Jersey for approximately \$1.375 billion.³⁰ NRG held wireless licenses that are subject to the FCC’s jurisdiction.³¹ On June 19, 2018, CFIUS approved and cleared the application for transfer of control. The transaction closed on February 4, 2019. There will be no competition or overlap between NRG Energy and Northwest Fiber.

Canada Pension Plan Investment Board (“CPPIB”)

- In 2015, the FCC approved the transfer of control of domestic and international Section 214, cable relay and wireless licenses held by Cequel d/b/a Suddenlink and its subsidiaries to Altice.³² As a result of that transaction, CPPIB was left with a 15% voting and 11.8% equity interest in Cequel.³³ The FCC’s approval, following review by Team Telecom, was conditioned upon compliance with terms imposed by national security agencies. A notice of consummation was filed with the FCC on January 20, 2016. There will be no overlap or competition between Cequel and Northwest Fiber.
- In 2016, Altice, a Netherlands corporation that provides fixed and mobile voice, video, and broadband services in the United States and across the world, acquired control of Cablevision, which offered digital television, internet and VoIP services in New York, New Jersey and Connecticut. With the exercise of an

²⁷ Loral Space & Communications Inc., Current Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 (SEC Form 8-K), at 3 (Oct. 29, 2007).

²⁸ 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).

²⁹ Cleco Energy LLC is now known as Cleco Cajun LLC, which is a wholly owned subsidiary of Cleco Holdings. Cleco Holdings, in turn, is a wholly owned subsidiary of Cleco Group, which is a wholly owned subsidiary of Cleco Partners.

³⁰ NRG Energy, LLC, SEC Form 8-K, at 2, (Feb. 7, 2018); Cleco Corporate Holdings LLC, SEC Form 10-Q, at 43 (Aug. 31, 2018).

³¹ NRG Texas Power LLC, FCC Radio Station Authorization (May 16, 2018).

³² *Applications Filed by Altice N.V. and Cequel Corporation d/b/a Suddenlink Communications to Transfer Control of Authorizations from Suddenlink Communications to Altice N.V.*, Memorandum Opinion and Order, 30 FCC Rcd 14352 (2015) (granting transfer of control of authorizations from Suddenlink Communications to Altice N.V.).

³³ *Id.* ¶ 7.

option permitted under terms of the purchase agreement, CPPIB and another investor (BC Partners Holdings Ltd) held a combined 30% interest in Cablevision.³⁴ Following review by Team Telecom, the FCC granted approval subject to the parties' compliance with conditions imposed by national security agencies.³⁵ A notice of consummation was filed with the FCC in July 2016. There will be no overlap or competition between Altice and Northwest Fiber.

- In 2009, CPPIB acquired control of Arqiva, Inc., which held FCC VSAT and earth station licenses. According to a public notice issued on August 12, 2009, the FCC granted the transfer of control.³⁶ There will be no competition or overlap between Arqiva and Northwest Fiber.

WaveDivision Capital VII, LLC (“WDC”)

- In 2017, RCN Corporation, Grande Communications and Wave Broadband announced plans to merge as a cable operator. Under terms of the transaction, Wave—a leading provider of fiber and broadband services on the West Coast—was acquired for roughly \$2.36 billion. Wave was managed by WDC, which also held a 10% equity interest. Wave held Section 214 international and domestic authorizations and wireless licenses issued pursuant to Section 310(d).³⁷ The FCC approved the transaction on August 30, 2017.³⁸ The transaction closed on January 24, 2018. Mr. Steve Weed, the former CEO of Wave still holds less than two percent (2%) interest in RCN³⁹ While there will be a small (roughly nine percent of premises) overlap between the networks of RCN/Grande/Wave and Northwest Fiber, Mr. Weed is not involved in the day-to-day management and has resigned from board of directors of RCN Corporation.
- Mr. Weed holds less than a 10% interest in Hargray Acquisition, whose wholly owned subsidiary, Hargray Communications Group, a South Carolina corporation, provides telecommunications services in South Carolina and Georgia through various subsidiaries and affiliates.⁴⁰ Mr. Weed has a seat on the board of

³⁴ *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, 31 FCC Rcd 4365, ¶ 6 n.20 (2016) (noting investment by CPPIB).

³⁵ *Id.* ¶ 52.

³⁶ FCC Public Notice, *Satellite Communications Services Information Re: Actions Taken*, Report No. SES-01165 (Aug. 12, 2009).

³⁷ FCC Public Notice, *Applications Filed for the Transfer of Control of Wave Holdco, LLC to Radiate Holdings, L.P.*, 32 FCC Rcd 5092, WC Docket No. 17-158, DA 17-621 (June 26, 2017).

³⁸ FCC Public Notice, *Notice of Non-Streamlined Domestic 214 Application Granted*, WC Docket No. 17-158, DA 17-815 (Aug. 30, 2017).

³⁹ Mr. Weed has a 25% interest in WDC, which has a less than 5% equity interest in RCN Corporation.

⁴⁰ *See In re Joint Application of W. Mansfield Jennings Limited Partnership and Hargray Communications Group, Inc., for Consent to the Transfer of Control of ComSouth*

directors. There will be no overlap or competition between Hargray and Northwest Fiber.

- Mr. Weed also holds less than a 10% interest in MetroNet Holdings, whose wholly owned subsidiary MetroNet Fiber Inc. operates a fiber network in Indiana, Illinois, Iowa, Kentucky, Michigan, Minnesota and Ohio.⁴¹ There will be no overlap or competition between MetroNet Fiber and Northwest Fiber.

Corporation Pursuant to Section 214 of the Communications Act of 1934, Memorandum Opinion and Order, 33 FCC Rcd 4780, ¶ 4 (2018) (identifying the U.S. entities holding a 10 percent or greater interest in Hargray Acquisition—neither Mr. Weed nor WDC is identified).

⁴¹ See FCC Public Notice, International Authorizations Granted, DA 15-460, at 2 (Apr. 16, 2015) (in connection with a 2014 request for pro forma transfer of control of a common carrier wireless license held by Q-Wireless LLC to Metro Fibernet LLC, noting that no U.S. investor holds individually a 10 percent or greater interest or a controlling interest); Metro Fibernet, LLC, FCC Form 499 (current as of Apr. 1, 2019) (showing states in which services are provided).