

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554**

In the Matter of)	
)	
Cequel Communications Holdings, LLC,)	
Transferor)	
)	
and)	WC Docket No. 12- _____
)	
Nespresso Acquisition Corporation, Transferee)	File No. ITC-T/C- _____
)	
Application for Authority Pursuant to Section)	
214 of the Communications Act of 1934, as)	
Amended, to Transfer Control of Domestic and)	
International Section 214 Authorizations)	
)	
)	
)	

JOINT APPLICATION

**CEQUEL COMMUNICATIONS
HOLDINGS, LLC**

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July 20, 2012

**NESPRESSO ACQUISITION
CORPORATION**

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JOINT APPLICATION

Nespresso Acquisition Corporation, a Delaware corporation, (“Nespresso”) and Cequel Communications Holdings, LLC, a Delaware limited liability company (“Cequel,” together with Nespresso, the “Applicants”) hereby request authority pursuant to Section 214 of the Communications Act of 1934, as amended (the “Act”), and Sections 63.04 and 63.24(e) of the Commission’s rules, to transfer control of Cequel (the “Transaction”) to Nespresso.¹ Cequel, through its subsidiaries, holds domestic and international Section 214 authority to provide telecommunications services. The Transaction will promote the public interest by ensuring that Cequel will have the resources necessary to continue competing effectively in the marketplace. The Transaction, which entails only a change in equity ownership at the parent company level, also will be entirely seamless for consumers, as it will not result in any change in the

¹ 47 U.S.C. § 214; 47 C.F.R. §§ 63.04, 63.24(e).

management of Cequel or any discontinuance or impairment of Cequel's services. The Transaction qualifies for streamlined processing under Sections 63.03 and 63.12 of the Commission's rules, and the Applicants hereby request such streamlined treatment.

I. DESCRIPTION OF THE APPLICANTS

A. Nespresso Acquisition Corporation

Nespresso Acquisition Corporation is a Delaware corporation that was formed for the purpose of acquiring the equity of Cequel. Its principal business is to act as a holding company for Cequel. It is not a telecommunications provider or a provider of any other communications service.

B. Cequel Communications Holdings, LLC

Cequel Communications Holdings, LLC is a Delaware limited liability company, and a U.S. entity whose address is 12444 Powerscourt Drive, Suite 140, St. Louis, Missouri 63131. Cequel controls various subsidiaries that provide broadband and advanced digital services, as well as competitive voice services through various subsidiaries that collectively do business as "Suddenlink Communications." Suddenlink is the seventh largest cable operator in the United States, providing cable television, broadband Internet access, Voice over Internet Protocol ("VoIP") and certain telecommunications services to more than 1.4 million customers.

Although the company operates in the telecommunications arena primarily as a VoIP provider, its operating entities also provide interstate telecommunications services and hold certificates of public convenience and necessity to provide various intrastate telecommunications services in Arizona, Arkansas, California, Louisiana, Missouri, North Carolina, Oklahoma, Texas, and West Virginia. Cequel indirectly controls the following entities that provide competitive telecommunications services in the jurisdictions identified above: Cebridge Telecom CA, LLC, Cebridge Telecom LA, LLC, Cebridge Telecom MO, LLC, Cebridge Telecom NC,

LLC, Cebridge Telecom OK, LLC, Cebridge Telecom TX, L.P., and Cebridge Telecom WV, LLC, and Mercury Voice and Data, LLC. Cequel also indirectly controls TCA Communications, LLC, Cequel Communications Access Services, LLC, and Orbis 1, L.L.C., each of which provides interexchange services.

II. DESCRIPTION OF THE TRANSACTION

On July 18, 2012, Cequel, Nespresso and certain current holders of equity interests in Cequel entered into a Purchase and Sale Agreement pursuant to which, subject to customary terms and conditions, Nespresso agreed to purchase all of the equity interests of Cequel. The Transaction will result in the transfer of control of Cebridge Telecom Limited, LLC (“Cebridge Telecom”) and Cebridge Texas Telecom, LP (“CTT”), which are indirect, wholly owned subsidiaries of Cequel and respectively hold the Commission authorizations in File Nos. ITC-214-20051216-00526 and ITC-214-20060330-00173 to provide international facilities-based and resold telecommunications services. Following consummation of the Transaction, Nespresso will own and control, directly or indirectly, 100 percent of the equity of Cequel, which in turn will own and control, indirectly, 100 percent of the equity of Cebridge Telecom and CTT. In addition, the Transaction will result in the transfer of control of Cequel’s various subsidiaries that offer domestic interstate and intrastate telecommunications services pursuant to 47 C.F.R. § 63.01.

III. INFORMATION REQUIRED BY SECTIONS 63.04 AND 63.24 OF THE COMMISSION’S RULES

In accordance with Sections 63.04 and 63.24(e)(2) of the Commission’s rules, the Applicants submit the following information in support of this Application.

A. Information Required by 47 C.F.R. § 63.24

In accordance with 47 C.F.R. § 63.24(e)(2), the Applicants submit the following information requested in 47 C.F.R. § 63.18(a) through (d) for Nespresso and Cequel, and information requested in 47 C.F.R. § 63.18(h) through (p) for Nespresso.

- (a) Nespresso has a principal business address of 667 Madison Avenue, New York, NY 10065 and a telephone number of (212) 891-2880. Nespresso's FRN is 0021912498.

Cequel has a principal business address of 12444 Powerscourt Drive, Suite 140, St. Louis, MO 63131 and a telephone number of (314) 965-2020. Cequel's FRN is 0021894936.

- (b) Nespresso is a corporation organized under the laws of Delaware.

Cequel is a limited liability company organized under the laws of Delaware.

- (c) Correspondence concerning this Application should be addressed to:

For Nespresso:

Michael Chang
Treasurer
NESPRESSO ACQUISITION CORPORATION
667 Madison Avenue
New York, NY 10065
(212) 891-2880

with copies to:

Matthew A. Brill
David Burns
LATHAM & WATKINS LLP
555 Eleventh Street, N.W.
Suite 1000
Washington, DC 20004-1304
(202) 637-2200

For Cequel:

Craig L. Rosenthal
Dennis Moffit
CEQUEL COMMUNICATIONS HOLDINGS, LLC
12444 Powerscourt Drive
Suite 140

St. Louis, MO 63131
(314) 965-2020

with copies to:

Steven Horvitz
K.C. Halm
DAVIS WRIGHT TREMAINE LLP
1919 Pennsylvania Avenue, N.W.
Suite 800
Washington, DC 20006-3401
(202) 973-4200

- (d) Nespresso has not previously received Section 214 authority.

Cequel, through its subsidiaries, is authorized to provide domestic interstate common carrier services pursuant to 47 C.F.R. § 63.01. Cequel's indirect, wholly owned subsidiary Cebridge Telecom holds international Section 214 authority to provide global facilities-based and resale services (FCC File No. ITC-214-20051216-00526).² Cequel's indirect, wholly owned subsidiary CTT also holds authority to provide global facilities-based and resale services (FCC File No. ITC-214-20060330-00173).³

- (e-g) N/A

- (h) Nespresso

A to-be-formed Delaware limited partnership ("CPP LP") will hold approximately 48% of the equity of Nespresso. Substantially all of the equity of CPP LP will be held by CPP Investment Board (USRE II) Inc., a corporation formed under the laws of Canada. CPP Investment Board (USRE II) Inc. is wholly owned by CPP Investment Board, which was incorporated as a Canadian federal Crown corporation by an Act of Parliament in December 1997. CPP Investment Board is a professional investment management organization that invests the assets of the Canada Pension Plan. The address for both CPP Investment Board (USRE II) Inc. and CPP Investment Board is One Queen Street East, Suite 2600, P.O. Box 101, Toronto, Ontario M5C 2W5 Canada. Neither CPP LP

² The Commission granted this authority pursuant to Public Notice, *International Authorizations Granted*, Report No. TEL-01018, DA No. 06-905 (Apr. 20, 2006).

³ *See id.* (Transfer of Control of Cox Texas Telcom, LP to Cebridge Connections Holdings, LLC, File No. ITC-T/C-20051219-00532).

nor CPP Investment Board (USRE II) Inc. has any interlocking directorates with a foreign carrier.

A group of limited partnerships formed under the laws of England and associated with BC Partners (collectively, the “BCP Funds”) will hold, in the aggregate, approximately 48% of the equity of Nespresso. None of such entities will hold 10% or more of such stock. The general partner and manager of each of such entities is CIE Management IX Limited, an entity formed under the laws of the Bailiwick of Guernsey. CIE Management IX Limited will not have an economic stake in those limited partnerships other than being their general partner.

Cequel

Cebridge Connections Holdings, LLC (“Cebridge Holdings”) owns, through one intervening, 100% owned subsidiary, 25.7% of the total equity of Cequel Holdings. Cequel Holdings, Cebridge Holdings, and all subsidiaries referenced above, are U.S. entities whose address is 12444 Powerscourt Dr., Suite 140, St. Louis, MO 63131.

Quadrangle Capital Partners II LP (“Quadrangle”) is a private investment company and a U.S. entity, which holds 49.8% in Cebridge Holdings. After taking into account the direct investors in Cequel Holdings, Quadrangle’s holdings equate to an indirect 12.8% of the total equity in Cequel Holdings. Quadrangle’s address is 375 Park Avenue, New York, NY 10152.

OCM CCH, Inc. (“OCM”) is a private investment company and a U.S. entity, which holds 16.5% of the total equity in Cequel Holdings. OCM’s address is: 333 South Grand Avenue, 28th Floor, and Los Angeles, CA 90071. The controlling entity of OCM is Principal Opportunities Fund II, L.P., a limited partnership organized under the laws of Delaware, located at 333 S. Grand Avenue, 28th Floor, Los Angeles, CA 90071, whose principal business is acting as a holding company.

- (i) Nespresso certifies that it is not a foreign carrier in any country, nor is it affiliated with any foreign carrier.
- (j) Nespresso certifies that it does not seek to provide international telecommunications services to any destination country to which 47 C.F.R. §63.18(j)(1) through (j)(4) applies.
- (k-m) N/A

- (n) Nespresso certifies that it has not agreed to accept special concessions directly or indirectly from any foreign carrier with respect to any U.S. international route where the foreign carrier possesses market power on the foreign end of the route and will not enter into such agreements in the future.
- (o) The Applicants certify, pursuant to 47 C.F.R. §§ 1.2001 through 1.2003, that no party to this Application is subject to a denial of Federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988.
- (p) The Applicants request streamlined processing of this Application to transfer control of Cequel's international Section 214 authorization pursuant to 47 C.F.R. § 63.12. Nespresso is not affiliated with a foreign carrier in a destination market, nor does it have an affiliation with a dominant U.S. carrier whose international switched or private line services it seeks authority to resell.⁴ Therefore, pursuant to Section 63.12(a) of the Commission's rules, the Commission should deem this Application granted on the 15th day after the date of the public notice listing this Application as accepted for filing.

B. Information Required by 47 C.F.R. § 63.04

In accordance with section 63.04(b) of the Commission's rules,⁵ which specifies the contents required of joint international and domestic Section 214 transfer of control applications, in addition to the information required in international Section 214 authorizations by 47 C.F.R. § 63.18, the Applicants submit the following information, as required by 47 C.F.R. §63.04(a)(6) through (a)(12):

(6) Description of the transaction.

The transaction is described at Section II of this Application.

(7) Description of the geographic areas in which the transferor and transferee (and their affiliates) offer domestic telecommunications services, and what services are provided in each area.

⁴ 47 C.F.R. § 63.12(c).

⁵ 47 C.F.R. § 63.04(b).

Neither Nespresso nor any affiliate of Nespresso is a provider of telecommunications services. Cequel's domestic telecommunications service offerings and operating areas are as described in Section I above.

(8) Statement as to how the application fits into one or more of the presumptive streamlined categories in this section or why it is otherwise appropriate for streamlined treatment.

This Application satisfies the criteria set forth in Section 63.03(b)(1) for presumptive streamlined processing because transferee Nespresso is not a telecommunications provider.⁶ In addition, this Application satisfies the criteria set forth in Section 63.03(b)(2) for presumptive streamlined processing because: (i) the Applicants have a market share in the interstate interexchange market of less than 10 percent, (ii) the Applicants provide competitive telephone exchange services or exchange access services (if at all) exclusively in geographic areas served by a dominant local exchange carrier that is not a party to the Transaction, and (iii) the Applicants are not dominant with respect to any telecommunications service.⁷ Accordingly, this Application to transfer control of Cequel's domestic Section 214 authorization should be processed on a streamlined basis.

(9) Identification of all other Commission applications related to the same transaction.

The Applicants have filed simultaneous applications with the Commission seeking authority to transfer to Nespresso control of Cequel's subsidiaries that hold Commission licenses

⁶ 47 C.F.R. § 63.03(b)(1)(ii).

⁷ 47 C.F.R. § 63.03(b)(2); *Implementation of Further Streamlining Measures for Domestic Section 214 Authorizations*, 17 FCC Rcd 5517 ¶ 28 (2002) (“*Streamlining Order*”) (Streamlined treatment is “presumed to apply” when “neither of the applicants is dominant with respect to any service . . . [and] where a transaction would result in a transferee having a market share in the interstate, interexchange market of less than 10 percent, and the transferee would provide competitive telephone exchange services or exchange access services (if at all) exclusively in geographic areas served by a dominant local exchange carrier that is not a party to the transaction.”).

relating to Cequel's cable systems, including Cable Television Relay Services licenses and various private radio licenses. Cequel does not hold any common carrier radio licenses.

(10) Statement of whether the applicants are requesting special consideration because either party to the transaction is facing imminent business failure.

The Applicants are not requesting such special consideration of this Application.

(11) Identification of any separately filed waiver requests being sought in conjunction with the transaction.

The Applicants are not seeking any waiver in conjunction with the transaction.

(12) Statement showing how grant of the Application will serve the public interest, convenience and necessity.

This Application serves the public interest, convenience and necessity, as discussed in Section IV below.

IV. THE TRANSACTION WILL PROMOTE THE PUBLIC INTEREST

This Application seeks approval for transfers of control of Section 214 authority in connection with the above-described Transaction. This Transaction will provide Cequel, which is the nation's seventh largest cable operator, with new equity holders and a new infusion of capital. Cequel, through its operating subsidiaries, currently provides video, voice, and data services in a robustly competitive marketplace. The Transaction will serve the public interest by ensuring that Cequel has the resources available to continue delivering high-quality and innovative services to consumers, and it will do so without causing any diminution in competition.

The Transaction simply substitutes Cequel's existing equity investors with new equity investors (the largest of which are the BCP Funds and CPP LP). The proposed change at the investor level will be entirely seamless from the standpoint of consumers. Cequel will continue to provide high-quality communications services to customers without interruption, and it has no

plans to discontinue any existing service or to implement any changes in rates, terms, or conditions in connection with the Transaction.

Significantly, the Transaction will not change Cequel's well-established and successful management team. The public interest will be well served by this continuity. Cequel's current Chairman and CEO, Jerry Kent, recently received the 2012 Vanguard Award for Distinguished Leadership, the highest honor awarded by the National Cable & Telecommunications Association. Along with other senior management, Mr. Kent will remain at the helm of Cequel following close of the Transaction. According to independent J.D. Power Surveys, Cequel has the most improved customer-satisfaction ratings in the cable industry since 2007. Moreover, under existing management, Cequel started a three-year "Project Imagine" initiative in 2009, which involved approximately \$350 million of investment (above and beyond traditional capital spending), and has enabled Cequel to provide enhanced video, voice, and data offerings in most of its service area.

While the Transaction will maintain and enhance Cequel's capabilities, it will not cause any diminution of competition. The Transaction will not eliminate any service provider from the marketplace. Moreover, neither Nespresso nor its principal investors provide any competing service or hold an attributable interest in any service provider that competes with Cequel in any relevant market. Therefore, the Transaction does not pose any anticompetitive threat in connection with any communications service. To the contrary, by enabling Cequel to continue delivering its high-quality services and to introduce new services in competition with other providers, the Transaction will be strongly pro-competitive.

In short, the Transaction will serve the public interest by preserving and enhancing Cequel's strengths without posing any threat of anticompetitive effects or other public interest

harms, and it will be entirely transparent to consumers. The Commission should approve the proposed transfer of control on a streamlined basis.

V. CONCLUSION

For the foregoing reasons, the Applicants respectfully submit that the public interest, convenience and necessity will be served by a grant of this Section 214 Application.

Respectfully submitted,

**CEQUEL COMMUNICATIONS
HOLDINGS, LLC**

/s/ Steven Horvitz
Steven Horvitz
K.C. Halm
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1919 Pennsylvania Avenue, N.W.
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Washington, DC 20006-3401

Its Counsel

July 20, 2012

**NESPRESSO ACQUISITION
CORPORATION**

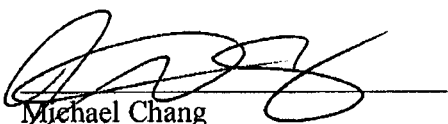
/s/ Matthew A. Brill
Matthew A. Brill
David Burns
LATHAM & WATKINS LLP
555 Eleventh Street, N.W.
Suite 1000
Washington, DC 20004-1304

Its Counsel

VERIFICATION

I, Michael Chang, state that I am Treasurer of Nespresso Acquisition Corporation ("Nespresso"); that I am authorized to make this Verification on behalf of Nespresso; that the foregoing was prepared under my direction and supervision; and that the contents are true and correct to the best of my knowledge, information and belief.

I declare under penalty of perjury that the foregoing is true and correct. Executed this 20th day of July, 2012.

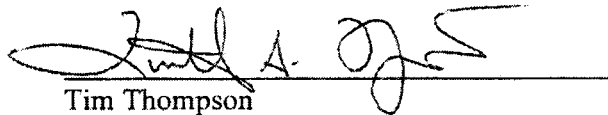
A handwritten signature in black ink, appearing to read "Michael Chang", is written over a horizontal line.

Michael Chang
Treasurer, Nespresso Acquisition Corporation

VERIFICATION

I, Tim Thompson, state that I am the Vice President of Telephony, at Suddenlink Communications; that I am authorized to make this Verification on behalf of Suddenlink; that the foregoing filing was prepared under my direction and supervision; and that the contents are true and correct to the best of my knowledge, information, and belief.

I declare under penalty of perjury that the foregoing is true and correct. Executed this 19th day of July, 2012.

A handwritten signature in black ink, appearing to read "Tim Thompson", written over a horizontal line.

Tim Thompson
Vice President, Telephony
Suddenlink