



PUBLIC NOTICE

Federal Communications Commission
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DA 15-1332

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APPLICATIONS FILED FOR THE TRANSFER OF CONTROL OF THE INNOVATIVE COMPANIES TO ATLANTIC TELE-NETWORK, INC.

PLEADING CYCLE ESTABLISHED

WC Docket No. 15-264

Comments/Petitions Due: December 21, 2015

Reply Comments/Oppositions to Petitions Due: January 5, 2016

National Rural Utilities Cooperative Finance Corporation (CFC) and Atlantic Tele-Network, Inc. (ATN) filed a series of applications, pursuant to sections 214 and 310(d) of the Communications Act of 1934, as amended (Act), seeking approval to transfer control of DTR Holdings, LLC (DTR), Vitelcom Cellular, Inc. d/b/a Innovative Wireless, Innovative Long Distance, Inc., Virgin Islands Telephone Corporation d/b/a Innovative Telephone, Caribbean Communications Corporation d/b/a Innovative Cable TV St. Thomas-St. John, and ICC TV, Inc. d/b/a CBS-TV2 (collectively Innovative Companies, together with CFC and ATN, Applicants) from CFC to ATN.¹

Applicants state that CFC owns and controls Caribbean Asset Holdings, LLC (CAH), which owns and controls DTR, which in turn owns and controls each of the Innovative Companies and their operating affiliates. CFC, CAH, and DTR do not, themselves, provide telecommunications services. All the Innovative Companies are U.S. based and provide incumbent local exchange, intrastate and interstate interexchange, international, commercial mobile radio, broadband, and cable TV services in the U.S. Virgin Islands.² Applicants state that CFC, a non-governmental cooperative financial institution that is owned by and provides financing to its members, acquired control of the Innovative Companies and their U.S. Virgin Islands operating affiliates in 2010 as part of a credit bid in bankruptcy court to satisfy, in part, the debts of the Innovative Companies' bankrupt former parent companies and ultimate owner.³

ATN, a publicly traded Delaware corporation, provides mobile wireless services in the U.S. Virgin Islands through its subsidiary, Choice Communications, LLC. Applicants state that ATN and its subsidiaries provide no other services in the U.S. Virgin Islands. ATN's other affiliates provide mobile wireless services in Arizona, California, Colorado, Montana, Nebraska, Nevada, New Mexico, Texas,

¹ 47 U.S.C. §§ 214, 310(d). *National Rural Utilities Cooperative Finance Corporation and Atlantic Tele-Network, Inc. Consolidated Application for Consent To Transfer Control of Domestic and International Section 214 Authority*, WC Docket No. 15-264 (filed Oct. 30, 2015) (Lead Application). Applicants state that the Innovative Companies also include St. Croix Cable TV, Inc. d/b/a Innovative Cable TV St. Croix and VI PowerNet, LLC, which do not hold Commission licenses.

² Applicants submitted a list of licenses and authorizations by licensee/authorization holder. *Id.* at Att. 2. The U.S. Virgin Islands consists of three discontinuous islands, St. Thomas, St. Croix, and St. John, and other minor islands.

³ Lead Application, Att. 1, Description of Proposed Transaction, Public Interest Statement, and Related Requests and Showings (Public Interest Statement), at 4.

Utah, and Wyoming and competitive LEC services in New Hampshire, New York, and Vermont.⁴ Applicants further state that Cornelius B. Prior, Jr., a U.S. citizen, owns approximately 28 percent of ATN's shares and that ATN has no controlling owner. ATN has no other ten percent or greater equity interest holders.

ATN is the parent company of ATN VI Holdings, LLC (ATN Holdings), a Delaware limited liability company created to acquire CFC's interest in CAH. ATN owns all of ATN Holdings' member interests. Applicants state that ATN Holdings will acquire all of CFC's member interests in CAH. They explain that the proposed transaction is equity-based, rather than an assignment of assets. They state that "ATN will pay CFC approximately \$145 million, subject to potential adjustments, with \$85 million payable in cash and the option for ATN to finance up to \$60 million of the purchase price with a loan from CFC's affiliate, Rural Telephone Finance Cooperative."⁵

Applicants assert that grant of the applications will serve the public interest, convenience, and necessity. They state that ATN is an experienced telecommunications provider, including in rural and underserved areas, and is financially well-qualified to serve the U.S. Virgin Islands.⁶ They further state that ATN, which will have greater purchasing power and economies of scale after consummation of the transaction, will improve broadband coverage in the U.S. Virgin Islands by combining high-speed broadband offered by the Innovative Companies' network with ATN's mobile Long Term Evolution (LTE) services that it will deploy post-closing.⁷ They affirm that ATN will build upon CFC's existing efforts to minimize service disruptions due to hurricanes and other natural disasters.⁸ According to Applicants, the proposed transaction will enhance competition in the mobile voice and data market by making ATN a more viable competitor to the larger companies serving the U.S. Virgin Islands.⁹ Finally, Applicants maintain that the transaction will not impede competition in the local exchange, interexchange, wireline broadband, fixed wireless broadband, and Multichannel Video Programming Distribution (MPVD) markets.¹⁰

⁴ Applicants state that ATN also provides wireless and wireline telecommunications services in Guyana, Aruba, and Bermuda. *Id.* at 11-12. ATN is classified as a dominant carrier on the U.S.-Guyana route pursuant to section 63.10 of the Commission's rules. 47 C.F.R. § 63.10. The Innovative Companies agree to be classified as dominant on the U.S.-Guyana route pursuant to section 63.10 of the Commission's rules following consummation of the proposed transaction. *Id.* at 8-9.

⁵ *Id.* at 12.

⁶ *Id.* at 16-19.

⁷ *Id.* at 19-21.

⁸ *Id.* at 23-24.

⁹ *Id.* at 24-26.

¹⁰ *Id.* at 27-41.

SECTION 214 AUTHORIZATIONS

A. International

The applications for consent to the transfer of control of certain international section 214 authorizations from CFC to ATN have been assigned the file numbers listed below.

| <u>File Number</u> | <u>Authorization Holder</u> | <u>Authorization Number</u> |
|------------------------|---|--|
| ITC-T/C-20151030-00254 | DTR Holdings LLC | ITC-214-19990330-00206 ¹¹ |
| ITC-T/C-20151030-00255 | Vitelcom Cellular, Inc. d/b/a Innovative Wireless | ITC-214-19930312-00048 ITC-214-19990330-00207 |

B. Domestic

The Applicants filed an application to transfer control of domestic section 214 authority in connection with the proposed transaction. In light of the multiple applications pending before the Commission with respect to this transaction and the public interest review associated with them, the domestic transfer of control application is not subject to streamlined treatment.¹²

SECTION 310(d) APPLICATIONS

The applications for consent to the transfer of control of a license under section 310(d) have been assigned the file numbers listed below.

A. Wireless Authorizations

| <u>File Number</u> | <u>Licensee</u> | <u>Lead Call Sign</u> |
|--------------------|--------------------------------------|-----------------------|
| 0007004175 | Virgin Islands Telephone Corporation | KNKI943 |
| 0007004176 | Vitelcom Cellular, Inc. | KNKN845 |

¹¹ DTR's wholly-owned subsidiary, Innovative Long Distance, Inc., provides international services under DTR's Section 214 authorization, ITC-214-1990330-00206, pursuant to section 63.21(h) of the Commission's rules. *Id.* at 4, n. 1; 47 C.F.R. § 63.21(h).

¹² See 47 C.F.R. § 63.03(c)(1).

PART 78 -- CABLE TELEVISION RELAY SERVICES (CARS)

| <u>File Number</u> | <u>Licensee</u> | <u>Lead Call Sign</u> |
|--------------------|--------------------------------|-----------------------|
| 20151110AB-09 | Innovative Cable TV St. Thomas | WHZ-442 |
| 20151110AC-09 | Innovative Cable TV St. Thomas | WLY-863 |
| 20151110AD-09 | Innovative Cable TV St. Thomas | WLY-864 |
| 20151110AE-09 | Innovative Cable TV St. Thomas | WLY-865 |
| 20151110AF-09 | Innovative Cable TV St. Thomas | WLY-866 |
| 20151110AG-09 | ICC TV, Inc. | WLY-875 |
| 20151110AH-09 | ICC TV, Inc. | WLY-876 |

GENERAL INFORMATION

The applications referenced herein have been found, upon initial review, to be acceptable for filing. The Commission reserves the right to return any application if, upon further examination, it is determined to be defective and not in conformance with the Commission's rules and policies.

Pursuant to sections 1.415 and 1.419 of the Commission's rules, 47 CFR §§ 1.415, 1.419, interested parties may file comments and petitions **on or before December 21, 2015**, and reply comments or oppositions to petitions **on or before January 5, 2016**. Comments may be filed using the Commission's Electronic Comment Filing System (ECFS). *See Electronic Filing of Documents in Rulemaking Proceedings*, 63 FR 24121 (1998).

- Electronic Filers: Comments may be filed electronically using the Internet by accessing the ECFS: <http://apps.fcc.gov/ecfs/>.
- Paper Filers: Parties who choose to file by paper must file an original and one copy of each filing. If more than one docket or rulemaking number appears in the caption of this proceeding, filers must submit two additional copies for each additional docket or rulemaking number.

Filings can be sent by hand or messenger delivery, by commercial overnight courier, or by first-class or overnight U.S. Postal Service mail. All filings must be addressed to the Commission's Secretary, Office of the Secretary, Federal Communications Commission.

- All hand-delivered or messenger-delivered paper filings for the Commission's Secretary must be delivered to FCC Headquarters at 445 12th St., SW, Room TW-A325, Washington, DC 20554. The filing hours are 8:00 a.m. to 7:00 p.m. All hand deliveries must be held together with rubber bands or fasteners. Any envelopes and boxes must be disposed of before entering the building.
- Commercial overnight mail (other than U.S. Postal Service Express Mail and Priority Mail) must be sent to 9300 East Hampton Drive, Capitol Heights, MD 20743.
- U.S. Postal Service first-class, Express, and Priority mail must be addressed to 445 12th Street, SW, Washington DC 20554.

People with Disabilities: To request materials in accessible formats for people with disabilities (braille, large print, electronic files, audio format), send an e-mail to fcc504@fcc.gov or call the

Consumer & Governmental Affairs Bureau at 202-418-0530 (voice), 1-888-835-5322 (tty).

In addition, provide one copy of each pleading to each of the following:

- 1) Neil Dellar, Office of General Counsel, transactionteam@fcc.gov;
- 2) Dennis Johnson, Wireline Competition Bureau, dennis.johnson@fcc.gov;
- 3) David Krech, International Bureau, david.krech@fcc.gov;
- 4) Sumita Mukhoty, International Bureau, sumita.mukhoty@fcc.gov;
- 5) Brendan Holland, Media Bureau, brendan.holland@fcc.gov;
- 6) Jeffrey Neumann, Media Bureau, jeffrey.neumann@fcc.gov;
- 7) Linda Ray, Wireless Telecommunications Bureau, linda.ray@fcc.gov;
- 8) Kathy Harris, Wireless Telecommunications Bureau, kathy.harris@fcc.gov.

The proceeding in this Notice shall be treated as a “permit-but-disclose” proceeding in accordance with the Commission’s *ex parte* rules.¹³ Persons making *ex parte* presentations must file a copy of any written presentation or a memorandum summarizing any oral presentation within two business days after the presentation (unless a different deadline applicable to the Sunshine period applies). Persons making oral *ex parte* presentations are reminded that memoranda summarizing the presentation must (1) list all persons attending or otherwise participating in the meeting at which the *ex parte* presentation was made, and (2) summarize all data presented and arguments made during the presentation. If the presentation consisted in whole or in part of the presentation of data or arguments already reflected in the presenter’s written comments, memoranda or other filings in the proceeding, the presenter may provide citations to such data or arguments in his or her prior comments, memoranda, or other filings (specifying the relevant page and/or paragraph numbers where such data or arguments can be found) in lieu of summarizing them in the memorandum. Documents shown or given to Commission staff during *ex parte* meetings are deemed to be written *ex parte* presentations and must be filed consistent with rule 1.1206(b), 47 C.F.R. § 1.1206(b). Participants in this proceeding should familiarize themselves with the Commission’s *ex parte* rules.

To allow the Commission to consider fully all substantive issues regarding the Applications in as timely and efficient a manner as possible, petitioners and commenters should raise all issues in their initial filings. New issues may not be raised in responses or replies.¹⁴ A party or interested person seeking to raise a new issue after the pleading cycle has closed must show good cause why it was not possible for it to have raised the issue previously. Submissions after the pleading cycle has closed that seek to raise new issues based on new facts or newly discovered facts should be filed within 15 days after such facts are discovered. Absent such a showing of good cause, any issues not timely raised may be disregarded by the Commission.

For further information, please contact Dennis Johnson, Wireline Competition Bureau, (202) 418-0809; David Krech, International Bureau, (202) 418-7443; Sumita Mukhoty, International Bureau, (202)-418-7165; Jeffrey Neumann, Media Bureau, (202) 418-2046; Linda Ray, Wireless Telecommunications Bureau, (202) 418-0257; or Kathy Harris, Wireless Telecommunications Bureau (202) 418-0609.

¹³ 47 C.F.R. §§ 1.1200 *et seq.*

¹⁴ *See* 47 C.F.R. §1.45(c).

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