

September 20, 2016

VIA ELECTRONIC FILING

Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, S.W.
Room TW-A325
Washington, DC 20554

Re: **WC Docket No. 16-266**
Domestic Section 214 Application Filed for the Transfer of Control of Sovernet, Inc.,
ION Holdco, LLC, Sovernet Fiber Corp. and National Mobile Communications
Corporation to OHCP Northeastern Fiber Buyer, Inc.

IB File No. ITC-T/C-20160818-00248

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International Section 214 Applications Filed for the Transfer of Control of Sovernet,
Inc., ION Holdco, LLC, Sovernet Fiber Corp. and National Mobile Communications
Corporation to OHCP Northeastern Fiber Buyer, Inc.

Dear Ms. Dortch:

ATN International, Inc. (“**Transferor**”) and OHCP Northeastern Fiber Buyer, Inc. (“**Transferee**”), pursuant to Section 1.65 of the Commission’s Rules, and at the request of Commission staff, hereby supplement the above-referenced transfer of control Applications to provide additional information on any existing overlap between the competitive local exchange (“**CLEC**”) operations of (1) TVC Albany, Inc. d/b/a FirstLight and its subsidiaries (collectively, “**FirstLight**”)¹ and Oxford Networks Holdings, Inc. and its subsidiaries (collectively “**Oxford**,” and together with FirstLight, “**FirstLight/Oxford**”),² and (2) the above-named subsidiaries of Transferor (collectively “**Sovernet**”).

The fiber networks and businesses of FirstLight/Oxford and Sovernet are complementary and adjacent, with minimal overlap, including with respect to their CLEC operations.

- New Hampshire. FirstLight/Oxford and Sovernet each have presence in New Hampshire, but with largely complementary footprints and limited CLEC overlap.
 - FirstLight/Oxford’s owned fiber network is broadly dispersed through the state, while Sovernet’s owned-fiber presence in New Hampshire is mostly limited to the area where it borders Vermont.

¹ The Commission recently granted approval for the FirstLight purchase. See ITC-T/C-20160329-00129, WC Docket No. 16-107; ULS File No. 0007203840; ISP-PDR-20160329-00005. That acquisition closed on September 7, 2016.

² Applications for approval of the purchase of Oxford are pending. See ITC-T/C-20160708-00185, ITC-T/C-20160708-00186, WC Docket No. 16-222. This supplement assumes that the Oxford acquisition has closed and therefore refers to the combined FirstLight and Oxford entities as FirstLight/Oxford.

- FirstLight/Oxford and Sovernet have low combined market share in the state of New Hampshire, estimated at around 7.7% in terms of annual communications market spending.
- In addition to this low market share, a low percentage of the companies' existing and near-net buildings overlap. Broadly speaking, there is owned fiber network overlap between FirstLight/Oxford and Sovernet in New Hampshire only in the Claremont-Lebanon MSA, where Sovernet owns fiber in Lebanon/West Lebanon and Hanover; and in the Keene MSA, in the Town of Chesterfield and the City of Keene.
- Fairpoint and either Comcast or Time Warner Cable (now Charter), which are much larger companies than the combined entity, generally are facilities-based competitors in all of FirstLight/Oxford's and Sovernet's New Hampshire markets.
- Maine. FirstLight/Oxford serves Maine, where Sovernet has no CLEC operations. Fairpoint and either Comcast or Time Warner Cable (now Charter) are facilities-based competitors in all of FirstLight/Oxford's Maine markets.
- Massachusetts. FirstLight/Oxford serves portions of northeastern Massachusetts. Sovernet owns no fiber network in Massachusetts, other than in northwestern Massachusetts.
 - There is no material overlap between FirstLight/Oxford's CLEC operations and Sovernet's operations in Massachusetts, as Sovernet has very little business presence in Massachusetts, and earns an immaterial amount of revenue in Massachusetts. Oxford owns a small amount of fiber in northeastern Massachusetts, in the Boston region and Sovernet owns a small amount of fiber in northwestern Massachusetts; FirstLight does not own any network in Massachusetts.
 - Verizon and either Comcast or Time Warner Cable (now Charter), which are much larger companies than the combined entity, generally are facilities-based competitors in all of FirstLight/Oxford's and Sovernet's Massachusetts markets.
- New York. Both FirstLight/Oxford and Sovernet have presence in New York, but with largely complementary footprints and limited CLEC overlap. FirstLight/Oxford and Sovernet generally own and operate fiber networks in different areas throughout the state of New York.
 - FirstLight/Oxford serves the eastern part of the state, including a metro network in Albany, where Sovernet has limited metro network presence, and in Westchester County.
 - Sovernet operates a regional, intercity network across the western and central portions of the state, connecting such large markets as Buffalo, Rochester, Syracuse and Utica. However, only ~23% of its network in New York is owned, with the remainder leased or under IRU.

- FirstLight/Oxford and Sovernet have low combined market share in the state of New York, estimated at around 0.6% in terms of annual communications market spending.
- In addition to this low market share, a low percentage of the companies' existing and near-net buildings overlap. Broadly speaking, there is owned fiber network overlap primarily in Albany-Schenectady-Troy. However, Sovernet does not own any metro intra-city fiber that connects to customers in this region, other than to several carrier PoPs, carrier hotels or central offices.
- Verizon and either Comcast or Time Warner Cable (now Charter), which are much larger companies than the combined entity, generally are facilities-based competitors in all of FirstLight/Oxford's and Sovernet's New York markets.
- Vermont. Both FirstLight/Oxford and Sovernet have presence in Vermont, but with largely complementary footprints and limited CLEC overlap. FirstLight/Oxford and Sovernet generally own and operate fiber networks in different areas throughout the state of Vermont.
 - FirstLight/Oxford's network is focused in the northwestern portion of the state that borders New York.
 - Sovernet's network is more broadly dispersed through the state.
 - FirstLight/Oxford and Sovernet have low combined market share in the state of Vermont, estimated at around 9.6% in terms of annual communications market spending.
 - In addition to this low market share, a low percentage of the companies' existing and near-net buildings overlap. Broadly speaking, there is owned fiber network overlap primarily in the following metro areas: Burlington, Barre, Claremont-Lebanon (a New Hampshire-Vermont MSA), Middlebury, and Rutland. However, FirstLight/Oxford's revenues in Vermont are concentrated in Burlington, which represents 61% of FirstLight/Oxford's Vermont monthly recurring revenue; in contrast, Burlington represents only 20% of Sovernet's Vermont revenues, as they are more broadly dispersed through Vermont. Moreover, while FirstLight/Oxford's Vermont revenues are concentrated in Burlington, the entire state of Vermont represents less than 5% of FirstLight/Oxford's total revenues.
 - Incumbent local exchange carriers (Telephone Operating Company of Vermont) and either Comcast or Charter, which are much larger companies than the combined entity, generally are facilities-based competitors in all of FirstLight/Oxford's and Sovernet's Vermont markets. Moreover, in the Burlington market, there is higher competitive presence than the rest of the state, with Lighttower, VTel Data, Burlington Telecom, and Level 3 all providing facilities-based services.

- Pennsylvania. FirstLight/Oxford owns no fiber in Pennsylvania, a market in which Sovernet has very limited presence in the northeastern region of the state. Incumbent local exchange telephone and cable television companies are facilities-based competitors in all of Sovernet's Pennsylvania markets.

The complementary nature of FirstLight/Oxford's and Sovernet's networks and CLEC operations means that local business customers will continue to enjoy service from their current network provider, but with the benefit of the complete product portfolio of FirstLight/Oxford and Sovernet, as well as the potential for additional network construction to more business locations due to the increased capital available to the combined companies. At the same time, the broader geographic coverage resulting from the combination of FirstLight/Oxford and Sovernet is expected to allow the combined company to better serve large regional business and telecommunications carrier customers, increasing competition in this segment of the market.

Please let us know if you need any additional information.

Respectfully submitted,

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