



PUBLIC NOTICE

Federal Communications Commission
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July 5, 2019

**APPLICATIONS FILED FOR THE TRANSFER OF CONTROL OF
ZAYO GROUP, LLC, ELECTRIC LIGHTWAVE, LLC, AND
ALLSTREAM BUSINESS US, LLC TO FRONT RANGE TOPCO, INC.**

PLEADING CYCLE ESTABLISHED

WC Docket No. 19-166

Comments Due: July 19, 2019
Reply Comments Due: July 26, 2019

By this Public Notice, the Wireline Competition Bureau, International Bureau, and Wireless Telecommunications Bureau seek comment from interested parties on applications filed by Zayo Group Holdings, Inc. (Zayo) and its subsidiaries, Zayo Group, LLC (ZGL), Electric Lightwave, LLC (Electric Lightwave), and Allstream Business US, LLC (Allstream) (ZGL, Electric Lightwave, and Allstream, together, Licensees), and Front Range TopCo, Inc. (Front Range) (Zayo, Licensees, and Front Range, collectively, Applicants), pursuant to sections 214 and 310(d) of the Communications Act of 1934, as amended (Act),¹ the Cable Landing License Act of 1921,² and sections 1.767, 1.948, 63.03-04, 63.18, and 63.24 of the Commission's rules,³ requesting consent for the transfer of control of Zayo and the Licensees to Front Range.⁴ ZGL and Front Range also filed a petition for declaratory ruling (Petition) to permit foreign investment in Zayo above the 25 percent benchmark in section 310(b)(4) of the Act and section 1.5000(a)(1) of the Commission's rules.⁵

¹ 47 U.S.C. §§ 214, 310(d).

² 47 U.S.C. §§ 34-39; *see also* Exec. Ord. No. 10530, Sec. 5(a), reprinted as amended at 3 U.S.C. § 301 (delegating the President's authority under the Cable Landing License Act to the Commission).

³ 47 CFR §§ 1.767, 1.948, 63.03-04, 63.18, 63.24.

⁴ Joint Application of Zayo Group Holdings, Inc., Allstream Business US, LLC, Electric Lightwave, LLC, and Zayo Group, LLC for Authority Pursuant to Section 214 of the Communications Act of 1934, as Amended, to Transfer Indirect Control of Domestic and International Section 214 Authorization Holders to Front Range TopCo, Inc., WCB Docket No. 19-166 (filed June 17, 2019) (Lead Application). Applicants have also filed applications seeking Commission approval for the transfer of control of Licensees' submarine cable landing license and wireless licenses. *See* Attachment A below.

⁵ 47 U.S.C. § 310(b)(4); 47 CFR § 1.5000(a)(1).

Zayo, a publicly traded Delaware holding company, wholly owns Licensees, which are authorized to provide competitive local exchange and other services in the District of Columbia and every state except Alaska. Licensees serve primarily carrier and enterprise customers requiring bandwidth-intensive services over regional and metropolitan fiber networks. Licensees also hold international section 214 authority. ZGL is a licensee on the AmeriCan-1 submarine cable.

Front Range, a Delaware holding company, was created for purposes of the proposed transaction to aggregate the ownership of various investment and co-investment vehicles ultimately managed by (i) affiliates of EQT AB (EQT), a Swedish investment firm, and (ii) affiliates of Digital Colony GP, LLC (Digital Colony), a Delaware investment firm.⁶ Front Range, through several intermediate holding companies, is indirectly wholly owned by Front Range JV, LP (JV LP), a Delaware entity. JV LP, in turn, is held by a chain of U.S. and foreign investment entities ultimately controlled by EQT and Digital Colony.⁷ The general partner of JV LP is Front Range JV GP, LLC (JV GP), a Delaware entity. EQT and Digital Colony will exercise control over Front Range through a board of directors of JV GP.⁸ Applicants state that, following the consummation of the transaction, EQT Infrastructure IV Fund (EQT Fund)⁹ and the Digital Colony Partners, LP fund (DCP Fund),¹⁰ along with each of their co-investors, will each hold approximately 45.3 percent of

⁶ Front Range is affiliated with two incumbent local exchange carriers, Lumos Telephone Inc. and Lumos Telephone of Botetourt Inc., both Virginia entities serving rural Virginia. In addition, Front Range is affiliated with other providers of competitive telecommunications services operating in several states, each U.S. entities: Lumos Networks Inc., Lumos Networks of West Virginia Inc., Lumos Networks LLC, FiberNet of Ohio, LLC, FiberNet Telecommunications of Pennsylvania, LLC, FiberNet of Virginia, Inc., LMK Communications, LLC, South Carolina Telecommunications Group Holdings, LLC, South Carolina Net, Inc. d/b/a Spirit Telecom, PalmettoNet, Inc., and FRC, LLC. Applicants provide information on the type of services and service areas for each of these entities. Lead Application at 16. Applicants state that there are no enterprise building overlaps where both the Licensees and a domestic telecommunications service provider affiliate of Front Range offer lit service. Lead Application, Exh. B (Public Interest Statement) at 3.

⁷ Applicants provide a description of each of the U.S. and foreign entities in the chain of ownership that will hold a 10 percent or greater interest in JV LP, and thus Zayo and the Licensees, post-consummation, along with each of their respective citizenships and ownership percentages. Lead Application, Exh. C (Ownership Structure). Applicants also provide organizational charts depicting ownership. Lead Application, Exh. A (Current and Post-Transaction Organization Charts).

⁸ Applicants state that the board of JV GP will consist of 10 members, with four directors nominated each by EQT and Digital Colony, one director nominated by FMR, LLC (a Delaware entity that will hold 7.6 percent of the equity of Zayo post-consummation), and the tenth member, an independent non-executive Chairman, chosen by consensus between EQT and Digital Colony.

⁹ Applicants provide a description of the EQT Fund and its related entities, including general and limited partners, in their Application. Lead Application, Exh. C (Ownership Structure) at 1-3 and 9-16. Applicants state that Investor Investments Holding AB, a Swedish entity, holds a 23.23 percent interest in EQT and that Investor Investments Holding AB is ultimately indirectly wholly owned by Investor AB, also a Swedish entity. Applicants further state that Investor AB is a publicly-traded company and that no single individual holds a 10 percent or greater interest. Applicants provide a list of the board members and officers of Investor AB, who are citizens of Sweden, Canada, U.S., Great Britain, and Norway. *Id.* at 14-16.

¹⁰ Applicants provide a description of the DCP Fund and its related entities, including general and limited partners, in their Application. *Id.* at 1 and 3-9. Applicants state that Digital Bridge DCP I Carry, LLC (DCP I) and Colony DCP Holdco, LLC (DCP Holdco) each hold a 50 percent interest in Digital Colony. DCP I is wholly owned by Digital Bridge Holdings, LLC, which, in turn, is held by Marc Ganzi and Benjamin Jenkins, each U.S. citizens and each holding 42.5 percent. DCP Holdco is ultimately indirectly wholly owned by

the equity of Zayo. Applicants state that they created the ownerships structure in place above JV LP to provide the flexibility for Zayo to elect to be treated as a Real Estate Investment Trust for U.S. tax purposes.

Pursuant to the terms of the proposed transaction, Zayo will be merged with and into Front Range BidCo, Inc. (Merger Sub), a Delaware entity created for the purposes of effectuating the transaction, with Zayo continuing its existence as the surviving corporation. Zayo will transition from a publicly-traded company to a private company, and at the closing of the transaction, Licensees will become wholly-owned indirect subsidiaries of Front Range.

Applicants assert that a grant of the applications will serve the public interest, convenience, and necessity.

GENERAL INFORMATION

The applications identified 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.

Interested parties may file comments and petitions **on or before July 19, 2019**, and reply comments or oppositions to petitions **on or before July 26, 2019**. Comments may be filed using the Commission's Electronic Comment Filing System (ECFS) or by paper. All filings must be addressed to the Commission's Secretary, Office of the Secretary, Federal Communications Commission.

- **Electronic Filers:** Comments may be filed electronically by accessing ECFS at <http://apps.fcc.gov/ecfs/>.
- **Paper Filers:** Parties who choose to file by paper must file an original and one copy of each filing. Paper 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 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. All 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 9050 Junction Drive, Annapolis Junction, MD, 20701.
 - U.S. Postal Service first-class, Express, and Priority mail must be addressed to 445 12th Street, SW, Washington DC, 20554.

Colony Capital, Inc. which is a U.S. publicly-traded entity with no single shareholder holding over 10 percent. Each of these entities is a Delaware entity. Lead Application, Exh. C at 7-9.

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In addition, e-mail one copy of each pleading to each of the following:

- 1) Gregory Kwan, Competition Policy Division, Wireline Competition Bureau, gregory.kwan@fcc.gov;
- 2) David Krech and Sumita Mukhoty, International Bureau; david.krech@fcc.gov; sumita.mukhoty@fcc.gov;
- 3) Linda Ray, Broadband Division, Wireless Telecommunications Bureau; linda.ray@fcc.gov; and
- 4) Jim Bird, Office of General Counsel, jim.bird@fcc.gov.

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The proceeding in this Notice shall be treated as a “permit-but-disclose” proceeding in accordance with the Commission’s *ex parte* rules. 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 CFR § 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.¹¹ 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.

¹¹ See 47 CFR § 1.45(c).

For further information, please contact Gregory Kwan, Wireline Competition Bureau, (202) 418-1191; David Krech, International Bureau, (202) 418-7443; or Linda Ray, Wireless Telecommunications Bureau, (202) 418-0257.

ATTACHMENT A

SECTION 214 AUTHORIZATIONS

A. International

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

<u>File Number</u>	<u>Authorization Holder</u>	<u>Authorization Number</u>
ITC-T/C-20190614-00121	Allstream Business US, LLC	ITC-214-19970820-00500
ITC-T/C-20190614-00122	Electric Lightwave, LLC	ITC-214-19940415-00137
		ITC-214-19980619-00425
		ITC-214-19990729-00490
ITC-T/C-20190617-00123	Zayo Group, LLC	ITC-214-20091106-00475

B. Domestic

The Applicants filed an application to transfer control of domestic section 214 authority in connection with the proposed transaction – WC Docket No. 19-166. 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

CABLE LANDING LICENSES

<u>File Number</u>	<u>Licensee</u>	<u>License Number</u>
SCL-T/C-20190614-00018	Zayo Group, LLC	SCL-LIC-19980123-00002
		SCL-MOD-19990901-00016

SECTION 310(d) APPLICATION

The application for consent to the transfer of control of licenses under section 310(d) of the Act has been assigned the file number listed below.

¹² 47 CFR § 63.03.

WIRELESS LICENSES

<u>ULS File Number</u>	<u>Licensee</u>	<u>Lead Call Sign</u>
0008686969	Zayo Group, LLC	WQOD968

PETITION FOR DECLARATORY RULING UNDER SECTION 310(b)(4)

ZGL and Front Range (together, Petitioners) jointly request that the Commission issue a declaratory ruling, pursuant to section 310(b)(4) of the Act and section 1.5000(a)(1) of the Commission's rules, that foreign ownership of ZGL's controlling U.S. parent, Zayo, above the 25 percent benchmark in section 310(b)(4) is in the public interest. ZGL and Front Range filed the Petition in connection with the Application to transfer control of ZGL's common carrier, fixed point-to-point microwave and millimeter wave 70/80/90 GHz services licenses referenced above, ULS File No. 0008686969. As discussed above, Front Range, through several U.S.-organized holding companies, is indirectly wholly owned by Front Range JV, LP (JV LP), a Delaware entity. The equity and voting interests in JV LP are held, directly and indirectly, by a series of U.S. and foreign investment entities ultimately controlled by EQT AB (Sweden) and Digital Colony GP, LLC (U.S.). Petitioners state that EQT AB and Digital Colony GP, LLC will each exercise 45 percent of the control over Front Range and, in turn, over ZGL through the board of directors of JV GP, which is the general partner of JV LP.

According to the Petition, following the consummation of the proposed transaction, total *direct* foreign equity and voting interests in Zayo, the proposed controlling U.S. parent of ZGL, would be 0.00 percent and 0.00 percent, respectively. Petitioners estimate that total *indirect* foreign equity and voting interests in Zayo post-consummation would be 49.57 percent and 100 percent, respectively. Petitioners assert that the public interest would be served by approving the proposed foreign ownership and control of Zayo, as described in the Petition, and of the foreign individuals and entities for which Petitioners seek approval pursuant to section 1.5001(i) of the rules.

The Petition for Declaratory Ruling has been assigned File No. ISP-PDR-20190620-00004.