

December 23, 2020

Via ECFS and IBFS

Marlene H. Dortch
Secretary
Federal Communications Commission
45 L Street, N.E.
Washington, DC 20554

Re: ***Supplement to Application***

WCB Docket No. 20-407, IBFS File Nos. ITC-T/C-20201202-00196 through -00206, Application of Radiate Holdings, L.P., Transferor, Stonepeak Associates IV LLC, Transferee, and RCN Telecom Services (Lehigh) LLC et al., Authority Holders, For Consent to Transfer Indirect Control of Companies Holding Domestic and International Authority Pursuant to Section 214 of the Communications Act of 1934, as Amended

Dear Ms. Dortch:

Pursuant to discussion with Commission staff following the submission of the above-referenced Application, Radiate Holdings, L.P. (“Radiate Holdings” or “Transferor”), Stonepeak Associates IV LLC (“Transferee”), and the Authority Holders identified in the Application (collectively, “Applicants”) submit this letter regarding market overlap between the Authority Holders and ExteNet Systems, Inc. (“ESI”). As described below, there is no significant competitive overlap between the Authority Holders and ESI.¹

The Authority Holders form the sixth largest cable operator in the United States while also operating as telecommunications service providers in ten states and the District of Columbia. The Authority Holders offer intrastate, interstate, and international telecommunications and other services to over one million retail residential and business customers, which services include industry-leading high-speed internet, cable services, broadband products, digital TV, phone services, and fiber optic solutions. Although the Authority Holders provide some wholesale transport and dark fiber, these are not core product markets for any of the Authority Holders in any jurisdiction. Indeed, wholesale revenues account for less than three percent (3%) of the total revenues of the Authority Holders as a group.

ESI’s primary business is designing, building, owning, and operating distributed networks for use by national and regional wireless service providers in key strategic markets in North America. ESI and its subsidiaries (collectively, “ExteNet”) deploy distributed networks to enhance coverage and capacity and enable superior wireless service in both outdoor and indoor environments. Primary markets addressed by ExteNet outdoor distributed networks include a variety of densely occupied or heavily traveled settings, and venues used for sports and

¹ While ExteNet and Transferee are both ultimately under the same common control, the economic interests in ExteNet and, upon consummation of the Proposed Transaction, in the Authority Holders will be held by different funds and investors.

entertainment events, the hospitality industry, commercial buildings, and healthcare facilities. ExteNet has described itself as a “carrier’s carrier,” in that it provides point-to-point telecommunications services to its wireless service provider customers.² Unlike the Authority Holders in this proceeding, ExteNet does not serve the retail residential market.

There Is No Significant Overlap in Retail Residential or Business Markets

As described above, the Authority Holders and ExteNet generally provide services in two different product markets. The core markets for each of the Authority Holders are residential and business broadband, video, and telecommunications services delivered to the end user. ExteNet does not serve retail residential customers at all, and its retail service for business customers is a very small percentage of its revenues. Consequently, the proposed transaction will not remove a significant *retail* competitor in any market.

There Is Limited Overlap in Highly Competitive Fiber-Based Wholesale Transport Markets

With respect to *wholesale* markets, in 2017, the Commission found that the dedicated transport market and related product markets are highly competitive – a conclusion it confirmed in 2019.³ The Authority Holders do not offer significant levels of services in wholesale markets, although they do provide wholesale dedicated transport on a limited basis and some dark fiber. Even if one were to consider the geographic markets in which the Authority Holders have fiber facilities and theoretically could provide wholesale transport services on more than the very limited extent to which they do today, the Authority Holders have only minimal overlap with ExteNet. Applicants have identified the following markets as those in which the Authority Holders provide service on a facilities basis and ExteNet provides facilities-based service to other providers on a wholesale basis through “node” locations (antennas) or other network locations, such as indoor networks⁴:

Boston, MA	Austin, TX	San Francisco, CA
New York, NY	Dallas, TX	Sacramento, CA
Washington, DC	Midland/Odessa, TX	Seattle, WA
Chicago, IL	San Antonio, TX	

² Joint Application of ExteNet Systems, Inc., Transferee, Tiger Infrastructure Partners Fund LP, Transferor, and Hudson Fiber Network Inc., Licensee, for Grant of Authority to Transfer Indirect Control, WC Docket No. 18-194 (filed June 12, 2018).

³ See *Business Data Services in an Internet Protocol Environment*, 32 FCC Rcd. 3459, ¶¶ 83-85 (2017) (the FCC concluded that “the marketplace for packet-based business data services is competitive,” “incumbent LEC market power [in TDM-based DS1 and DS3 markets] has been in many cases largely eliminated, and elsewhere is declining thanks to increased competition in business data services markets,” and “TDM-based transport is competitive”); *Business Data Services in an Internet Protocol Environment*, 34 FCC Rcd. 5767 (2019) (confirming finding of competitive markets).

⁴ As stated in the Application, ExteNet holds authorizations to provide intrastate telecommunications services in the District of Columbia and every state except Alaska, Maine, North Dakota, Vermont, and Wyoming.

ExteNet has no geographic overlap at all with the areas that the Authority Holders serve in Pennsylvania and Oregon.

Notably, there is an abundance of large, nationwide competitors for fiber-based transport and distributed networks services in each such metropolitan market, including Crown Castle International Corp. (a Fortune 500 company), Mobilitie, Boingo, American Tower, InSite Wireless (pending acquisition by American Tower), and Zayo Group LLC. It also competes regionally with ZenFI (NY/NJ), Uniti (Southeast U.S.) and Everstream (Midwest U.S.). Many smaller fiber owners are also entering this market. Additionally, the wireless carriers—the ultimate customers in this market segment—often self-perform, as they have in building out much of their initial 5G networks. The proposed transaction thus will not remove a significant actual competitor for wholesale customers of the fiber transport or distribution services that ExteNet provides in any market.

Furthermore, the dark fiber markets are highly competitive in all of the jurisdictions in which there is overlap between ExteNet and the Authority Holders. Competitors in the dark fiber market include ILECs, large cable companies, and competitive telecommunications providers.

Attachment A hereto provides a non-exhaustive list of potential competitors in the markets identified above, many of which are much larger and have more capital than the Authority Holders and ExteNet. As that attachment shows, competition will continue to flourish in these markets after the Proposed Transaction is consummated.

For the foregoing reasons, there is no significant competitive overlap between ExteNet and the Authority Holders in the Proposed Transaction in any retail or wholesale product or geographic market, and grant of the Application will have no detrimental impact on competition in any relevant market.

Marlene H. Dortch
December 23, 2020
Page 4 of 4

Sincerely yours,

/s/ William M. Wiltshire

William M. Wiltshire
Michael D. Nilsson
H. Henry Shi
HARRIS, WILTSHIRE & GRANNIS LLP
1919 M Street, N.W.
8th Floor
Washington, DC 20036-3537
Tel: (202) 730-1350
Email: wwiltshire@hwglaw.com
mnilsson@hwglaw.com
hshi@hwglaw.com

Counsel for Transferee

/s/ Edward A. Yorkgitis, Jr.

Edward A. Yorkgitis, Jr.
Winafred R. Brantl
KELLEY DRYE & WARREN, LLP
3050 K St., NW
Suite 400
Washington, DC 20007
Tel: (202) 342-8400
Email: cyorkgitis@kelleydrye.com
wbrantl@kelleydrye.com

Michael R. Dover
KELLEY DRYE & WARREN, LLP
333 West Wacker Drive
Suite 2600
Chicago, IL 60606
Tel: (312) 857-7087
Email: mdover@kelleydrye.com

Counsel to Transferor and Authority Holders

**ATTACHMENT A
POTENTIAL FIBER COMPETITORS IN OVERLAP MARKETS**

Boston, MA	New York, NY	Washington, DC	Chicago, IL	San Francisco, CA	Sacramento, CA
Cogent	Cogent	Cogent	Cogent	Charter	Charter
Comcast	Crown Castle	Comcast	Comcast	Cogent	Cogent
Crown Castle	GTT	Crown Castle	Crown Castle	Comcast	Comcast
GTT	Level 3	Fiberlight	GTT	Crown Castle	Consolidated Communications
Level 3	Lightpath	GTT	Level 3	GTT	Crown Castle
Lumen	Lumen	Level 3	Lumen	Level 3	Level 3
Telia Carrier	Telia Carrier	Lumen	Telia Carrier	Lumen	Lumen
Verizon	Uniti Fiber	Telia Carrier	Uniti Fiber	Telia Carrier	Telia Carrier
Windstream	Verizon	Uniti Fiber	Verizon	Uniti Fiber	Uniti Fiber
Zayo	Zayo	Verizon	Windstream	Verizon	Verizon
		Windstream	Zayo	Zayo	Zayo
		Zayo			

Austin, TX	Dallas, TX	Midland/Odessa, TX	San Antonio, TX	Seattle, WA
Alpheus	Alpheus	Fiberlight	Alpheus	Cogent
Cogent	Cogent	Suddenlink	Cogent	Comcast
Comcast	Comcast	Uniti Fiber	Comcast	Crown Castle
Fiberlight	Consolidated Communications		Conterra	GTT
GTT	Conterra		Fiberlight	Level 3
Level 3	Fiberlight		Level 3	Lightspeed
Lumen	GTT		Lumen	Lumen
Telia Carrier	Level 3		Telia Carrier	Verizon
Uniti Fiber	Lumen		Uniti Fiber	Zayo
Verizon	Telia Carrier		Verizon	
Zayo	Unite Private Networks		Windstream	
	Uniti Fiber		Zayo	
	Verizon			
	Windstream			
	Zayo			