



PUBLIC NOTICE

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DA 15-189
February 10, 2015

DOMESTIC SECTION 214 AUTHORIZATION GRANTED

Domestic Section 214 Application Filed for the Transfer of Control of Expereo USA, Inc. to CETP III Expereo S.á.r.l.

WC Docket No. 14-134

On August 18, 2014, Expereo Holding B.V. (Expereo Holding) and CETP III Expereo S.á.r.l. (CETP III) (together, Applicants) filed an application pursuant to section 63.03 of the Commission's rules to transfer control of Expereo USA, Inc. (Expereo USA) to CETP III.¹ Expereo USA, a Delaware corporation, is a wholly owned subsidiary of Expereo Holding, a company organized under the laws of the Netherlands. Expereo USA provides broadband and competitive telecommunications services to carrier customers in California, New York, and Virginia. CETP III is a limited liability company incorporated under the laws of Luxembourg and does not provide telecommunications services.

On October 8, 2014, the Bureau released a Public Notice requesting comment on this application.² On October 22, 2014, the Department of Justice (DOJ), on behalf of the Department of Homeland Security (DHS) and the Department of Defense (DOD), filed a letter requesting that the Commission defer action on this proceeding while DHS and DOD completed their review of any national security, law enforcement, and public safety issues.³ The Bureau deferred action on the application in response to the request.⁴ On February 9, 2015, DOJ, including the Federal Bureau of Investigation, with the concurrence of DHS and DOD (collectively, the Agencies) filed a letter stating that they officially withdraw the request to defer action and have no objection to the application.⁵

¹ 47 C.F.R. § 63.03; *see* 47 U.S.C. § 214. On September 5, 2014, the Wireline Competition Bureau (Bureau) granted Applicants' request for special temporary authority (STA) to close the transaction immediately to avoid disruption of service to customers. The STA is effective for 180 days. Letter from Michael P. Donahue, Counsel for Applicants, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 14-134 (filed Sept. 4, 2014).

² Domestic Section 214 Application Filed for the Transfer of Control of Expereo USA, Inc. to CETP III Expereo S.á.r.l., WC Docket No. 14-134, Public Notice, DA 14-1466 (Wireline Comp. Bur. 2014).

³ *See* Letter from Kristin Taylor, U.S. Department of Justice, to Marlene H. Dortch, FCC, WC Docket No. 14-134 (filed Oct. 22, 2014).

⁴ *Notice of Removal of Domestic Section 214 Application from Streamlined Treatment*, WC Docket No. 14-134, Public Notice, DA 14-1566 (Wireline Comp. Bur. 2014).

⁵ *See* Letter from Kristin Taylor, U.S. Department of Justice, to Marlene H. Dortch, FCC, WC Docket No. 14-134 (filed Feb. 9, 2015).

The Bureau finds, upon consideration of the record, that grant of the application will serve the public interest, convenience, and necessity. Upon consummation of the transaction, the resulting entity will have a market share in the U.S. interstate interexchange market of less than 10 percent, and will provide competitive telephone exchange services or exchange access services exclusively in geographic areas served by a dominant local exchange carrier in the U.S. that is not a party to the transaction. In addition, no party to the transaction is dominant with respect to any domestic service.

Consistent with Commission precedent, the Bureau accords the appropriate level of deference to the Agencies' expertise on national security and law enforcement issues.⁶ Therefore, pursuant to section 214 of the Communications Act of 1934, as amended, 47 U.S.C. § 214, and section 0.291 of the Commission's rules, 47 C.F.R. § 0.291, the Bureau hereby grants the application discussed in this Public Notice.

Pursuant to section 1.103 of the Commission's rules, 47 C.F.R. § 1.103, the grant is effective upon release of this Public Notice. Petitions for reconsideration under section 1.106 or applications for review under section 1.115 of the Commission's rules, 47 C.F.R. §§ 1.106, 1.115, may be filed within 30 days of the date of this Public Notice.

For further information, please contact Jodie May at (202) 418-0913, Competition Policy Division, Wireline Competition Bureau.

⁶ The Commission considers national security, law enforcement, foreign policy, and trade policy concerns when analyzing a transfer of control or assignment application in which foreign ownership is an issue. *See Amendment of the Commission's Regulatory Policies to Allow Non-U.S. Licensed Satellites Providing Domestic and International Service in the United States*, Report and Order, 12 FCC Rcd 24094, 24170-72, paras. 178-82 (1997); *Rules and Policies on Foreign Participation in the U.S. Telecommunications Market*, Report and Order and Order on Reconsideration, 12 FCC Rcd 23891, 23919-21, paras. 61-66 (1997) (*Foreign Participation Order*), Order on Reconsideration, 15 FCC Rcd 18158 (2000). In assessing the public interest, the Commission considers the record and accords the appropriate level of deference to Executive Branch expertise on national security and law enforcement issues. *See Foreign Participation Order*, 12 FCC Rcd at 23919-21, paras. 61-66.