



PUBLIC NOTICE

Federal Communications Commission
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DA 16-1100
September 28, 2016

**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.**

NON-STREAMLINED PLEADING CYCLE ESTABLISHED

WC Docket No. 16-266

Comments Due: October 12, 2016
Reply Comments Due: October 19, 2016

ATN International, Inc. (ATN International) and OHCP Northeastern Fiber Buyer, Inc. (OHCP Buyer) (together, Applicants) filed an application pursuant to section 214 of the Communications Act of 1934, as amended, and section 63.03 of the Commission's rules, requesting consent to transfer control of Sovernet, Inc. (Sovernet), ION Holdco, LLC (ION Holdco), Sovernet Fiber Corp. (Sovernet Fiber), and National Mobile Communications Corporation (NMCC) from ATN International to OHCP Buyer.¹

ATN International, a Delaware corporation, does not provide domestic telecommunications services. ATN's subsidiaries and affiliates offer domestic fixed and mobile wireless voice and consumer broadband Internet access services in the U.S. Virgin Islands, Arizona, California, Colorado, Montana, Nebraska, Nevada, New Mexico, Texas, Utah, and Wyoming, and domestic interstate, intrastate, and local exchange services in the U.S. Virgin Islands. Applicants state that ION Holdco provides wholesale and retail private line services in Vermont, New York, and Pennsylvania. Sovernet Fiber provides private line, wide area networking and data transport services in Vermont, southwestern New Hampshire, and northwestern Massachusetts. NMCC provides fixed local exchange and exchange access services and long-distance voice services in Vermont and New Hampshire using a mix of fiber-based and copper-based plant. All four entities that are being transferred to OHCP Buyer are owned and controlled by Sovernet Holding Corporation (Sovernet Holding), a Delaware corporation that is currently controlled by ATN International.

¹ See 47 U.S.C. § 214; 47 C.F.R. § 63.03. Applicants also filed applications for the transfer of authorizations associated with international services. Any action on this domestic section 214 application is without prejudice to Commission action on other related, pending applications. Applicants filed a supplement to their original application on September 20, 2016. Letter from Patrick S. Campbell and Craig Gilley, Counsel to the Applicants, to Marlene H. Dortch, FCC, WC Docket No. 16-266 (filed Sept. 20, 2016) (Sept. 20 Supplement).

OHCP Buyer, a Delaware corporation, does not provide telecommunications services, but it is affiliated with the following domestic telecommunications providers: Astound, which provides telecommunications services in California, Oregon and Washington; Metronet Holdings LLC, a fiber company providing services in Indiana and Illinois; and Intermedia.net, Inc., a hosted exchange and PBX company providing services nearly nationwide. Applicants note that OHCP Buyer previously filed pending domestic 214 applications for the transfer of control of TVC Albany, Inc. (TVC) and SegTEL, Inc. (together, FirstLight) to OHCP Buyer and the Oxford Companies (Oxford) to OHCP Buyer.² Applicants contend that FirstLight/Oxford and Sovernet have largely complimentary fiber networks, however, they state that their service areas overlap in some areas of New Hampshire, New York, Massachusetts, and Vermont.³

Applicants state that, post-transaction, OHCP Buyer will be predominantly owned and controlled by various private equity funds formed in the Cayman Islands for investment purposes, specifically Oak Hill Capital Partners IV (Management), L.P., Oak Hill Capital Partners IV (Onshore), L.P., Oak Hill Capital Partners IV (Onshore Tax Exempt), L.P., Oak Hill Capital Partners IV (Offshore) IV, L.P., and Oak Hill Capital Partners IV (Offshore 892), L.P. (collectively, the Oak Hill IV Funds, which will hold approximately 85 percent of OHCP Buyer). Applicants state that these funds are all ultimately controlled by OHCP MGP IV, Ltd. (MGP IV), the voting members of which are all U.S. citizens.⁴

Pursuant to the Stock Purchase Agreement by and among ATN International, OHCP Buyer, and Sovernet Holding, dated as of August 4, 2016, OHCP Buyer will acquire one hundred percent of the outstanding shares of Sovernet Holding. Applicants state that before closing of the proposed transaction, assuming the approval and consummation of the FirstLight transaction, OHCP Buyer will assign its rights under the Agreement to TVC. As a result of the proposed transaction, Sovernet Holding will become a direct, wholly owned subsidiary of TVC, and an indirect, wholly owned subsidiary of OHCP Buyer.

Applicants state that the proposed transaction is in the public interest. Applicants contend that the proposed transaction will enhance Sovernet Holding's finances and access to capital, which will allow it to "innovate and provide ever-more sophisticated advanced network services to Vermont, New Hampshire, New York, Massachusetts, and Pennsylvania customers and businesses, which will in turn advance the telecommunications and information infrastructure of these states and their economic

² See *Domestic Section 214 Application Granted for the Transfer of Control of TVC Albany, Inc. and segTEL, Inc. to OHCP Northeastern Fiber Buyer, Inc.*, WC Docket No. 16-107, Public Notice, DA 16-980 (WCB 2016); *Domestic Section 214 Application Filed for the Transfer of Control of Oxford Networks Holdings, Inc. to OHCP Northeastern Fiber Buyer, Inc.*, WC Docket No. 16-222, Public Notice, DA 16-799 (WCB 2016).

³ Sept. 20 Supplement at 1-4. Applicants assert that there is no "material" overlap in Massachusetts as Sovernet has very little business presence there.

⁴ Applicants describe that the following entities hold a ten percent or greater interest in the Oak Hill IV Funds: Ohio Public Employees Retirement System (16.6%) and FW Oak Hill Limited IV, L.P. (FW Limited IV) (13.3%). The sole general partner of FW Limited IV is FW Oak Hill Limited Genpar IV, LLC, a Delaware limited liability company. The sole member of FW Oak Hill Limited Genpar IV, LLC is FW GP Holdco, LLC, a Delaware limited liability company. The sole member of FW GP Holdco, LLC is Jay H. Hebert, a U.S. citizen. Applicants state that control of the Oak Hill IV Funds is vested in the following Cayman Islands entities: OHCP GenPar IV, L.P. and MGP IV. Applicants describe that the shares in MGP IV are distributed equally among the following thirteen individuals, each of whom is a U.S. citizen: J. Taylor Crandall, Steven B. Gruber, Tyler J. Wolfram, Scott A. Baker, Brian N. Cherry, Benjamin Diesbach, Stratton R. Heath, III, Scott B. Kauffman, Kevin M. Mailender, John R. Monsky, William J. Pade, Steven G. Puccinelli, and David S. Scott.

health.”⁵ Applicants further assert that the proposed transaction, along with the FirstLight/Oxford transactions, will promote competition and allow the combined companies to better serve large regional business and telecommunications customers. Applicants do not request streamlined treatment.

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., WC Docket No. 16-266 (filed Aug. 18, 2016).

GENERAL INFORMATION

The transfer of control identified herein has been found, upon initial review, to be acceptable for filing as a non-streamlined application. The Commission reserves the right to return any transfer application if, upon further examination, it is determined to be defective and not in conformance with the Commission’s rules and policies. Pursuant to Section 63.03(a) of the Commission’s rules, 47 CFR § 63.03(a), interested parties may file comments **on or before October 12, 2016**, and reply comments **on or before October 19, 2016**. Pursuant to Section 63.52 of the Commission’s rules, 47 C.F.R. § 63.52, commenters must serve a copy of comments on the Applicants no later than the above comment filing date.

Pursuant to Section 63.03 of the Commission’s rules, 47 CFR § 63.03, parties to this proceeding should file any documents in this proceeding using the Commission’s Electronic Comment Filing System (ECFS): <http://apps.fcc.gov/ecfs/>.

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

- 1) Myrva Freeman, Competition Policy Division, Wireline Competition Bureau, myrva.freeman@fcc.gov;
- 2) Dennis Johnson, Competition Policy Division, Wireline Competition Bureau, dennis.johnson@fcc.gov;
- 3) Jim Bird, Office of General Counsel, jim.bird@fcc.gov;
- 4) David Krech, International Bureau, david.krech@fcc.gov;
- 5) Sumita Mukhoty, International Bureau, sumita.mukhoty@fcc.gov.

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).

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

⁵ *Id.* at 19-20.

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.

For further information, please contact Myrva Freeman at (202) 418-1506 or Dennis Johnson at (202) 418-0809.

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