



PUBLIC NOTICE

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DA 16-1443
December 22, 2016

**DOMESTIC SECTION 214 APPLICATION FILED FOR THE
TRANSFER OF CONTROL OF THE SUBSIDIARIES OF
ELECTRIC LIGHTWAVE PARENT, INC. TO ZAYO GROUP, LLC**

NON-STREAMLINED PLEADING CYCLE ESTABLISHED

WC Docket No. 16-401

Comments Due: January 5, 2017
Reply Comments Due: January 12, 2017

Electric Lightwave Parent, Inc. (EL Parent) and Zayo Group, LLC (Zayo) (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 the operating subsidiaries of EL Parent (collectively, Licensees) to Zayo.¹

EL Parent, a privately held Delaware corporation, functions as a holding company and does not, itself, provide telecommunications services. The Licensees, all U.S.-based, operate primarily as competitive telecommunications carriers in Arizona, California, Colorado, Idaho, Minnesota, Montana, Nevada, North Dakota, Oregon, Utah, and Washington.² One of the Licensees, Scott-Rice Telephone Co.

¹ See 47 U.S.C. § 214; 47 CFR § 63.03. Joint Application of Zayo Group, LLC and Electric Lightwave Parent, Inc. for Grant of Authority Pursuant to Section 214 of the Communications Act and Sections 63.04 and 63.24 of the Commission's Rules to Transfer Indirect Control of Domestic and International Section 214 Authorization Holders to Zayo Group, LLC, WC Docket No. 16-401 (filed Dec. 9, 2016) (Application). Any action on the domestic section 214 application is without prejudice to Commission action on other related, pending applications. Applicants filed supplements to their domestic section 214 application on December 20 and 21, 2016. Supplement to Joint Application, WC Docket No. 16-401 (filed Dec. 20, 2016) (First Supplement); Letter from Brett P. Ferenchak, Counsel for Zayo, and Douglas Denney, Counsel for EL Parent, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 16-401 (filed Dec. 21, 2016) (Second Supplement).

² Applicants identified the following Licensees and described their service territories in the Application: Advanced TelCom, Inc., Electric Lightwave, LLC, Electric Lightwave Holdings, Inc., Eschelon Telecom, Inc., Eschelon Telecom of Arizona, Inc., Eschelon Telecom of Colorado, Inc., Eschelon Telecom of Minnesota, Inc., Eschelon Telecom of Nevada, Inc., Eschelon Telecom of Oregon, Inc., Eschelon Telecom of Utah, Inc., Eschelon Telecom of Washington, Inc., Integra Telecom of Idaho, Inc., Integra Telecom of Minnesota, Inc., Integra Telecom of North Dakota, Inc., Integra Telecom of Oregon, Inc., Integra Telecom of Utah, Inc., Integra Telecom of Washington, Inc., Mountain Telecommunications of Arizona, Inc., OneEighty Communications, Inc., opticAccess, LLC, Oregon

(SRTC), is an incumbent local exchange carrier (LEC) serving the Prior Lake, New Market, and Webster exchanges in Minnesota, and also provides cable services in certain communities in Scott County, Minnesota. Overall, Applicants state that Licensees' network has approximately 12,500 fiber route miles, and that they provide fiber to approximately 3,669 buildings.³

Zayo, a Delaware limited liability company, is a wholly owned subsidiary of Zayo Group Holdings, Inc. (Holdings), a publicly traded Delaware corporation. Zayo is authorized to provide competitive LEC and interexchange services in the District of Columbia and every state except Alaska and Hawaii. Applicants state that Zayo does not provide voice services and that its primary telecommunications service offerings are high-capacity bandwidth services.⁴ It provides fiber to approximately 25,768 buildings and has approximately 81,300 fiber route miles.⁵ Applicants report that GTCR Partners X/A&C LP, a Delaware limited partnership, has an approximate 18.70 percent indirect interest in Holdings.⁶ They state that GTCR Investment X LLC, a Delaware limited liability company, has an approximate 18.79 percent indirect interest in Holdings as the general partner of GTCR Partners X/A&C LP.⁷ According to Applicants, Zayo's affiliate, Onvoy, LLC, provides certain telecommunications services in the incumbent LEC territory of SRTC.⁸ Because of the overlapping service territories, we do not accept the Application for filing under our presumptive streamlined procedures.⁹

Telecom, Inc., Scott-Rice Telephone Co., Shared Communications Services, Inc., United Communications, Inc., and World Communications, Inc. Application at 14-16 and Exh. A.

³ First Supplement at 1, 3.

⁴ Application at 16.

⁵ First Supplement at 1, 3. Applicants state that Zayo and Licensees both provide fiber to approximately 419 buildings and assert that there are multiple competitors, including the incumbent LEC and a cable company, serving the markets in which the companies overlap: Bay Area, CA, Boise, ID, Phoenix AZ, Portland, OR, Sacramento, CA, Salt Lake City, UT, Seattle, WA, and Spokane WA. *Id.* at 2-3; Second Supplement at 1.

⁶ Application at 7-8.

⁷ *Id.* Applicants state that the following U.S. citizens are members of the board of managers of GTCR Investment X LLC: Mark M. Anderson, Craig A. Bondy, Philip A. Canfield, David A. Donnini, Constantine S. Mihos, Collin E. Roche, Sean L. Cunningham, and Aaron D. Cohen. *Id.* at 8. Through GTCR Investment X, LLC, Zayo is currently affiliated with the following domestic telecommunications service providers: (1) Telecommunications Management, LLC, which through its subsidiaries, Ultra Communications Group LLC and Avenue Broadband Communications LLC, provides cable, broadband, and interconnected Voice over Internet Protocol services to residential and commercial customers in parts of Missouri, Indiana, Illinois, Mississippi, Louisiana, Arkansas, and Texas; and (2) Onvoy, LLC and its subsidiaries, which provide or are authorized to provide competitive LEC and/or interexchange services in every state and the District of Columbia. *Id.* at 16.

⁸ Applicants state that Onvoy, LLC does not currently provide retail telecommunications services in the territory of SRTC but provides operator services, busy line verification, directory assistance, and access tandem services. Second Supplement at 1.

⁹ See 47 CFR § 63.03(b)(2)(ii) (allowing presumptive streamlining where the applicants are a dominant carrier and a non-dominant carrier that "provides service exclusively outside the geographic area where the dominant carrier is dominant").

Pursuant to the terms of the agreement by and among Zayo, ZELMS, Inc. (a direct, wholly owned subsidiary of Zayo created for purposes of this transaction) (Merger Sub), EL Parent, and Fortis Advisors LLC, as the “Equityholder Representative,” Zayo will acquire all of the outstanding equity interests in EL Parent.¹⁰ Specifically, Applicants state that Merger Sub will merge with and into EL Parent, whereupon the separate existence of Merger Sub will cease, and EL Parent will be the surviving corporation.¹¹ As a result, EL Parent will become a direct, wholly owned subsidiary of Zayo.¹² Licensees will remain indirect subsidiaries of EL Parent, and, therefore, Licensees will become indirect subsidiaries of Zayo.¹³

Applicants assert that this proposed transaction is in the public interest. They state that the Licensees will gain access to additional resources of Zayo and be able to offer services to multi-location and enterprise customers across a larger fiber footprint and become more effective competitors to larger incumbent providers.¹⁴

Domestic Section 214 Application Filed for the Transfer of Control of the Subsidiaries of Electric Lightwave Parent, Inc. to Zayo Group, LLC, WC Docket No. 16-401 (filed Dec. 9, 2016).

GENERAL INFORMATION

The transfer of control identified herein has been found, upon initial review, to be acceptable for filing. 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 January 5, 2017**, and reply comments **on or before January 12, 2017**. Pursuant to section 63.52 of the Commission’s rules, 47 CFR. § 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 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) Tracey Wilson, Competition Policy Division, Wireline Competition Bureau, tracey.wilson@fcc.gov;

¹⁰ Application at 2-3.

¹¹ *Id.*

¹² *Id.*

¹³ *Id.*

¹⁴ *Id.* at 17-18.

- 2) Dennis Johnson, Competition Policy Division, Wireline Competition Bureau, dennis.johnson@fcc.gov;
- 3) David Krech and Sumita Mukhoty, Policy Division, International Bureau, david.krech@fcc.gov; sumita.mukhoty@fcc.gov;
- 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.

For further information, please contact Tracey Wilson at (202) 418-1394 or Dennis Johnson at (202) 418-0809.

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