



PUBLIC NOTICE

Federal Communications Commission
445 12th St., S.W.
Washington, D.C. 20554

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Internet: <http://www.fcc.gov>
TTY: 1-888-835-5322

DA 17-1226
December 19, 2017

DOMESTIC SECTION 214 APPLICATION FILED FOR THE TRANSFER OF CONTROL OF SPREAD TELECOMMUNICATIONS, LLC TO ZAYO GROUP, LLC

STREAMLINED PLEADING CYCLE ESTABLISHED

WC Docket No. 17-350

Comments Due: January 2, 2018
Reply Comments Due: January 9, 2018

By this Public Notice, the Wireline Competition Bureau (Bureau) seeks comment from interested parties on an application (Application) filed by Spread Telecommunications, LLC (Spread), Barksdale Communications, LLC (Barksdale), and Zayo Group, LLC (Zayo) (collectively, Applicants), pursuant to section 214 of the Communications Act of 1934, as amended, and sections 63.03-04 of the Commission's rules, requesting approval for the transfer of control of Spread from Barksdale to Zayo.¹

Spread, a Mississippi limited liability company, is a direct, wholly owned subsidiary of Spread Holdings, LLC (Spread Holdings), also a Mississippi limited liability company. The subsidiaries of Spread Holdings (collectively, Spread Networks), including Spread, built a fiber network between New York City and Chicago over which Spread provides competitive telecommunications services in Illinois, New Jersey, New York, Ohio, and Pennsylvania. Barksdale is a privately held Mississippi holding company whose principal business is its investment in Spread Holdings.

Zayo, a wholly owned subsidiary of Zayo Group Holdings, Inc. (Zayo Holdings), provides primarily competitive telecommunications in the District of Columbia and every state except Alaska and Hawaii over regional and metropolitan fiber networks.² Zayo has one subsidiary, Scott-Rice Telephone

¹ See 47 U.S.C. § 214; 47 CFR §§ 63.03-04. Applicants also filed applications for the transfer of authorizations associated with international and wireless 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 domestic section 214 application on December 15, 2017.

² A complete description of Zayo's operating subsidiaries, the services they provide, and the areas in which they provide service is available in the Application. See Application at 16-17.

Co., that is an incumbent local exchange carrier in Minnesota. Zayo Holdings is a publicly traded company.³

Pursuant to the Agreement and Plan of Merger, by and among Zayo, SNMS, LLC (Merger Sub), a direct, wholly owned subsidiary of Zayo created for purposes of the merger, Spread Holdings, and Barksdale, Zayo will acquire all of the outstanding equity interests in Spread Holdings. Specifically, Merger Sub will merge with and into Spread Holdings, with Spread Holdings surviving as a direct, wholly owned subsidiary of Zayo. Spread will remain a direct, wholly owned subsidiary of Spread Holdings and, therefore, Spread will become an indirect, wholly owned subsidiary of Zayo.

Applicants state that Zayo and Spread Networks both provide competitive telecommunications services to wholesale and enterprise customers in the Chicago and New York City/New Jersey metro areas. Applicants assert that the proposed transaction is entitled to presumptive streamlined treatment under section 63.03(b)(2)(ii) of the Commission's rules and that a grant of the application will serve the public interest, convenience, and necessity.⁴

Domestic Section 214 Application Filed for the Transfer of Control of Spread Telecommunications, LLC to Zayo Group, LLC, WC Docket No. 17-350 (filed Dec. 6, 2017).

GENERAL INFORMATION

The transfer of control identified herein has been found, upon initial review, to be acceptable for filing as a 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 January 2, 2018**, and reply comments **on or before January 9, 2018**. 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. Unless otherwise notified by the Commission, the Applicants may transfer control on the 31st day after the date of this notice.

Pursuant to section 63.03 of the Commission's rules, 47 CFR § 63.03, parties to this proceeding should file any documents 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:

³ GTCR Partners X/A&C LP, a U.S. entity, holds approximately a 10.9% interest in Zayo Holdings as the general partner of various funds, none of which individually hold a 10% interest. GTCR Investment X LLC, a U.S. entity, holds approximately an 11% interest in Zayo Holdings as the general partner of GTCR Partners X/A&C LP and GTCR Co-Invest X LP. The members of the board of managers of GTCR Investment X LLC are all U.S. citizens. Additional information regarding the ownership of Zayo Holdings is available in the Application. Application at 8-9.

⁴ 47 CFR § 63.03(b)(2)(ii).

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