



PUBLIC NOTICE

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

News Media Information 202 / 418-0500
Internet: <http://www.fcc.gov>
TTY: 1-888-835-5322

DA 17-972
Released: October 5, 2017

NOTICE OF NON-STREAMLINED DOMESTIC 214 APPLICATION GRANTED

WC Docket No. 17-204

By this Public Notice, the Wireline Bureau Competition Bureau (Bureau) grants, pursuant to Section 214 of the Communications Act of 1934, as amended, 47 U.S.C. § 214, and Sections 0.91, 0.291, and 63.03 of the Commission's rules, 47 CFR §§ 0.91, 0.291, and 63.03, the domestic wireline application filed by Crown Castle International Corp. (CCIC); LTS Group Holdings LLC (LTS Holdings); Fiber Technologies Networks, L.L.C. (Fibertech), Lightower Fiber Networks I, LLC (LFN I), and Lightower Fiber Networks II, LLC (LFN II) (collectively, Applicants) requesting approval for the transfer of control of Fibertech, LFN I, and LFN II (together, Licensees) to CCIC.¹ On August 23, 2017, the Bureau released a Public Notice requesting comment on the Application.² No comments were filed in opposition to a grant of the Application.

LTS Holdings and Licensees (collectively, Lightower), together, operate as a competitive provider of fiber network services to enterprise, government, carrier, and data center customers.³ Lightower's network consists of approximately 30,000 route miles, providing access to over 20,000 service locations in the Northeast, Mid-Atlantic, and Midwest United States.⁴ CCIC, a publicly traded Delaware corporation, through certain of its indirect subsidiaries, owns, operates, leases, or manages approximately 40,000 towers and rooftop sites for wireless communications equipment.⁵ Subsidiaries of Crown Castle Operating Company (CCOC), itself a subsidiary of CCIC, provide transport, back-haul, and distributed antenna system (DAS)/small cell services as well as dedicated point-to-point

¹ See 47 U.S.C. § 214; 47 CFR § 63.03. See Joint Application of Crown Castle International Corp., LTS Group Holdings, LLC and Fiber Technologies Networks, L.L.C., Lightower Fiber Networks I, LLC, and Lightower Fiber Networks II, LLC, WC 17-204 (filed Aug. 8, 2017) (Application). Applicants filed a supplement to their Application on August 21, 2017. Joint Application of Crown Castle International Corp., LTS Group Holdings, LLC and Fiber Technologies Networks, L.L.C., Lightower Fiber Networks I, LLC, and Lightower Fiber Networks II, LLC, WC 17-204, Supplement to Joint Application (filed Aug. 21, 2017) (Supplement).

² *Domestic Section 214 Application Filed for the Transfer of Control of Fiber Technologies Networks, L.L.C., Lightower Fiber Networks I, LLC, and Lightower Fiber Networks II, LLC to Crown Castle International Corp.*, Public Notice, DA 17-794 (WCB Aug. 23, 2017).

³ Application at 2.

⁴ *Id.* A complete description of states where the Licensees are authorized to provide service is listed in the Application. *Id.* at 16-17.

⁵ *Id.* at 2.

telecommunications services.⁶ Subsidiaries of CCOC deploy small cell nodes supported by approximately 29,000 route miles of fiber in the United States.⁷ Applicants also state that none of the Applicants or their affiliates provide traditional switched telecommunications services.⁸

The Bureau finds, upon consideration of the record, that grant of the Application is not likely to reduce competition or result in other public interest harms. Although Applicants have overlapping services in the Baltimore, Boston, Chicago, New York, Philadelphia, Pittsburgh, and Washington, DC metro areas, the two companies primarily provide different services to different customers, thereby lessening the likelihood of the transaction reducing competition.⁹ Applicants assert that they provide fiber-based service to only 454 of the same on-net locations, of which only 235 are enterprise locations.¹⁰ This represents approximately 1.2 percent of their combined on-net enterprise locations.¹¹ In addition, Applicants have provided information showing that, even in the overlap areas, multiple competitors providing fiber-based services are also present.¹² The Commission, moreover, has found that transactions involving providers with largely complementary service areas are less likely to result in harm to competition and may result in a stronger competitor to larger carriers and incumbents local exchange carriers (LECs).¹³

Applicants maintain that the proposed transaction is likely to result in the following public interest benefits: 1) expediting the expansion of wireless broadband infrastructure; 2) bringing Lightower's experience with high-bandwidth fiber solutions to CCIC's existing fiber subsidiaries; and 3) allowing the combined entity to provide a wider range of services to customers.¹⁴ Although we find that the transaction will likely result in some benefits to customers, because Applicants did not provide quantifiable evidence to determine the full extent of the benefits, we ascribe them only minimal weight. Consistent with the Commission's "sliding scale" approach to evaluating the public benefits of a transaction,¹⁵ we accept this lesser showing where we have found no material public interest harms.

⁶ *Id.*

⁷ *Id.* Wholly owned subsidiaries of CCOC hold authorizations to provide intrastate telecommunications services in the District of Columbia and every state except Alaska, Maine, Montana, Vermont, and Wyoming.

⁸ *Id.* at 9.

⁹ *Id.* at 3, 9; Supplement at 2-3. Applicants note that they have other overlap areas involving a smaller number of customers in other parts of the U.S. Supplement at 2, n.3.

¹⁰ Supplement at 2.

¹¹ *Id.* at 2 & n.3.

¹² Application at 8-9; Supplement at 3-4 (listing competitors in the overlap areas).

¹³ See *Implementation of Further Streamlining Measures for Domestic Section 214 Authorizations*, Report and Order, 17 FCC Rcd 5517, 5531-33, paras. 28, 30 (2002); *Applications Filed by Qwest Communications and CenturyTel, Inc. d/b/a CenturyLink for Consent to Transfer Control*, Memorandum Opinion and Order, 26 FCC Rcd 4194, 4202, para. 15 (2011) (referring to Applicants' overlapping operations and stating "[r]ather than harming competition, we believe that the combination of the Applicants' facilities in these markets could result in a stronger competitive LEC and enhance the merged company's ability to compete against the incumbent LEC."); *Applications Filed for the Transfer of Control of tw telecom inc. to Level 3 Communications, Inc.*, Memorandum Opinion and Order, 29 FCC Rcd 12842, 12847, para. 14 (WCB/IB 2014) (finding that the combination of two competitive entities with complimentary networks could be a stronger competitor to incumbent LECs and large national providers, thereby resulting in benefits for consumers).

¹⁴ Application at 5-7.

¹⁵ See *Applications of AT&T, Inc. and DIRECTV for Consent to Assign or Transfer Control of Licenses and*

Consequently, we find that the proposed transaction presents no significant competitive harms and should likely result in some public interest benefits.¹⁶

The Bureau finds, upon consideration of the record, that grant of the Application will serve the public interest, convenience, and necessity and therefore grants the requested authorization.¹⁷ Pursuant to Section 1.103 of the Commission's rules, 47 CFR § 1.103, the consent granted herein is effective upon the release of the Public Notice. Petitions for reconsideration under Section 1.106 or applications for review under Section 1.115 of the Commission's rules, 47 CFR §§ 1.106, 1.115, may be filed within 30 days of the date of this Public Notice.

For further information, please contact Myrva Charles at 202-418-1506 or Dennis Johnson at 202-418-0809, Competition Policy Division, Wireline Competition Bureau.

-FCC-

Authorizations, Memorandum Opinion and Order, 30 FCC Rcd 9131, 9238, para. 276 (2015); *Applications of Comcast Corporation, General Electric Company, and NBC Universal, Inc. for Consent to Assign Licenses and Transfer Control of Licensees*, Memorandum Opinion and Order, 26 FCC Rcd. 4238, 4331, para. 227 (2011); *Applications for Consent to the Transfer of Control of Licenses XM Satellite Radio Holdings Inc. to Sirius Satellite Radio Inc.*, 23 FCC Rcd. 12348, 12384, para. 76 (2008); *News Corporation and the DIRECTV Group, Inc. and Liberty Media Corporation for Authority to Transfer Control*, Memorandum Opinion and Order, 23 FCC Rcd. 3265, 3331, para. 141 (2008).

¹⁶ See *Applications of XO Holdings and Verizon Communications, Inc. for Consent to Transfer Control of Licenses and Authorizations*, Memorandum Opinion and Order, DA 16-1281, para. 61 (WCB/IB/WTB 2016) (finding that Verizon's acquisition of XO's fiber network would deepen and expand Verizon's fiber facilities to better serve customers).

¹⁷ 47 CFR § 63.03(b).