**DA 20-87**

**January 16, 2020**

**DOMESTIC SECTION 214 APPLICATION FILED FOR THE TRANSFER OF CONTROL OF SUBSIDIARIES OF NORTH STATE TELECOMMUNICATIONS CORPORATION**

**TO MTN INFRASTRUCTURE TOPCO, INC.**

**NON-STREAMLINED PLEADING CYCLE ESTABLISHED**

**WC Docket No. 19-393**

**Comments Due: January 30, 2020**

**Reply Comments Due: February 6, 2020**

By this Public Notice, the Wireline Competition Bureau seeks comment from interested parties on an application filed by North State Telecommunications Corporation (North State Parent) and MTN Infrastructure TopCo, Inc. (MTN Infrastructure) (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 consent to transfer control of the wholly owned subsidiaries of North State Parent (North State Subsidiaries) to MTN Infrastructure.[[1]](#footnote-3)

North State Parent, a North Carolina corporation, functions as a holding company and does not provide telecommunications services. The North State Subsidiaries consist of the following entities: (1) North State Telephone Company, which operates as an incumbent local exchange carrier (LEC) in the North Carolina exchanges of High Point, Thomasville, and Randleman; (2) North State Communications Advanced Services, LLC, which provides competitive LEC services in North Carolina; and (3) North State Communications Long Distance, LLC, which provides interexchange services in North Carolina.

MTN Infrastructure, a Delaware corporation, is a holding company created to aggregate the ownership of various investment funds ultimately managed by an affiliate of EQT AB (EQT), a publicly traded Swedish investment and holding company.[[2]](#footnote-4) Post consummation, a chain of various U.S. and foreign investment entities will own at least a 10% or greater interest in North State Parent.[[3]](#footnote-5) According to Applicants, EQT currently has two owners with a 10% or greater interest: Investor Investments Holding AB (18.55%), a Swedish entity, which is ultimately held by Investor AB, a widely-held, publicly traded Swedish company, and Bark Partners AB (15.2%), a Swedish holding company formed by several individual owners of EQT, none of whom hold a 10% or greater interest in EQT. Subsidiaries of MTN Infrastructure operate under the brand “SEGRA,” which owns and operates a fiber network of more than 23,000 miles throughout nine Mid-Atlantic and Southeastern states. Applicants state that SEGRA’s service area overlaps with North State Telephone Company’s incumbent LEC service area. MTN Infrastructure’s subsidiaries also include two incumbent LECs in Virginia, Lumos Telephone Inc. and Lumos Telephone of Botetourt Inc.

Pursuant to the terms of the proposed Agreement and Plan of Merger between MTN Infrastructure, Panther Parent Inc., and Panther Merger Sub Inc. (Merger Sub),[[4]](#footnote-6) and North State Parent, MTN Infrastructure (indirectly through Panther Parent Inc.) will acquire all of the outstanding common stock of North State Parent. Specifically, Merger Sub will merge with and into North State Parent, whereupon the separate existence of Merger Sub will cease, and North State Parent will be the surviving corporation. Applicants assert that the proposed transaction would serve the public interest, convenience, and necessity. Because of the overlap Applicants identify, the proposed transaction does not qualify for presumptive streamlined treatment under the Commission’s rules.[[5]](#footnote-7)

Domestic Section 214 Application Filed for the Transfer of Control of Subsidiaries of North State Telecommunications Corporation to MTN Infrastructure TopCo, Inc., WC Docket No. 19-393 (filed Dec. 20, 2019).

**GENERAL INFORMATION**

The application identified herein has been found, upon initial review, to be acceptable for filing. The Commission reserves the right to return any application if, upon further examination, it is determined to be defective and not in conformance with the Commission’s rules and policies.

Interested parties may file comments and petitions **on or** **before January 30, 2020,** and reply comments or oppositions to petitions **on or before February 6, 2020**. Comments may be filed using the Commission’s Electronic Comment Filing System (ECFS) or by paper.  All filings must be addressed to the Commission’s Secretary, Office of the Secretary, Federal Communications Commission.

* Electronic Filers:  Comments may be filed electronically by accessing ECFS at <http://apps.fcc.gov/ecfs/>.
* Paper Filers:  Parties who choose to file by paper must file an original and one copy of each filing.  Paper filings can be sent by hand or messenger delivery, by commercial overnight courier, or by first-class or overnight U.S. Postal Service mail.
  + All hand-delivered or messenger-delivered paper filings for the Commission’s Secretary must be delivered to FCC Headquarters at 445 12th St., SW, Room TW-A325, Washington, DC, 20554.  The filing hours are 8:00 a.m. to 7:00 p.m.  All hand deliveries must be held together with rubber bands or fasteners.  All envelopes and boxes must be disposed of before entering the building.
  + Commercial overnight mail (other than U.S. Postal Service Express Mail and Priority Mail) must be sent to 9050 Junction Drive, Annapolis Junction, MD, 20701.
  + U.S. Postal Service first-class, Express, and Priority mail must be addressed to 445 12th Street, SW, Washington DC, 20554

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**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](mailto:tracey.wilson@fcc.gov);
2. Dennis Johnson, Competition Policy Division, Wireline Competition Bureau, [dennis.johnson@fcc.gov](mailto:gregory.kwan@fcc.gov);
3. Sumita Mukhoty, Policy Division, International Bureau, [smita.mukhoty@fcc.gov](mailto:smita.mukhoty@fcc.gov);
4. David Krech, Policy Division, International Bureau, [david.krech@fcc.gov](mailto:david.krech@fcc.gov); and
5. Jim Bird, Office of General Counsel, [jim.bird@fcc.gov](mailto: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.

To allow the Commission to consider fully all substantive issues regarding the application in as timely and efficient a manner as possible, petitioners and commenters should raise all issues in their initial filings. New issues may not be raised in responses or replies.[[6]](#footnote-8) A party or interested person seeking to raise a new issue after the pleading cycle has closed must show good cause why it was not possible for it to have raised the issue previously. Submissions after the pleading cycle has closed that seek to raise new issues based on new facts or newly discovered facts should be filed within 15 days after such facts are discovered. Absent such a showing of good cause, any issues not timely raised may be disregarded by the Commission.

For further information, please contact Tracey Wilson at (202) 418-1394 or Dennis Johnson at (202) 418-1191.

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1. *See* 47 U.S.C. § 214; 47 CFR §§ 63.03-04. Applicants are also filing applications for the transfer of authorizations associated with international services and cable television services. Any action on this 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 January 14, 2020 and January 16, 2020. Letter from Joshua Bobeck, Counsel for MTN Infrastructure, to Marlene H. Dortch, Secretary, FCC (filed Jan. 14, 2020) (on file in WC Docket No. 19-393); Letter from Joshua Bobeck, Counsel for MTN Infrastructure, to Marlene H. Dortch, Secretary, FCC (filed Jan. 16, 2020) (on file in WC Docket No. 19-393). [↑](#footnote-ref-3)
2. MTN Infrastructure does not itself provide telecommunications services. EQT is an investor involved in another transaction pending before the Commission. *Applications Filed for the Transfer of Control of Zayo Group, LLC, Electric Lightwave, LLC, and Allstream Business US, LLC to Front Range TopCo, Inc.*, WC Docket No. 19-166, Public Notice, DA 19-629 (WCB, IB, WTB 2019). [↑](#footnote-ref-4)
3. Applicants provide in Exhibits B and C to their domestic section 214 application a description of each of the U.S. and foreign entities in the chain of ownership that will hold a 10% or greater interest in North State Parent and the pre- and post-transaction corporate ownership structure of those relevant entities.  [↑](#footnote-ref-5)
4. Panther Parent Inc. and Merger Sub are U.S. entities. Applicants state that they would undertake certain steps resulting in *pro forma* changes to the structure of the North State Subsidiaries after the closing of the proposed transaction. [↑](#footnote-ref-6)
5. 47 CFR § 63.03(b). [↑](#footnote-ref-7)
6. *See* 47 CFR § 1.45(c). [↑](#footnote-ref-8)