



PUBLIC NOTICE

Federal Communications Commission
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Washington, D.C. 20554

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DA 21-1570
December 15, 2021

SECTION 214 APPLICATIONS FILED FOR THE TRANSFER OF CONTROL OF GTT COMMUNICATIONS, INC., DEBTOR-IN-POSSESSION

PLEADING CYCLE ESTABLISHED

WC Docket No. 21-445

Comments Due: December 29, 2021

Reply Comments Due: January 5, 2022

By this Public Notice, the Wireline Competition Bureau and International Bureau seek comment from interested parties on applications¹ filed by GTT Communications, Inc., debtor-in-possession (GTT), and its direct and indirect subsidiaries, GTT Americas, LLC, debtor-in-possession (GTT Americas), and GC Pivotal, LLC, debtor-in-possession (GC Pivotal) (GTT Americas and GC Pivotal, together, GTT Subsidiaries) (GTT and GTT Subsidiaries, together, the Company or Applicants),² pursuant to section 214 of the Communications Act of 1934, as amended,³ and sections 63.03-04, 63.18, and 63.24 of the Commission's rules,⁴ requesting consent

¹ See Joint Application for Consent to Assign and Transfer Control of Domestic and International Authorizations of GTT Communications, Inc., Debtor-In-Possession, and Its Wholly-Owned Debtor-In-Possession Operating Subsidiaries, Pursuant to Section 214 of the Communications Act of 1934, as Amended, WC Docket No. 21-445, IB File Nos. ITC-ASG-20211115-00168, ITC-ASG-20211115-00169 (filed Nov. 15, 2021) (Application). Applicants filed a supplement to the Application on December 10, 2021. Letter from Tom W. Davidson, Counsel for GTT Communications, Inc., GTT Americas, LLC, and GC Pivotal, LLC, to Marlene H. Dortch, Secretary, FCC (filed Dec. 10, 2021) (Supplement). Applicants have filed domestic and international section 214 applications. See Application at 12. The application file numbers and the Commission authorizations subject to the applications are listed in Attachment A to this Public Notice. Any action on these section 214 applications is without prejudice to Commission action on other related, pending applications.

² On October 31, 2021, the Company filed voluntary petitions for relief under Chapter 11 in the United States Bankruptcy Court for the Southern District of New York. Application at 2, n.3 (citing *GTT Communications, Inc., et al.*, Case No. 21-11880 (MEW)). The prepackaged plan of reorganization (the Plan) and related disclosure statement also were filed with the Bankruptcy Court on October 31, 2021. *Id.* Applicants state that the Bankruptcy Court has scheduled a confirmation hearing on the prepackaged Plan for December 15, 2021. *Id.* at Exh. 1 (Description of the Parties, Description of the Transaction, Public Interest Statement) at 19-20.

³ 47 U.S.C. § 214.

for the assignment of the section 214 authorizations held by the GTT Subsidiaries, as debtors-in-possession, to the reorganized GTT Subsidiaries, and the transfer of control of GTT from the existing stockholders to new equity holders of reorganized GTT (Reorganized GTT) following GTT's emergence from Chapter 11 bankruptcy.

GTT is a Delaware holding company that does not hold any section 214 authorizations itself.⁵ GTT indirectly wholly-owns GTT Americas, a Delaware limited liability company, which is the direct parent of GC Pivotal.⁶ GTT Americas holds authority from the Commission to provide interstate and international telecommunications services in all of the 48 states in the continental United States plus Hawaii and the District of Columbia and provides services as a competitive local exchange carrier (LEC) in California.⁷ GC Pivotal is a direct, wholly-owned subsidiary of GTT Americas and has been authorized to provide competitive LEC and interexchange services in multiple states, primarily serving enterprise customers.⁸ GC Pivotal also holds authority from the Commission to provide interstate and international telecommunications services in all of the 48 states in the continental United States plus Hawaii and the District of Columbia.⁹ After emergence from bankruptcy, the GTT Subsidiaries will continue to operate in their service territories.¹⁰

Applicants state that the reorganization Plan “provides for the issuance of new equity interests representing 100% of the voting and equity ownership in Reorganized GTT at Emergence [from Chapter 11] to the Debtors’ Funded Debt Creditors (as defined herein). Specifically, upon Emergence, the holders of the 2018 Credit Facility Claims¹¹ will receive on a pro rata basis 88% of the new equity interests in Reorganized GTT and the holders of Senior Notes Claims¹² will receive 12% of the new equity interests in Reorganized GTT (the holders of such 2018 Credit Facility Claims and Senior Notes Claims, collectively, the “Funded Debt Creditors”).”¹³

⁴ 47 CFR §§ 63.03-04, 63.18, 63.24.

⁵ Application at 4.

⁶ *Id.* at Exh. 1 at 17. Applicants provide information on intermediate entities holding interests in the GTT Subsidiaries and provide pre- and post-emergence ownership charts. *Id.* at 8 and Exh. 2 (Pre- and Post-Emergence Organizational Charts).

⁷ *Id.* at Exh. 1 at 17; Supplement at 1.

⁸ Application at Exh. 1 at 17-18.

⁹ *Id.* at Exh. 1 at 17.

¹⁰ Application at 2.

¹¹ Applicants state that 2018 Credit Facility Claims means “certain secured indebtedness issued and outstanding pursuant to that certain credit agreement dated as of May 31, 2018.” Application at 2, n.12.

¹² Applicants state that Senior Notes Claims means “any claims on account of those certain 7.875% Senior Notes due 2024 issued by GTT.” *Id.* at n.13.

¹³ Application at Exh. 1 at 20-21 (stating that “through a combination of the distribution of proceeds from the sale of the infrastructure business and the balance sheet deleveraging contemplated by the Plan, the Debtors will reduce their funded debt burden from approximately \$2.015 billion to a projected \$929 million upon Emergence. The reorganization of the Debtors through the bankruptcy process is expected to improve the Company’s financial and operational status to the benefit of its customers and other stakeholders by allowing the Company to restructure its consolidated balance sheet and reduce its outstanding debt while continuing to operate and provide service to its customers in the ordinary course of business.”).

Reorganized GTT will be widely held after emergence from Chapter 11 pursuant to the reorganization Plan.¹⁴ Applicants state that, based upon current holdings, and as a result of the restructuring, various investment funds managed and controlled by Anchorage Capital Group, L.L.C. (Anchorage), a Delaware limited liability company, will acquire an approximate 12.25% direct equity and voting interest in Reorganized GTT following the emergence from Chapter 11.¹⁵ Anchorage Advisors Management, L.L.C. (Anchorage Advisors), a Delaware limited liability company, holds 86.5% of Anchorage, and various non-managing members collectively hold 13.5% of Anchorage.¹⁶ Kevin Ulrich, a citizen of Canada, holds a greater than 75% interest in Anchorage Advisors, and various non-managing members collectively hold a less than 25% interest in Anchorage Advisors.¹⁷ None of the various Anchorage-affiliated investment funds, including their affiliates, hold or will individually hold a 10% or greater interest in Reorganized GTT.¹⁸ None of the Anchorage investment funds or their affiliates hold a 10% or greater interest in any other domestic telecommunications service provider.¹⁹

Applicants further state that the Plan also “provides for the issuance of warrants in Reorganized GTT upon Emergence from Chapter 11 to holders of the Senior Notes Claims and to existing holders of equity interests in GTT. Both types of warrants will be exercisable at the option of the holder only after GTT’s Emergence. If all of the warrants issued to the existing holders of equity interests were exercised, equity interests issued upon such exercise would represent in the aggregate 4.9% of the new equity interests in Reorganized GTT at Emergence. If all of the warrants issued to holders of Senior Notes Claims were exercised, equity interests issued upon such exercise would represent in the aggregate 30% of the new equity interests in Reorganized GTT at Emergence. All equity interests in Reorganized GTT will be subject to dilution from a management incentive plan for officers and directors of Reorganized GTT.”²⁰

Applicants assert that grant of the Application would serve the public interest, convenience, and necessity.²¹ They state that the Company will continue its operations uninterrupted and that “the [r]estructuring is designed to ensure that the Debtors will emerge from the Chapter 11 cases to enable the Company to be a financially stronger service provider and competitor.”²²

Referral to Executive Branch Agencies. Through this Public Notice, pursuant to Commission practice, the Applications set out in Attachment A are being referred to the relevant

¹⁴ *Id.* at 5.

¹⁵ *Id.* at 6. Applicants provide a list of these investment funds and their respective jurisdiction of formation. Supplement at 3-4.

¹⁶ Application at 6.

¹⁷ *Id.* at 6; Supplement at 2-3. Applicants further state that the Anchorage entities do not have a right to appoint a director of Reorganized GTT and do have the right to a “board observer to the extent they continue to hold a greater than 5% ownership interest, and there is not an Anchorage employee or representative serving on Reorganized GTT’s Board.” Supplement at 2. Applicants state that Kevin Ulrich does not hold a 10% or greater interest in any other provider of domestic telecommunications services. *Id.*

¹⁸ Supplement at 2.

¹⁹ *Id.*

²⁰ *Id.* at Exh. 1 at 20, n.15.

²¹ *Id.* at Exh. 1 at 22-28.

²² *Id.* at Exh. 1 at 25.

Executive Branch agencies for their views on any national security, law enforcement, foreign policy, or trade policy concerns related to the foreign ownership of the Applicants.²³

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 **on or before December 29, 2021**, and reply comments **on or before January 5, 2022**. Comments may be filed using the Commission's Electronic Comment Filing System (ECFS) or by paper.

- **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. If more than one docket or rulemaking number appears in the caption of this proceeding, filers must submit two additional copies for each additional docket or rulemaking number.
 - Filings can be sent by commercial overnight courier or by first-class or overnight U.S. Postal Service mail.²⁴ All filings must be addressed to the Commission's Secretary, Office of the Secretary, Federal Communications Commission.
 - 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 45 L Street, NE, Washington, DC 20554.

People with Disabilities: We ask that requests for accommodations be made as soon as possible in order to allow the agency to satisfy such requests whenever possible. Send an email to fcc504@fcc.gov or call the Consumer and Governmental Affairs Bureau at (202) 418-0530.

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

- 1) Gregory Kwan, Competition Policy Division, Wireline Competition Bureau, gregory.kwan@fcc.gov;

²³ 47 CFR § 1.40001. *See Process Reform for Executive Branch Review of Certain FCC Applications and Petitions Involving Foreign Ownership*, IB Docket 16-155, Report and Order, 35 FCC Rcd 10927 (2020), Erratum (Appendix B — Final Rules), DA 20-1404 (OMD/IB rel. Nov. 27, 2020). *See also Rules and Policies on Foreign Participation in the U.S. Telecommunications Market; Market Entry and Regulation of Foreign-Affiliated Entities*, IB Docket Nos. 97-142 and 95-22, Report and Order and Order on Reconsideration, 12 FCC Rcd 23891, 23918-19, paras. 61-63 (1997), recon. denied, 15 FCC Rcd 18158 (2000).

²⁴ Effective March 19, 2020, and until further notice, the Commission no longer accepts any hand or messenger delivered filings. This is a temporary measure taken to help protect the health and safety of individuals, and to mitigate the transmission of COVID-19. *See FCC Announces Closure of FCC Headquarters Open Window and Change in Hand-Delivery Policy*, Public Notice, 35 FCC Rcd 2788 (Mar. 19, 2020), <https://www.fcc.gov/document/fcc-closes-headquarters-open-window-and-changes-hand-delivery-policy>.

- 2) David Krech, Telecommunications and Analysis Division, International Bureau, david.krech@fcc.gov; and
- 3) Jim Bird, Office of General Counsel, jim.bird@fcc.gov.

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.²⁵ 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 Gregory Kwan, Wireline Competition Bureau, at (202) 418-1191 or David Krech, International Bureau, at (202) 418-7443.

²⁵ See 47 CFR § 1.45(c).

ATTACHMENT A

SECTION 214 AUTHORIZATIONS

A. International

The applications for consent to the transfer of control of certain international section 214 authorizations have been assigned the file numbers listed below.

<u>File Number</u>	<u>Authorization Holder</u>	<u>Authorization Number</u>
ITC-ASG-20211115-00168	GTT Americas, LLC, debtor in possession	ITC-214-20020619-00332
ITC-ASG-20211115-00169	GC Pivotal, LLC, debtor in possession	ITC-214-20061101-00500 ITC-214-20110201-00049

B. Domestic

Applicants filed an application to transfer control of domestic section 214 authority in connection with the proposed transaction. In light of the multiple applications pending before the Commission with respect to this transaction and the public interest review associated with them, the domestic transfer of control application is not subject to streamlined treatment.²⁶

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²⁶ 47 CFR § 63.03.