

Federal Communications Commission 45 L St., N.E. Washington, D.C. 20554

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> DA 21-413 April 9, 2021

DOMESTIC SECTION 214 APPLICATION FILED FOR THE TRANSFER OF CONTROL OF INDIANA FIBER NETWORK, LLC D/B/A INTELLIGENT FIBER NETWORK TO ZAYO GROUP HOLDINGS, INC.

STREAMLINED PLEADING CYCLE ESTABLISHED

WC Docket No. 21-110

Comments Due: April 23, 2021 Reply Comment Due: April 30, 2021

By this Public Notice, the Wireline Competition Bureau seeks comment from interested parties on an application filed by Indiana Fiber Network, LLC d/b/a Intelligent Fiber Network (Indiana Fiber Network) and Zayo Group Holdings, Inc. (Zayo Holdings) (together, Applicants), pursuant to section 214 of the Communications Act of 1934, as amended, and sections 63.03-04 of the Commission's rules, requesting consent to transfer direct control of Indiana Fiber Network to Zayo Holdings.¹

Indiana Fiber Network, an Indiana limited liability company, provides competitive fiberbased telecommunications service in Indiana and between Indiana and points in Illinois, Michigan, and Ohio.²

Zayo Holdings, a Delaware privately-held corporation, wholly owns U.S.-based operating subsidiaries (the Zayo Operating Subsidiaries) that are authorized to provide competitive local exchange carrier (LEC) and other services in the District of Columbia and every state except Alaska.³ The Zayo Operating Subsidiaries serve primarily carrier and enterprise customers over

¹ See 47 U.S.C. § 214; 47 CFR §§ 63.03-04. Application for Consent to Transfer Control of Indiana Fiber Network, LLC d/b/a Intelligent Fiber Network, Holder of Domestic Authority Pursuant to Section 214 Under the Communications Act of 1934, as Amended, to Zayo Group Holdings, Inc. (Application). On March 31, 2021 and April 7, 2021, Applicants filed supplements to their domestic section 214 application. Letter from Patricia Cave, Counsel to Zayo Group Holdings, Inc., to Marlene H. Dortch, FCC, WC Docket No. 21-110 (Mar. 31, 2021) (on file in WC Docket No. 21-110) (First Supplement); Letter from Patricia Cave, Counsel to Zayo Group Holdings, Inc., to Marlene H. Dortch, PCC, WC Docket No. 21-110 (March 21-110). Applicants state that they are not filing other applications with the Commission that are related to the proposed transaction. Application at 11.

² Application at 3.

³ *Id.* at 2-3, 9. The Zayo Operating Subsidiaries are: Zayo Group, LLC (ZGL); Allstream Business US, LLC (Allstream US), which is a wholly owned subsidiary of ZGL, and Electric Lightwave, LLC, a wholly owned subsidiary of Allstream US. *Id.*

regional and metropolitan fiber networks.⁴ Zayo Holdings is wholly owned by Front Range TopCo, Inc. (Front Range), a Delaware corporation, which is jointly controlled by EQT AB (EQT), a publicly-traded Swedish investment entity, and Digital Colony GP, LLC (Digital Colony), a Delaware investment entity.⁵ Front Range, through intermediate holding companies, is indirectly wholly owned by Front Range JV, LP (JV LP), a Delaware entity. JV LP, in turn, is held by a chain of U.S. and foreign investment entities ultimately controlled by EQT and Digital Colony.⁶ The general partner of JV LP is Front Range JV GP, LLC (JV GP), a Delaware entity.⁷ EQT and Digital Colony each exercise 45% of the control over Front Range, and thus Zayo Holdings through the board of directors of JV GP.⁸

Pursuant to the terms of the proposed transaction, Indiana Fiber Network will become a direct, wholly owned subsidiary of Zayo Holdings.⁹ Applicants request streamlined treatment of the proposed transaction under the Commission's rules and assert that a grant of the application would serve the public interest, convenience, and necessity.¹⁰ We accept the Application for filing under section 63.03(b)(2)(ii) of the Commission's rules.¹¹

Domestic Section 214 Application Filed for the Transfer of Control of

⁶ Applicants provide 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 JV LP, and thus Indiana Fiber, post-consummation, along with each of their respective citizenships and ownership percentages. *See* Application, Exh. B. Applicants also provide organizational charts depicting ownership. Application, Exh. A (Current and Post-Transaction Organization Charts).

⁷ Application, Exh. B at 3.

⁸ Application, Exh. B at 3-4. Applicants state that the board of JV GP will consist of 10 members, with four directors nominated each by EQT and Digital Colony, one director nominated by FMR, LLC (a Delaware entity that will hold 7.6% of the equity of Zayo post-consummation), and the tenth member, an independent non-executive Chairman, chosen by consensus between Digital Colony and EQT. *Id.*

9 Id. at 4.

¹⁰ *Id.* at 4-6, 10-11. Applicants note that they have a Letter of Agreement with the Department of Justice to address national security, law enforcement, and public safety concerns arising from Zayo Holding's foreign ownership. Applicants commit to extend the commitments made in the Letter of Agreement to include Indiana Fiber Network upon consummation of the proposed transaction. *Id.* at 11-12.

¹¹ 47 CFR § 63.03(b)(2)(ii).

⁴ *Id*. at 2.

⁵ See Application, Exh. B (Ownership Structure) at 1-12. Front Range is affiliated with three incumbent local exchange carriers: Lumos Telephone Inc. and Lumos Telephone of Botetourt Inc., both Virginia entities serving rural Virginia, and North State Telephone Company, a North Carolina company, serving North Carolina. In addition, Front Range is affiliated with other providers of competitive telecommunications services operating in several states, each U.S. entities: Lumos Networks Inc., Lumos Networks of West Virginia Inc., Lumos Networks LLC, FiberNet of Ohio, LLC, FiberNet Telecommunications of Pennsylvania, LLC, FiberNet of Virginia, Inc., LMK Communications, LLC, South Carolina Telecommunications Group Holdings, LLC, South Carolina Net, Inc. d/b/a Spirit Telecom, PalmettoNet, Inc., FRC, LLC, North State Communications Long Distance, LLC, North State Communications Advanced Services, LLC, and North State Communications, LLC (cable provider). Application at 10; First Supplement at 1-2. Applicants state that the competitive fiber networks of Zayo Holdings and its affiliates overlap 6% of the building locations served by Indiana Fiber Network in Indianapolis and Fort Wayne, Indiana. Application at 6.

Indiana Fiber Network, LLC d/b/a Intelligent Fiber Network to Zayo Group Holdings, Inc., WC Docket No. 21-110 (filed Mar. 26, 2021).

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 April 23, 2021**, and reply comments **on or before April 30, 2021**. 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:

- Myrva Charles, Competition Policy Division, Wireline Competition Bureau, <u>myrva.charles@fcc.gov;</u>
- 2) Gregory Kwan, Competition Policy Division, Wireline Competition Bureau, gregory.kwan@fcc.gov; and
- 3) Jim Bird, Office of General Counsel, jim.bird@fcc.gov.

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 $\frac{fcc504@}{fcc.gov}$ or call the Consumer and Governmental Affairs Bureau at (202) 418-0530.

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. 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.¹² 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 Myrva Charles at (202) 418-1506 or Gregory Kwan at (202) 418-1191.

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¹² See 47 CFR § 1.45(c).