**DA 21-658**

**June 4, 2021**

**DOMESTIC SECTION 214 APPLICATION FILED FOR THE TRANSFER OF CONTROL OF CERATIN SUBSIDIARIES OF MTN INFRASTRUCTURE TOPCO LP**

**TO COX COMMUNICATIONS, INC.**

**STREAMLINED PLEADING CYCLE ESTABLISHED**

 **WC Docket No. 21-224**

**Comments Due: June 18, 2021**

**Reply Comment Due: June 25, 2021**

By this Public Notice, the Wireline Competition Bureau seeks comment from interested parties on an application filed by MTN Infrastructure TopCo LP (MTN Infrastructure) and Cox Communications, Inc. (Cox) (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 control of certain indirect wholly owned subsidiaries of MTN Infrastructure operating under the brand name, “Segra” (the Segra Commercial Licensees)[[1]](#footnote-3) to Cox.[[2]](#footnote-4)

MTN Infrastructure is a Delaware limited partnership created to aggregate the ownership of various investment funds ultimately managed by an affiliate of EQT AB (EQT), a Swedish entity. MTN Infrastructure indirectly wholly owns the Segra Commercial Licensees, which operate a fiber infrastructure network providing competitive telecommunications services to enterprise customers in nine Mid-Atlantic and Southeastern states. Applicants state that in addition to commercial services, Segra serves residential and small business customers in rural Virginia and North Carolina. The residential segment of Segra, operating under the Lumos Networks and North State brands, operates in Virginia (Lumos) and North Carolina (North State).

Cox, a Delaware corporation, and its affiliates, provide competitive telecommunication services, broadband service, and video service in multiple states.[[3]](#footnote-5) Post-transaction, the Segra Commercial Licensees would be indirectly wholly owned subsidiaries of Cox, which in turn is wholly owned by Cox Enterprises, Inc. (CEI) via a 95.4% direct interest and a 4.6% indirect interest by virtue of CEI’s 100% ownership of Cox minority owner ,Cox DNS, Inc. Applicants state that voting control of CEI is vested in the Cox Family Voting Trust, which holds all of the voting stock of CEI.[[4]](#footnote-6)

 Pursuant to an April 26, 2021 Agreement and Plan of Merger (Merger Agreement), Cox will indirectly acquire the Segra Commercial Licensees from MTN Infrastructure through its purchase of all the outstanding stock of MTN Infrastructure TopCo Blocker, Inc. (MTN Parent), a direct, wholly owned subsidiary of MTN Infrastructure and the indirect parent of the Segra Commercial Licensees. Following the consummation of the proposed transaction, MTN Parent will become a direct, wholly owned subsidiary of Cox, and Cox will indirectly own and control the Segra Commercial Licensees. Applicants state that Segra’s residential business segments will continue to be ultimately owned and controlled by various investment funds ultimately managed by an affiliate of EQT.

According to Applicants, the Merger Agreement contemplates that, through a series of steps, MTN Infrastructure will separate Segra’s commercial business segments from its residential business segments (the Pre-Merger Separation), after which, Cox will acquire the Segra Commercial Licensees pursuant to the merger transaction. In connection with the Merger Agreement, Cox has formed a new wholly owned subsidiary, Gridiron Merger Sub, Inc., a Delaware corporation (Merger Sub). At the effective time of the Merger, Merger Sub will merge with and into MTN Parent. Merger Sub will cease to exist, and MTN Parent will be the surviving corporation. Accordingly, upon consummation of the Merger, Cox will hold directly 100% of the issued and outstanding stock of MTN Parent. The Segra Commercial Licensees will, in turn, be indirect, wholly owned subsidiaries of Cox.

Shortly before the closing of the Merger, MTN Infrastructure will engage in a series of *pro forma* transactions in order to facilitate the separation of Segra into distinct commercial and residential groups. Control of the Segra Commercial Licensees will then be transferred to Cox through the merger between MTN Parent and Merger Sub, as described above. Segra’s residential group, the Lumos Residential and North State companies, will continue serving residential and small business customers in Virginia and North Carolina without interruption and without any change to the rates, terms, or conditions of such service or to the name of the carrier providing the service. The Pre-Merger Separation will involve *pro forma* assignments of Commission authorizations, as well as *pro forma* transfers of control of the Segra entities that provide residential service to a newly formed subsidiary of MTN Infrastructure, Gridiron Fiber Holdings.

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.[[5]](#footnote-7) We accept the application for filing under section 63.03(b)(2)(i) of the Commission’s rules.[[6]](#footnote-8)

Domestic Section 214 Application Filed for the Transfer of Control of

Certain Subsidiaries of MTN Infrastructure TopCo LP to Cox Communications, Inc.,

WC Docket No. 21-224 (filed May 17, 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 June 18, 2021**, and reply comments **on or before June 25, 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:**

1. Myrva Charles, Competition Policy Division, Wireline Competition Bureau, myrva.charles@fcc.gov;
2. Gregory Kwan, Competition Policy Division, Wireline Competition Bureau, gregory.kwan@fcc.gov;
3. David Krech, Telecommunications and Analysis Division, International Bureau, david.krech@fcc.gov; and
4. 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 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 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.[[7]](#footnote-9) 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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1. The Segra Commercial Licensees include the following entities, each incorporated in the United States: Lumos Networks Operating Company, a Delaware holding company that does not provide telecommunications services; Lumos Networks LLC, a competitive local exchange carrier (LEC) serving Kentucky, Maryland, and West Virginia; Lumos Networks Inc., a competitive LEC and interexchange (IXC) serving Virginia; Lumos Networks of West Virginia Inc., a competitive LEC and IXC serving West Virginia, Pennsylvania, and Maryland; FiberNet Telecommunications of Pennsylvania, LLC, a competitive LEC and IXC serving Pennsylvania; FiberNet of Ohio, LLC, a competitive LEC and IXC serving Ohio; FiberNet of Virginia, Inc., a competitive LEC and IXC serving Virginia; LMK Communications, LLC, a competitive LEC serving Alabama, Georgia, North Carolina, South Carolina, Tennessee, and Virginia; South Carolina Telecommunications Group Holdings, LLC, a competitive LEC and IXC serving North Carolina and South Carolina; South Carolina Net, Inc. d/b/a Spirit Telecom, a competitive LEC and IXC serving Georgia, South Carolina, and North Carolina; FRC, LLC, a competitive LEC serving South Carolina and North Carolina; and PalmettoNet Inc., an IXC serving Georgia, South Carolina, and North Carolina. Applicants state that, with the exception of Lumos Networks Operating Company, the Segra Commercial Licensees provide service only to enterprise customers. Applicants provide, as Exhibit A to their application, a list of the Segra Commercial Licensees and their respective states of incorporation. [↑](#footnote-ref-3)
2. *See* 47 U.S.C. § 214; 47 CFR §§ 63.03-04. Applicants have also filed an application for the transfer of authorizations associated with international services. On June 2, 2021, Applicants filed a supplement to their domestic section 214 application. Any action on this domestic section 214 application is without prejudice to Commission action on other related, pending applications. [↑](#footnote-ref-4)
3. Applicants state that Cox directly or indirectly wholly owns the following affiliates: CoxCom, LLC;2 Cox Georgia Telcom, LLC; Cox Nevada Telcom, LLC; Cox Arkansas Telcom, LLC; Cox Colorado Telcom, LLC; Cox Arizona Telcom, LLC; Cox California Telcom, LLC; Cox Virginia Telcom, LLC; Cox Louisiana Telcom, LLC; Cox Kansas Telcom, LLC; Cox Nebraska Telcom, LLC; Cox Connecticut Telcom, LLC; Cox District of Columbia Telcom, LLC; Cox Florida Telcom, LP; Cox Idaho Telcom, LLC; Cox Iowa Telcom, LLC; Cox Maryland Telcom, LLC; Cox Missouri Telcom, LLC; Cox North Carolina Telcom, LLC; Cox Ohio Telcom, LLC; Cox Oklahoma Telcom, LLC; Cox Rhode Island Telcom, LLC; Cox Wireless Access, LLC; and Cox Wireless, LLC. Applicants further state that Cox holds a 66% interest in Unite Private Networks, LLC and Unite Private Networks – Illinois, LLC, both of which provide domestic telecommunications services in multiple states. Applicants also state that, following the consummation of the proposed transaction, none of the other entities and individuals that will hold a 10% or greater interest in the Segra Commercial Licensees will hold a 10% or greater ownership interest in any other domestic interstate telecommunications provider. [↑](#footnote-ref-5)
4. Applicants state that the following U.S Citizens are the trustees of the Cox Family Trust: James C. Kennedy, Alexander Taylor, and John M. Dyer. Applicants further state that Trailsend Ventures, LLC (Trailsend), a Delaware entity, owns 29.49% of the equity of CEI. The 10% or greater owners of Trailsend are U.S.-based trusts and the trustees are James C. Kennedy, James C. Kennedy, Jr., and Daniel L. Mosely, each U.S. citizens. [↑](#footnote-ref-6)
5. Applicants state that they operate largely complimentary networks. They state that there is minimal overlap between the fiber facilities of Cox and the Segra Commercial Licensees in the following three metropolitan statistical areas: Roanoke VA, Virginia Beach-Norfolk-Newport News VA-NC, and Washington-Arlington-Alexandria DC-VA-MD and that there is substantial competition from incumbent LECs and other competitive providers in each of these three areas. [↑](#footnote-ref-7)
6. 47 CFR § 63.03(b)(2)(i). [↑](#footnote-ref-8)
7. *See* 47 CFR § 1.45(c). [↑](#footnote-ref-9)