**DA 21-849**

**Released: July 16, 2021**

**DOMESTIC SECTION 214 APPLICATION GRANTED FOR**

**THE TRANSFER OF CONTROL OF INTEROUTE US LLC**

**TO CUBE TELECOM EUROPE (US BIDCO), LLC**

**WC Docket No. 20-427**

By this Public Notice, the Wireline Competition Bureau grants, as conditioned, the application filed by GTT Communications, Inc. (GTT), Interoute US LLC (Interoute), and Cube Telecom Europe BidCo Limited (BidCo) (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 consent to transfer control of Interoute from GTT and its wholly-owned subsidiary, GTT Americas, LLC, to Cube Telecom Europe (US BidCo), LLC (US BidCo).[[1]](#footnote-3)

On December 31, 2020, the Bureau released a public notice seeking comment on the Application.[[2]](#footnote-4) The Bureau did not receive comments or petitions in opposition to the Application.

GTT, a Delaware corporation and, through its subsidiaries, a global provider of cloud networking services, wholly owns Interoute.[[3]](#footnote-5) Interoute, a Delaware limited liability company, was formed for the purposes of the proposed transaction.[[4]](#footnote-6) At and prior to closing, Interoute will offer interstate telecommunications services and broadband services to wholesale, enterprise, and other customers in various states.[[5]](#footnote-7)

US BidCo, a Delaware limited liability company and wholly-owned subsidiary of BidCo, an England and Wales limited liability company, will become the direct parent of Interoute at closing. [[6]](#footnote-8) BidCo is affiliated with NextGen MultiMedia Limited (NextGen), a Delaware limited company.[[7]](#footnote-9) NextGen provides transit, Ethernet, and other services through its points of presence and limited fiber deployment in California and New York.[[8]](#footnote-10) BidCo is owned by Cube Telecom Europe TopCo Limited (TopCo), which is a wholly-owned subsidiary of Cube Telecom Europe Holdings Limited (Cube Holdings), all formed under the laws of England and Wales.[[9]](#footnote-11) Cube Holdings is indirectly and ultimately owned by ISQ Holdings, LLC (ISQ Holdings), a Cayman Islands entity.[[10]](#footnote-12) ISQ Holdings is equally owned and controlled by Adil Rahmathulla, a citizen of Canada, Guatam Bhandari, a citizen of the United States, and Sadek M. Wahba, a citizen of the United States, the United Kingdom, and Egypt.[[11]](#footnote-13)

Pursuant to Commission practice, the transfer of domestic section 214 authority and the associated international applications, ITC-T/C-20201215-00209 and SCL-T/C-20201216-00048 (collectively, Applications), were referred to the relevant Executive Branch agencies for their reviews on any national security, law enforcement, foreign policy, or trade policy concerns related to the foreign ownership of the Applicants.[[12]](#footnote-14) On January 4, 2021, the Committee for the Assessment of Foreign Participation in the United States Telecommunications Services Sector (Committee) notified the Commission that it was reviewing the Applications for any national security and law enforcement concerns that may be raised by foreign participation in the United States telecommunications services sector and requested that the Commission defer action on the Application.[[13]](#footnote-15) We deferred action on the Application in response to this request from the Committee. On March 23, 2021, the Committee notified the Commission that the Applicants had provided complete responses to initial questions posed by the Committee and that the Committee was conducting an initial review to assess whether granting the Applications would pose a risk to the national security or law enforcement interests of the United States.[[14]](#footnote-16)

On July 14, 2021, the National Telecommunications and Information Administration (NTIA) submitted a Petition to Adopt Conditions to Authorizations and Licenses (Petition) on behalf of the Committee.[[15]](#footnote-17) In the Petition, NTIA advises the Commission that it has no objection to the Commission granting the Applications “provided that the Commission conditions its approval on the assurance of Interoute US LLC (Interoute US) and Cube Telecom Europe BidCo Limited (Bidco) to abide by the commitments and undertakings set forth in the July 1, 2021 Letter of Assurance and Letter of Agreement (LOAs)” attached to the Petition.[[16]](#footnote-18)

In accordance with the request of NTIA and in the absence of any objection from the Applicants, we grant the Petition, and, accordingly, we condition grant of the transfer of domestic section 214 authority on compliance by the Applicants with the commitments and undertakings set out in the LOAs that apply to the Application.[[17]](#footnote-19)  A failure to comply with and/or remain in compliance with any of the provisions of the LOAs shall constitute a failure to meet a condition of this grant and the underlying authorizations and thus grounds for declaring the underlying domestic 214 authorizations terminated without further action on the part of the Commission. Failure to meet a condition of this grant and the authorizations may also result in monetary sanctions or other enforcement action by the Commission.

We find, upon consideration of the record, that the proposed transfer will serve the public interest, convenience, and necessity.[[18]](#footnote-20) This grant of the Application and Petition is conditioned as set out in this Public Notice.

Pursuant to sections 214 of the Act, 47 U.S.C. §§ 214 and sections 0.91, 0.291, 63.03, and 63.04 of the Commission’s rules, 47 CFR §§ 0.91, 0.291, 63.03, and 63.04, we grant the Application and the Petition with the condition described above. Pursuant to section 1.103 of the Commission’s rules, 47 CFR § 1.103, the consent granted herein is effective upon the release of this 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 Dennis Johnson, Wireline Competition Bureau, (202) 418-0809.

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1. *See* 47 U.S.C. § 214; 47 CFR §§ 63.03-04. Application of GTT Communications, Inc., Interoute US LLC, and Cube Telecom Europe BidCo Limited, WC Docket No. 20-427 (filed Dec. 15, 2020) (Application). On December 23, 2020, Applicants filed a supplement to their domestic section 214 application. Letter from Edward A. Yorkgitis, Jr. and Winafred R. Brantl, Counsel for GTT and Interoute, and Wayne D. Johnsen and Richard Sofield, Counsel for BidCo, to Marlene H. Dortch, Secretary, FCC (Dec. 23, 2020) (on file in WC Docket No. 20-427) (Applicants’ Dec. 23 Supplement Letter). Applicants filed a second supplement regarding a series of pro forma transfers involving GTT. Letter from Edward A. Yorkgitis, Jr. and Winafred R. Brantl, Counsel for GTT and Interoute, to Marlene H. Dortch, Secretary, FCC (May 27, 2021) (on file in WC Docket No. 20-427). Applicants filed additional supplements providing updated ownership information for the combined company post-consummation. Letter from Wayne D. Johnsen and Richard Sofield, Counsel for BidCo, to Marlene H. Dortch, Secretary, FCC (May 28, 2021) (on file in WC Docket No. 20-427) (Applicants’ May 28 Supplement Letter); Letter from Wayne D. Johnsen and Richard Sofield, Counsel for BidCo, to Marlene H. Dortch, Secretary, FCC (July 9, 2021) (on file in WC Docket No. 20-427) (Applicants’ July 9 Supplement Letter). Applicants also filed applications for the transfer of authorizations associated with international and submarine cable landing authorizations. *See* IBFS File Nos. ITC-T/C-20201215-00209 and SCL-T/C-20201216-00048. Any action on this domestic section 214 application is without prejudice to Commission action on other related, pending applications. [↑](#footnote-ref-3)
2. *Domestic Section 214 Application Filed for the Transfer of Control of* *Interoute US LLC to Cube Telecom Europe Bidco Limited*, WC Docket No. 20-427, Public Notice, 35 FCC Rcd 14994 (WCB 2020) (*Public Notice*). [↑](#footnote-ref-4)
3. Application at 3. [↑](#footnote-ref-5)
4. *Id.* [↑](#footnote-ref-6)
5. Interoute will offer services in Alabama, Arizona, California, Colorado, Connecticut, the District of Columbia, Delaware, Florida, Georgia, Illinois, Indiana, Iowa, Kentucky, Maine, Massachusetts, Maryland, Michigan, Minnesota, Missouri, Montana, Nebraska, Nevada, New Jersey, New York, North Carolina, Ohio, Oklahoma, Pennsylvania, Tennessee, Texas, Utah, Virginia, Washington, West Virginia, Wisconsin, and Wyoming. *Id.* at 3-4. [↑](#footnote-ref-7)
6. Applicants’ May 28 Supplement Letter at 2 (updating BidCo’s post-transaction ownership information); Applicants’ July 9 Supplement Letter at 1-2. [↑](#footnote-ref-8)
7. Applicants’ Dec. 23 Supplement Letter at 2; Application at Attach 2 at n.30. [↑](#footnote-ref-9)
8. Applicants’ Dec. 23 Supplement Letter at 2. [↑](#footnote-ref-10)
9. Application at 4. Cube Holdings is wholly-owned by Cube Telecom Europe Aggregator, LLC (Cube Aggregator), a Cayman Islands limited liability company. The members of Cube Aggregator will be five investment funds ultimately controlled by ISQ Holdings. *Id*. at 5-6. [↑](#footnote-ref-11)
10. Applicants provided a description of BidCo’s full ownership in the Application. *Id*. at 4-6. [↑](#footnote-ref-12)
11. Applicants’ May 28 Supplement Letter at 2. [↑](#footnote-ref-13)
12. *Public Notice,* 35 FCC Rcd at 14995. [↑](#footnote-ref-14)
13. Letter from Lee Licata, U.S. Department of Justice, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 20-427; ITC-T/C-20201215-00209, SCL-T/C-20201226-00048 at 1 and Attach. 1 (Notification from Chair) (filed Jan. 4, 2021). [↑](#footnote-ref-15)
14. Letter from Lee Licata, U.S. Department of Justice, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 20-427; ITC-T/C-20201215-00209, SCL-T/C-20201226-00048 (filed Mar. 23, 2021) (on file in WC Docket No. 20-427). [↑](#footnote-ref-16)
15. Petition to Adopt Conditions to Authorizations and Licenses, WC Docket No. 20-427; ITC-T/C-20201215-00209, SCL-T/C-20201226-00048 (filed July 14, 2021). [↑](#footnote-ref-17)
16. *Id.* at 2. [↑](#footnote-ref-18)
17. *Applications of T-Mobile US, Inc. and Sprint Corporation for Consent to Transfer Control of Licenses and Authorizations, et al.,* WT Docket 18-197, Memorandum Opinion and Order, Declaratory Ruling, and Order of Proposed Modification, 34 FCC Rcd 10578, 10732-33, para. 349 (2019)*; Rules and Policies on Foreign Participation in the U.S. Telecommunications Market; Market Entry and Regulation of Foreign-Affiliated Entities, Report and Order and Order on Reconsideration*,12 FCC Rcd 23891, 23918-21, paras. 59-66 (1997), recon. denied, 15 FCC Rcd 18158 (2000) (in opening the U.S. telecommunications market to foreign entry in 1997, the Commission affirmed that it would consider national security, law enforcement, foreign policy, and trade policy concerns related to reportable foreign ownership as part of its overall public interest review of applications for international section 214 authority, submarine cable landing licenses, and declaratory rulings to exceed the foreign ownership benchmarks of section 310(b) of the Act))*.* [↑](#footnote-ref-19)
18. *See, e.g*., *Applications of Level 3 Communications, Inc. and CenturyLink, Inc. for Consent to Transfer Control of Licenses and Authorizations*, Memorandum Opinion and Order, 32 FCC Rcd 9581, 9594, 9605, paras. 26 and 52 (2017) (finding no harm to competition outside of CenturyLink’s incumbent LEC territory, where applicants operate as competitive LECs, and further finding that the transaction “will expand the on-net reach of the newly combined firm resulting in a more effective and stronger competitor against larger cable and incumbent LEC competitors, among others, particularly outside of Century Link's incumbent LEC region, where it, like Level 3, operates as a competitive LEC.”).  [↑](#footnote-ref-20)