



PUBLIC NOTICE

Federal Communications Commission
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DA 15-740
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APPLICATIONS FILED FOR THE TRANSFER OF CONTROL OF CEQUEL CORPORATION D/B/A SUDDENLINK COMMUNICATIONS TO ALTICE S.A.

PLEADING CYCLE ESTABLISHED

WC Docket No. 15-135

Comments/Petitions Due: July 24, 2015

Reply Comments/Oppositions to Petitions Due: August 10, 2015

Altice S.A. (Altice), a Luxembourg entity, and Cequel Corporation (Cequel), a Delaware corporation, (together, Applicants) filed a series of applications¹ pursuant to sections 214 and 310(d) of the Communications Act of 1934, as amended,² seeking approval for the transfer of control of Cequel and its subsidiaries to Altice.

Cequel provides services through subsidiaries that collectively do business as Suddenlink Communications (Suddenlink). Suddenlink is the seventh largest cable operator in the U.S., providing cable television, broadband Internet access, Voice over Internet Protocol (VoIP), and certain competitive telecommunications services to more than 1.5 million customers in 17 states. Cequel offers domestic interstate telecommunications services through its affiliate, Cequel Holdings, and offers international telecommunications services through its affiliates, Cebridge Limited and Cebridge TX.³ Cequel's operating entities provide interstate telecommunications services and hold certificates to provide certain intrastate telecommunications services in Arizona, Arkansas, California, Kansas, Kentucky, Louisiana, Mississippi, Missouri, New Mexico, Nevada, North Carolina, Ohio, Oklahoma, Texas, Virginia, and West Virginia. Cequel indirectly controls TCA Communications, LLC, which provides interexchange services in Arkansas, as well as Cequel Communications Access Services, LLC, and its affiliate, Orbis, L.L.C., both of which provide interexchange services nationwide.

Altice is a publicly traded holding company that, through its subsidiaries, operates as a provider of fixed and mobile voice, video, and broadband services in a range of markets throughout the world,

¹ See *Applications for Authority Pursuant to Section 214 of the Communications Act of 1934, as Amended, to Transfer Control of Authorizations from Cequel Corporation to Altice S.A.*, WC Docket No. 15-135 (filed June 3, 2015) (Application). Applicants filed a supplement to the Application on June 18, 2015. Letter from K.C. Halm, Counsel to Cequel Corporation, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 15-135 (filed June 18, 2015).

² 47 U.S.C. §§ 214, 310(d).

³ See IBFS File Nos. ITC-214-20051216-00526 and ITC-214-20060330-00173.

including in Western Europe (France, Belgium, Luxemburg, Portugal, and Switzerland), Israel, the French Caribbean and Indian Ocean regions, and the Dominican Republic. Altice serves approximately 34.5 million subscribers world-wide. Applicants state that neither Altice nor its subsidiaries currently provide domestic telecommunications services or hold any Commission authorizations.

Applicants state that, on May 19, 2015, Cequel and Altice entered into a Purchase and Sale Agreement pursuant to which Altice will acquire the majority share of capital of Cequel.⁴ Applicants state that, prior to consummating the proposed transaction, “Altice will form a new indirect wholly owned subsidiary, BidCo US, a Delaware corporation directly wholly owned by Altice U.S. Holding II S.à.r.l. (Altice US II).”⁵ Applicants maintain that “upon completion of the proposed transaction, BidCo US will hold approximately 45% of Cequel’s shares acquired from Cequel’s current owners in exchange for cash.”⁶ Applicants submit that, at consummation, “BidCo US will merge with and into Cequel, with Cequel surviving and converting equity interests in BidCo US into common shares of Cequel.”⁷ Applicants state that “upon completion of the proposed transaction, Altice US Holding I S.à.r.l. (Altice US I), a Luxembourg private limited liability company indirectly, wholly owned by Altice, will hold approximately 25% of Cequel’s shares acquired from Cequel’s current owners in exchange for cash.”⁸ Applicants further state that “Altice US I wholly owns Altice US II and expects to contribute its equity interests in Cequel to Altice US II shortly after the Transaction is completed.”⁹ Applicants submit that the proposed transaction would ultimately result in Altice indirectly holding 70 percent of Cequel’s equity, with existing shareholders of Cequel retaining approximately 30 percent of the post-transaction Cequel.¹⁰

Applicants state that, after consummation of the proposed transaction, Cequel will ultimately be held by the following entities and individual: CPP Investment Board, a Canadian investment management organization which invests the assets of the Canada Pension Plan (direct 15 percent control, 11.8 percent equity interest); BC Partners Holdings Limited, a Guernsey, United Kingdom limited partnership entity (direct 15 percent control, 18.2 percent equity interest); and Patrick Drahi, a citizen of Israel (indirectly, approximately a 44.9 percent interest through his ownership interest in Altice).¹¹

Applicants assert that the proposed transaction is in the public interest.¹² They maintain that Altice’s operational expertise, scale, and resources will enable Cequel to accelerate network investment while maintaining a superior level of reliability and customer support, resulting in a stronger competitor.¹³ They state that Altice has no existing interest in any communications entity in the U.S., and that the proposed transaction will have no adverse impact on competition.¹⁴ Applicants further state that, post-

⁴ Application at 5.

⁵ *Id.* at 5-6. Applicants state that the entity, BidCo US, may have a different name when formed.

⁶ *Id.* at 6.

⁷ *Id.*

⁸ *Id.*

⁹ *Id.*

¹⁰ *Id.*

¹¹ Applicants provided detailed organizational charts depicting pre-closing and post-closing ownership chains. *Id.* at Att. A.

¹² *Id.* at 6.

¹³ *Id.* at 6-8.

¹⁴ *Id.* at 8.

consummation, Cequel will continue to offer products at the same rates and on the same terms and conditions as currently provided, with improvements introduced over time.¹⁵

SECTION 214 AUTHORIZATIONS

A. International

The application for consent to the transfer of control of certain international section 214 authorizations from Cequel to Altice has been assigned the file numbers listed below.

<u>File Number</u>	<u>Authorization Holder</u>	<u>Authorization Number</u>
ITC-T/C-20150603-00138	Cebridge Telecom Limited, LLC	ITC-214-20051216-00526
ITC-T/C-20150603-00139	Cebridge Telecom TX, L.P.	ITC-214-20060330-00173

B. Domestic

The 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.¹⁶

SECTION 310(d) APPLICATIONS

The applications for consent to the transfer of control of a license under section 310(d) have been assigned the file numbers listed below.

A. Wireless Authorizations

<u>File Number</u>	<u>Licensee</u>	<u>Lead Call Sign</u>
0006818013	Cequel III Communications I, LLC dba Suddenlink Communications	WQKL824
0006821045	Cequel III Communications II, LLC Classic Cable of Oklahoma Inc dba Suddenlink Communications	WQDI918 WQJH315
0006820236	Friendship Cable of Texas Inc dba Suddenlink Communications	WQLN547
0006820257	NPG Cable LLC dba Suddenlink Communications	WQHJ681
0006820287	UNIVERSAL CABLE HOLDINGS, INC d/b/a Suddenlink Communications	WQTT821

¹⁵ *Id.*

¹⁶ *See* 47 C.F.R. § 63.03(c)(1).

PART 78 -- CABLE TELEVISION RELAY SERVICES (CARS)

<u>File Number</u>	<u>Licensee</u>	<u>Lead Call Sign</u>
CAR-20150617AA-09	Cebridge Acquisition, L.P.	WBC-783
CAR-20150617AB-09		WHA-63
CAR-20150617AC-09		WLY-810
CAR-20150617AD-09	Cebridge Acquisition, LLC	WLY-869
CAR-20150617AE-09	Cequel II Communications I, LLC	WGV-972
CAR-20150617AF-09		WGV-973
CAR-20150617AG-09		WGZ-480
CAR-20150617AH-09		WHZ-401
CAR-20150617AI-09		WHZ-690
CAR-20150617AJ-09		WLY-228
CAR-20150617AK-09		WLY-605
CAR-20150617AL-09		WLY-856
CAR-20150617AM-09		WLY-862
CAR-20150617AN-09		WLY-867
CAR-20150617AO-09		WLY-868
CAR-20150617AP-09		WLY-884
CAR-20150617AQ-09	Classic Cable of Oklahoma, Inc.	WGZ-440
CAR-20150617AR-09		WLY-567
CAR-20150617AS-09	Friendship Cable of Texas, Inc.	WHZ-951
CAR-20150617AT-09		WLY-352
CAR-20150617AU-09	NPG Cable, LLC	WLY-268
CAR-20150617AV-09		WLY-534
CAR-20150617AW-09		WLY-733
CAR-20150617AX-09		WLY-736
CAR-20150617AY-09		WLY-853
CAR-20150617AZ-09		WLY-910
CAR-20150617BA-09		WLY-911
CAR-20150617BB-09		WLY-912

GENERAL INFORMATION

The applications referenced herein have 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 July 24, 2015**, and reply comments **on or before August 10, 2015**.

Pursuant to sections 1.415 and 1.419 of the Commission's rules, 47 CFR §§ 1.415, 1.419, interested parties may file comments and reply comments on or before the dates indicated on the first page of this document. Comments may be filed using the Commission's Electronic Comment Filing System (ECFS). *See Electronic Filing of Documents in Rulemaking Proceedings*, 63 FR 24121 (1998).

- Electronic Filers: Comments may be filed electronically using the Internet by accessing the ECFS: <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 hand or messenger delivery, by commercial overnight courier, or by first-class or overnight U.S. Postal Service mail. All filings must be addressed to the Commission's Secretary, Office of the Secretary, Federal Communications Commission.

- 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. Any 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 9300 East Hampton Drive, Capitol Heights, MD 20743.
- U.S. Postal Service first-class, Express, and Priority mail must be addressed to 445 12th Street, SW, Washington DC 20554.

People with Disabilities: To request materials in accessible formats for people with disabilities (braille, large print, electronic files, audio format), send an e-mail to fcc504@fcc.gov or call the Consumer & Governmental Affairs Bureau at 202-418-0530 (voice), 1-888-835-5322 (tty).

In addition, provide one copy of each pleading to each of the following:

- 1) Neil Dellar, Office of General Counsel, TransactionTeam@fcc.gov or (202) 418-1234 (facsimile);
- 2) Dennis Johnson, Competition Policy Division, Wireline Competition Bureau, dennis.johnson@fcc.gov or (202) 418-1413 (facsimile);
- 3) David Krech, Policy Division, International Bureau, david.krech@fcc.gov or (202) 418-2824 (facsimile);
- 4) Wayne McKee, Media Bureau, wayne.mckee@fcc.gov;
- 5) Jeffrey Neumann, Media Bureau, jeffrey.neumann@fcc.gov;
- 6) Linda Ray, Broadband Division, Wireless Telecommunications Bureau, linda.ray@fcc.gov or (202) 418-7247 (facsimile);
- 7) Jeffrey Tobias, Wireless Telecommunications Bureau, jeff.tobias@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.¹⁷ 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

¹⁷ 47 C.F.R. §§ 1.1200 *et seq.*

consistent with rule 1.1206(b), 47 C.F.R. § 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 Applications 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.¹⁸ 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 Dennis Johnson, Wireline Competition Bureau, (202) 418-0809; David Krech, Policy Division, International Bureau, (202) 418-7443; Wayne McKee, Media Bureau, (202) 418-2355; Jeffrey Neumann, Media Bureau, (202) 418-2046; Linda Ray, Wireless Telecommunications Bureau, (202) 418-0257; or Jeff Tobias, Wireless Telecommunications Bureau (202) 418-1617.

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¹⁸ See 47 C.F.R. §1.45(c).