



Federal Communications Commission
Washington, D.C. 20554

February 24, 2016

Via Electronic Mail

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**Re: Applications Filed for the Transfer of Control of the Innovative Companies to
Atlantic Tele-Network, Inc. (WC Docket No. 15-264)**

Dear Counsel:

National Rural Utilities Cooperative Finance Corporation (CFC) and Atlantic Tele-Network, Inc. (ATN) filed a series of applications, pursuant to sections 214 and 310(d) of the Communications Act of 1934, as amended (Act), seeking approval to transfer control of DTR Holdings, LLC (DTR), Vitelcom Cellular, Inc. d/b/a Innovative Wireless, Innovative Long Distance, Inc., Virgin Islands Telephone Corporation d/b/a Innovative Telephone, Caribbean Communications Corporation d/b/a Innovative Cable TV St. Thomas-St. John, and ICC TV, Inc. d/b/a CBS-TV2 (collectively Innovative Companies, together with CFC and ATN, Applicants) from CFC to ATN.¹ In order for the Commission to complete its review of the applications and make the necessary public interest findings under Sections 214 and 310(d), we require additional information and clarification of certain matters discussed in the applications.

Accordingly, we ask that you provide written responses for each request set forth in the attached Information Request and, where appropriate, amend the lead application to reflect such responses. In order to expedite consideration of your application, please respond to the following requests pertaining to this proposed transaction by March 9, 2016.

¹ 47 U.S.C. §§ 214, 310(d). *National Rural Utilities Cooperative Finance Corporation and Atlantic Tele-Network, Inc. Consolidated Application for Consent To Transfer Control of Domestic and International Section 214 Authority*, WC Docket No. 15-264 (filed Oct. 30, 2015) (Lead Application).

February 24, 2016

Page 2

Your responses should be filed with Marlene H. Dortch, Secretary, Federal Communications Commission, under reference number WC Docket No. 15-264. The Wireline Competition Bureau (WCB) also should receive two copies of all filings addressed to Dennis Johnson, Competition Policy Division, Wireline Competition Bureau, Federal Communications Commission, 445 12th Street, S.W., Room 5-B155, Washington, D.C. 20554, dennis.johnson@fcc.gov. Please also send one copy of all filings to Alex Minard, Telecommunications Access Policy Division, Wireline Competition Bureau, Federal Communications Commission, 445 12th Street, S.W., Room 5-A425, Washington, D.C. 20554, alexander.minard@fcc.gov. In addition, please keep WCB Staff updated regarding any scheduling issues associated with the proposed transaction.

If you have any questions regarding this matter, please contact Jodie May or Dennis Johnson, Wireline Competition Bureau, at (202) 418-0913 or (202) 418-0809, respectively.

Sincerely,



Daniel Kahn
Acting Chief, Competition Policy Division
Wireline Competition Bureau

Attachment

INFORMATION REQUEST-WC DOCKET NO. 15-264

1. What effect, if any, will this transaction have on the Connect America Phase II service obligations proposed by Virgin Islands Telephone Corporation d/b/a Innovative Telephone (Vitelco)? *See* Vitelco comments, WC Docket No. 10-90, filed Aug. 8, 2015, <http://apps.fcc.gov/ecfs/document/view?id=7521752416>, and Letter from Russell M. Blau, Counsel, Vitelco, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 10-90, filed Sept. 24, 2015, <http://apps.fcc.gov/ecfs/document/view?id=60001325158>.
 - a. Will ATN maintain Vitelco's current broadband speed offerings or offer different ones?
 - b. If different, specify the terms of both service quality (minimum speeds, usage allowances, latency) and rates.
 - c. Would the offerings meet or exceed the minimum service obligations proposed by the Commission in April 2014 for non-contiguous carriers that elected to receive Connect America Phase II frozen support in lieu of model-based support (e.g., 10/1 Mbps, 100 GB/month usage allowance, 100 millisecond latency roundtrip, reasonably comparable rates)?
2. ATN is purchasing CFC's interest for \$145 million.
 - a. How did Vitelco finance the capital expenditures for its hybrid fiber-coaxial (HFC) deployment? If Vitelco financed those expenditures through one or more loans, how will the proposed transaction address any outstanding balance(s)?
 - b. How much was the original loan(s)?
 - c. What is the current outstanding balance(s)?
 - d. Will any portion remain after the purchase?
 - e. Who will be responsible for paying the loan(s) if the proposed transaction is approved?
 - f. How much are monthly payments?
3. ATN projected "that it will spend in the range of \$65 to \$75 million in capital expenditures in 2015 to upgrade and enhance the services and networks of its existing telecommunications businesses."
 - a. What were Vitelco's projected capital expenditures in 2016 for its HFC network?
 - b. Does ATN expect to make any adjustments to those capital expenditures if the proposed transaction is approved?
 - c. What does ATN project as its capital expenditures in 2017 for Vitelco's HFC network, assuming the transaction is approved?
4. What are Vitelco's current operating expenses? Is Vitelco audited in the normal course of business? If so, produce audited 2014 financial statements, and produce audited 2015 financial statements when they are available.

5. ATN states that it is committed to improving broadband access in the U.S. Virgin Islands post-transaction. It states that "the HFC network being deployed by Vitelco is the best and most cost-effective means of closing [the broadband deployment gap] due to the higher data rates and lower operating costs of an HFC network," and "to the extent not completed before consummation of the Proposed Transaction, ATN will complete deployment of the network, continue the migration of Vitelco's customers to the HFC network, and initiate a migration of Choice customers to the HFC network." (Public Interest Statement at 31-32). Provide with as much specificity as possible:
 - a. the number of households Vitelco's HFC network currently passes, and indicate what percentage of households this represents in Vitelco's service territory;
 - b. if the HFC network is not expected to be completed before consummation of the proposed transaction, as referenced in the Public Interest Statement, when will it be completed;
 - c. if the HFC network is not currently completed, how many more households will have access to the network post-transaction and when;
 - d. at what speeds are services currently available over the HFC network, and does ATN expect to take steps to improve the currently available speeds;
 - e. whether customers of the HFC network are subject to any data usage allowance (or "cap" or similar measure), and if so, at what level; and
 - f. how many Vitelco and Choice customers does ATN expect to migrate to the HFC network, and when?

6. ATN states it will be able to improve data coverage in the U.S. Virgin Islands by combining high-speed broadband offered by Vitelco's HFC network with the mobile LTE services that ATN will deploy post-closing. (Public Interest Statement at 19-20). ATN states that the combined company will provide the customer base and spectrum resources needed to warrant ATN's deployment of a new 4G mobile network. ATN states that it expects to commence deployment of a 4G LTE mobile broadband data network "following consummation of the Proposed Transaction, and ATN expects the network to be completed within one year following the closing." (Public Interest Statement at 26). To how many customers in Vitelco's footprint does ATN expect to offer 4G LTE services post-transaction? Will ATN offer 4G LTE service to customers who have access to the HFC network?