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Counsel for Crown Castle Solutions Corp.

## BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

| Joint Application of   | )           |                   |
|--|-------------|-------------------|
| NextG Networks of California, Inc.,  | )           | JOINT APPLICATION |
| NextG Networks, Inc.   | )           | Docket No         |
| and  | )           |                   |
| Crown Castle Solutions Corp.   | )           |                   |
| for Approval of a Transfer of Indirect Control<br>of an Authorized Telecommunications Provider | )<br>)<br>) |                   |

### JOINT APPLICATION

NextG Networks of California, Inc. dba NextG Networks West ("NextG-CA"), NextG Networks, Inc. ("NextG Networks") and Crown Castle Solutions Corp. ("Solutions"; and collectively with NextG-CA and NextG Networks, the "Applicants"), by their counsel and pursuant to Utah Code Ann. §§ 54-4-28 & 54-4-29 and the rules of the Utah Public Service Commission ("Commission"), including R746-349-7, hereby respectfully request authority from the Commission, to the extent that it may be required, to transfer indirect control of NextG-CA to

Solutions and ultimately to Crown Castle International Corp. ("CCI"), the ultimate parent of Solutions. NextG-CA is a wholly-owned subsidiary of NextG Networks.

As discussed below, NextG Networks and CCI have entered into an agreement pursuant to which Crown Castle NG Acquisitions Corp. ("Merger Sub"), a wholly-owned direct subsidiary of Solutions and indirect subsidiary of CCI, will merge with and into NextG Networks. NextG Networks will continue as the surviving corporation, and NextG-CA will become a wholly-owned indirect subsidiary of Solutions and CCI as a result. The transaction will not result in any loss or impairment of service for any customers.

Closing this transaction as soon as possible will materially serve important business interests for the Applicants, including synergies and operating efficiencies that, in turn, will inure to the ultimate benefit of Utah consumers. Therefore, the Applicants respectfully request such expedited review and approval of this Application as the Commission may deem available. In support of this Joint Application, the Applicants provide the following information:

# I. DESCRIPTION OF THE APPLICANTS

### A. NextG-CA and NextG Networks

NextG-CA, a Delaware corporation, is a wholly-owned subsidiary of NextG Networks, also a Delaware corporation. The principal place of business of NextG-CA and NextG Networks is 52 Second Avenue, Suite 2200, Waltham, MA 02451.

Through its operating subsidiaries, including NextG-CA, NextG Networks is one of the largest providers of outdoor distributed antenna system ("DAS") solutions in the United States. A DAS is a network of antennas and repeaters connected by fiber to a communications hub designed to facilitate wireless communications services for multiple operators. NextG Networks employs DAS to provide transport and backhaul services to wireless carriers. At present, NextG Networks has over 7,000 nodes on-air and approximately 1,500 nodes under construction. In

addition, NextG Networks owns or possesses the rights to utilize over 4,600 miles of fiber. Through its subsidiaries, NextG Networks currently provides DAS service to wireless carriers in Arizona, California, Florida, Georgia, Illinois, Indiana, Kansas, Maryland, Massachusetts, Michigan, Mississippi, Nevada, New Jersey, New York, North Carolina, Ohio, Oklahoma, Pennsylvania, Texas, Utah, Washington, and Wisconsin.

NextG-CA holds blanket domestic Section 214 authority from the Federal Communications Commission ("FCC"). In addition, NextG-CA holds authority to provide a range of competitive telecommunications services in 10 states.<sup>1</sup> In Utah, NextG-CA is authorized to provide public telecommunications services pursuant to authority granted by the Commission in Docket No. 04-2445-01 on March 30 1, 2005. Other NextG Networks operating subsidiaries hold blanket domestic section 214 authority from the FCC and, moreover, hold authority to provide intrastate telecommunications services on a competitive basis in 25 states and the District of Columbia.<sup>2</sup> NextG-CA and these other NextG Networks operating subsidiaries are the only subsidiaries of NextG Networks that offer domestic telecommunications services at this time.

At present, investment funds affiliated with Madison Dearborn Partners, LLC ("Madison Dearborn") collectively hold 63.3 percent of the ownership interests in NextG Networks and thus

<sup>&</sup>lt;sup>1</sup> NextG-CA (in some states dba NextG Networks West) is authorized to provide service in Arizona, California, Colorado (general authority under the Telecommunications Act), Hawaii, Idaho, Nevada, New Mexico, Oregon, Utah and Washington.

<sup>&</sup>lt;sup>2</sup> NextG Network of New York, Inc. (in some states dba NextG Networks East) holds authority to provide service in the following states: Connecticut, Delaware, Florida, Georgia, Indiana, Massachusetts, New Jersey, New York, North Carolina, Ohio, Pennsylvania, Rhode Island and South Carolina. NextG of New York, Inc. is actively providing service in Georgia, Indiana, Massachusetts, New Jersey, New York and Pennsylvania. NextG Networks Atlantic, Inc. is authorized to provide service in the District of Columbia as well as Maryland and Virginia. NextG Networks of Illinois, Inc. (in some states dba NextG Networks Central) is authorized to provide service in Illinois, Kansas, Louisiana, Michigan, Minnesota, Mississippi, Missouri, Oklahoma, Texas and Wisconsin.

in NextG-CA.<sup>3</sup> No other entity holds a 20 percent or greater ownership interest in NextG Networks or NextG-CA. The principal business of Madison Dearborn is investments; the address for Madison Dearborn and its funds is Three First National Plaza, Suite 4600, Chicago, Illinois 60602.

A diagram showing the current corporate structure of NextG-CA is provided in Exhibit A.

### B. Solutions

Solutions is a Delaware corporation and wholly-owned indirect subsidiary of CCI, a publicly traded (NYSE: CCI) Delaware corporation. Solutions and CCI have principal offices at 1220 Augusta Drive, Suite 500, Houston, Texas 77057-2261. CCI, through its indirect subsidiaries, owns, operates and leases towers and other infrastructure for wireless carriers, offering significant wireless coverage to 92 of the top 100 U.S. markets. CCI, through its subsidiaries, owns, operates and manages over 22,300 tower and rooftop sites throughout the United States and is one of the largest tower operators in the country. Solutions and its subsidiaries have deployed forty DAS networks with several additional DAS networks in development or under consideration. Wholly-owned subsidiaries of Solutions hold authorization to provide intrastate telecommunications services in the District of Columbia and the following 23 states: Arizona, California, Colorado, Florida, Georgia, Illinois, Iowa, Maryland, Massachusetts, Michigan, Minnesota, Missouri, Nevada, New Jersey, New Mexico, New York, North Carolina, Ohio, Oregon, Pennsylvania, Utah, Virginia and Washington.

In Utah, NewPath Networks, LLC ("NewPath"), a wholly-owned indirect subsidiary of Solutions, is authorized to operate a distributed antenna (DAS) antenna system pursuant to authority granted by the Commission in Docket No. 09-2512-01 on February 9, 2010.

<sup>&</sup>lt;sup>3</sup> The Commission was notified of the ownership of NextG-CA by Madison Dearborn entities on June 4, 2009.

Subsidiaries of Solutions are also authorized by the Federal Communications Commission to provide domestic interstate telecommunications services. Additional information concerning Solutions' legal, technical, managerial and financial qualifications to complete the Transaction was submitted to the Commission with various prior filings with respect to NewPath's certification and various corporate and financial transactions and is therefore already a matter of public record. Applicants request that the Commission take official notice of these existing descriptions of Solutions' qualifications and incorporate them by reference. Additional information regarding Solutions and its management is provided in CCI's current proxy which is available at: http://www.crowncastle.com/investor/proxy/CurrentProxy.pdf.

Diagrams showing the current corporate structure of Solutions are provided in **Exhibit B**.

### II. DESIGNATED CONTACTS

Questions, correspondence or other communications concerning this Application should be directed to Applicants' counsel as identified below:

### For Solutions

Jean L. Kiddoo Brett P. Ferenchak Bingham McCutchen LLP 2020 K Street, N.W. Washington, DC 20006 Tel: (202) 373-6000 Fax: (202) 373-6001 jean.kiddoo@bingham.com brett.ferenchak@bingham.com with copy to:

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Henry T. Kelly Joan M. Griffin Winafred Brantl Kelley Drye & Warren LLP 3050 K Street, N.W. #400 Washington, DC 20007 Tel: 202-342-8819 Fax: 202-342-8451 wbrantl@kelleydrye.com with copy to:

H. Anthony Lehv General Counsel and Secretary NextG Networks, Inc. 52 Second Avenue, Suite 2200 Waltham, MA 02451 Tel: (781) 790-0703 Fax: (781) 790-0739 alehv@nextgnetworks.net

#### III. DESCRIPTION OF THE TRANSACTION

Pursuant to the terms of an Agreement and Plan of Merger ("Agreement") dated December 15, 2011, by and among CCI, Merger Sub, NextG Networks, and Madison Dearborn Capital Partners V-A, L.P. (as representative of the equity holders of NextG Networks), Merger Sub will merge with and into NextG Networks. NextG Networks will continue as the surviving corporation, and thus NextG Networks will become a wholly-owned direct subsidiary of Solutions. NextG Networks and its operating subsidiaries, including NextG-CA, will become wholly-owned indirect subsidiaries of CCI.

The transaction is expected to be transparent to the customers of NextG-CA at closing. Immediately following the transaction, NextG-CA will continue to operate pursuant to its existing authorizations. In particular, the proposed transaction will not affect the rates, terms and conditions under which the current customers of NextG-CA receive service immediately following closing, nor is the transaction expected to result in any discontinuance of service. The operations of Solutions' existing subsidiaries are not expected to be affected by the proposed transaction.

A diagram of the corporate structure of Solutions after its acquisition of NextG Networks and the NextG Networks operating subsidiaries, including NextG-CA, is provided in <u>Exhibit C</u>.

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### IV. INFORMATION REQUIRED BY R746-394-7

Pursuant to R746-394-7, Applicants provide the following information:

### a. identification that it is not an ILEC,

Applicants confirm that none of the Applicants or their affiliates is an ILEC in Utah.

### b. identification that it seeks approval of the application pursuant to this rule,

Applicants confirm that they seek approval of the application pursuant to the information adjudication process set forth in this rule.

# c. a reasonably detailed description of the transaction for which approval is sought,

A detailed description of the Transaction is provided in Section III, above.

### d. a copy of any filings required by the Federal Communications Commission or any other state utility regulatory agency in connection with the transaction, and

Applicants filed a Domestic Section 214 Application with the FCC, a copy of which is

provided as **Exhibit D**. In connection with this Transaction, Applicants also expect to request approval from the utility regulatory agencies ("PUCs") in the District of Columbia and the following states in addition to Utah: Arizona, California, Delaware, Georgia, Hawaii, Indiana, Louisiana, Maryland, Minnesota, Mississippi, New Jersey, New York, Ohio, Pennsylvania, Texas, and Virginia. Due to the voluminous nature of these state filings, most of which contain the same basic information, Applicants have only attached as **Exhibit E** a copy of the New York filing requesting approval. Applicants are also providing pre-closing and/or post-closing notice to the PUCs in the following jurisdictions: Connecticut, Florida, Idaho, Illinois, Kansas, Massachusetts, Michigan, Missouri, Nevada, New Mexico, North Carolina, Oklahoma, Oregon, Puerto Rico, Rhode Island, South Carolina, Washington and Wisconsin. Due to the voluminous and repetitive nature of the notices to be sent to these PUCs, Applicants have not included copies of the notice filings. Applicants will provide any additional filings at the request of the Commission.

### V. PUBLIC INTEREST STATEMENT

The transaction described in the application will serve the public interest. The financial, technical, and managerial resources that Solutions and CCI will bring to NextG Networks and its subsidiaries, including NextG-CA, is expected to further enhance the ability of the NextG companies to compete in the national telecommunications marketplace.

At the same time, the proposed transaction will have no adverse impact on the customers of NextG-CA. Immediately following the transaction, those customers will continue to receive their existing services at the same rates, terms and conditions as at present. Any future changes to the rates, terms and conditions of service will be made consistent with Commission requirements. The only significant change following the closing of the transaction from the customers' perspective is anticipated to be that Solutions, and ultimately CCI, will be the new owner of NextG Networks and, therefore, of NextG-CA.

Furthermore, the proposed transaction does not present any anti-competitive concerns. The acquisition of the NextG subsidiaries, including NextG-CA, by Solutions, through the merger of Merger Sub into NextG Networks, will not have an adverse effect on competition in the markets for intrastate telecommunications services. As stated above, the NextG subsidiaries and Solutions' subsidiaries provide DAS services to wireless carriers. Upon completion of the transaction, neither Applicants nor their affiliates will provide traditional switched telecommunications services. Therefore, there will be no effect on the intrastate switched telecommunications service market.

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### VI. CONCLUSION

Based on the foregoing, the Applicants respectfully submit that the public interest,

convenience, and necessity will be furthered by grant of this Application.

Respectfully submitted,

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Counsel for NextG Networks of CA, Inc. and NextG Networks, Inc.

Date: January 10, 2012

## LIST OF EXHIBITS

EXHIBIT A – Current Corporate Structure of NextG-CA

EXHIBIT B -- Current Corporate Structure of Solutions

EXHIBIT C -- Corporate Structure of Solutions and NextG-CA Post-Close

EXHIBIT D -- Copy of FCC Filing

EXHIBIT E -- Copy of New York PSC Filing

# EXHIBIT A

Current Corporate Structure of NextG-CA

# EXHIBIT B

Current Corporate Structure of Solutions

# EXHIBIT C

Corporate Structure of Solutions and NextG-CA Post-Close

## EXHIBIT D

Copy of FCC Filing

## EXHIBIT E

Copy of New York PSC Filing