

**EXHIBIT C – PETITION FOR DECLARATORY RULING UNDER SECTION 310(B)(4)  
OF THE COMMUNICATIONS ACT OF 1934, AS AMENDED**

Concurrent with this application, RigNet SatCom, Inc. (“RigNet”) is filing separately a petition for declaratory ruling under Section 310(b)(4) of the Communications Act of 1934, as amended, 47 U.S.C. § 310(b)(4), that it is in the public interest to permit a greater than 25% indirect foreign ownership interest in RigNet. For the Commission staff’s convenience, a copy of that petition is attached hereto.



## I. DESCRIPTION OF FOREIGN OWNERSHIP

RigNet is 100% owned by RigNet Inc., a privately held corporation organized under the laws of the State of Texas. RigNet Inc. is a U.S. carrier that holds international Section 214 authority to offer global facilities-based and resale services.<sup>1</sup> RigNet Inc. in turn is owned by a number of individuals and investment funds. The total foreign ownership of RigNet is approximately 49%, all of which comes from Norwegian individuals or companies. In particular, RigNet Inc. has the following foreign ownership:

<u>Name/Address</u>	<u>% Held</u>	<u>Citizenship</u>	<u>Principal Business</u>
Paul Gundersen 1880 S. Dairy Ashford Suite 300 Houston, TX 77077	Approx. 2.26%	Norwegian	Management Investment
Kurt Kvennejerde 1880 S. Dairy Ashford Suite 300 Houston, TX 77077	Approx. 3.76%	Norwegian	Specialized Telecommunications Investment
Omar Kulbrandstad 1880 S. Dairy Ashford Suite 300 Houston, TX 77077	Approx. 4.56%	Norwegian	Telecommunications
Morten Haugan 1880 S. Dairy Ashford Suite 300 Houston, TX 77077	Approx. 1.35%	Norwegian	Telecommunications
Andreas Elton 1880 S. Dairy Ashford Suite 300 Houston, TX 77077	Approx. 0.06%	Norwegian	Telecommunications
Energivekst AS Klubbgaten 1, P.O. Box 8120 4068 Stavanger, Norway	Approx. 37%	Norwegian	Investment Fund

<sup>1</sup> See FCC File No. ITC-214-20021029-00515, granted Nov. 29, 2002.

Energivekst is a sector-oriented investment company organized under the laws of Norway as an “aksjeselskap,” comparable in the U.S. to a stock corporation with limited liability. The largest investor in Energivekst is Argentum Fondsinvesteringer AS (“Argentum”) which has a 29.42% direct and indirect interest. Therefore, Argentum would have an indirect interest in RigNet of approximately 10.9%. Argentum is a Norwegian government-owned investment company.

The company address is:

Argentum Fondsinvesteringer  
Bradbenken 1  
P.O. Box 3964 Dreggen  
5835 Bergen, Norway

In total, there are 19 investors in Energivekst, and the number two in size (after Argentum) has a 12.6% interest. All of these investors are Norwegian private or public companies or banks.

Energivekst was organized by, and continues to be managed by HitecVision Private Equity, a Norwegian investment group which focuses on industrial innovation and development in the energy industry. The managers at HitecVision responsible for Energiveskt are all Norwegian citizens. Their names and positions are: Ole Ertvaag – CEO & Founding Partner, Ola Saetre – Founding Partner, Gunnar Halvorsen – Partner, Finn Ivar Marum – Partner, Paal M. Reed – Partner, Egil Stokka – Partner.

## **II. PUBLIC INTEREST STANDARD**

Section 310(b)(4) of the Act requires the Commission to deny or revoke a common carrier radio license if: (1) more than 25 percent of any entity that controls the licensee is owned of record or voted by aliens, foreign governments or their representatives, or foreign corporations; and (2) the Commission finds that denial or revocation would serve the public interest. In the *Foreign Participation Order*,<sup>2</sup> the Commission stated that, because additional foreign investment can promote competition in the U.S. market, the public interest would be served by permitting more open investment by foreign entities whose home market is a Member of the World Trade Organization (“WTO”). In such a case, the Commission has concluded that

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<sup>2</sup> *Rules and Policies on Foreign Participation in the U.S. Telecommunications Market, Report and Order and Order on Reconsideration, 12 FCC Rcd 23891 (1997) (“Foreign Participation Order”).*

there is a strong presumption that no competitive concerns are raised by indirect foreign investment by such entities. The Commission expressed its reluctance to rebut this presumption except in exceptional circumstances where it is shown that entry into the U.S. market by a foreign telecommunications carrier from a WTO Member country poses a very high risk to competition in the U.S market.

### **III. THE “PRINCIPAL PLACE OF BUSINESS” IS A WTO SIGNATORY**

In applying the analytical framework established by the *Foreign Participation Order*, the Commission uses a “principal place of business” test to determine whether a foreign entity’s home market is a Member of the WTO.<sup>3</sup> The five factors balanced under that test, as they apply to RigNet’s investors are as follows:

1. Place of incorporation: The only non-individual investor is Energivekst, and it is a Norwegian company.
2. Nationality of investment principals, officers and directors: All of RigNet Inc.’s individual investors are Norwegian citizens. All of Energivekst’s principal investors, executive officers and directors are Norwegian.
3. Country in which its world headquarters is located: Energivekst’s headquarters is located in Norway.
4. Country in which the majority of its tangible property is located: Energivekst invests in a number of companies, the majority of which have ties to Norway.

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<sup>3</sup> *Foreign Participation Order* ¶ 116; *Market Entry and Regulation of Foreign-Affiliated Entities*, IB Docket 95-22, 11 FCC Rcd 3873 (1995) (“*Foreign Carrier Entry Order*”) ¶ 207.

5. Country from which it derives the greatest sales and revenues from its operations:

Energivekst derives its greatest revenues from investments in Norwegian energy companies.

Based on the foregoing, Energivekst's principal place of business should be considered Norway, which is a member of the WTO. In addition, RigNet Inc.'s individual foreign investors are Norwegian. Therefore, although indirect foreign ownership of RigNet exceeds the 25 percent benchmark under the Commission's *Foreign Participation Order*, there is a strong presumption that no competitive concerns arise from this indirect foreign ownership interest because the ownership comes from Norway, a WTO Member country. Further, there is no countervailing risk to competition in the U.S. market to rebut this presumption. Finally, the FCC has previously considered investments from Norway and approved the transfer of control of an FCC holder of satellite earth station licenses to a company under Norwegian control.<sup>4</sup> Therefore, the proposed indirect ownership is in the public interest.

**IV. CONCLUSION**

For the foregoing reasons, approval of the indirect foreign ownership of RigNet will advance the public interest by furthering competition among U.S. carriers. Accordingly, the Petitioner respectfully requests that the Commission grant its Section 310(b)(4) waiver request and find that it is in the public interest for Energivekst to hold indirectly a 37% indirect non-controlling interest in RigNet, and the individual foreign investors identified above to hold their specified interests. Petitioner also requests advance authority to accept up to and including an

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<sup>4</sup> See *Lockheed Martin Global Telecommunications, Comsat Corporation, and Comsat General, Corporation, Assignor and Telenor Satellite Mobile Services, Inc. and Telenor Satellite, Inc., Assignee; Applications for Assignment of Section 214 Authorizations, Private Land Mobile Radio Licenses, Experimental Licenses, and Earth Station Licenses and Petition for*

