

Stamp and Return

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of)
)
Teltranet LLC)
)
Petition for Declaratory Ruling Under Section)
310(b)(4) of the Communications Act of 1934,)
as amended)

FILED/ACCEPTED

FEB 14 2007

Federal Communications Commission
Office of the Secretary

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

Pursuant to Section 1.2 of the Commission's rules, 47 C.F.R. § 1.2, Teltranet LLC ("Teltranet") hereby respectfully requests a declaratory ruling that the proposed indirect foreign ownership interest in Teltranet set forth more fully below is consistent with the public interest standard established by Section 310(b)(4) of the Communications Act of 1934, as amended ("the Communications Act"), 47 U.S.C. § 310(b)(4).

SUMMARY

Teltranet and Telink Networks SW, LLC ("Networks") are seeking FCC consent to the assignment of certain FCC common carrier point-to-point microwave authorizations from Networks to Teltranet.¹ This Petition for Declaratory Ruling is being filed because Teltranet, a Delaware limited liability company that is jointly owned by Horizon Tower LLC ("Horizon Tower") (75 percent ownership interest) and Networks (25 percent ownership interest), has

¹ See Application to Assign FCC Licenses from Telink Networks SW, LLC to Teltranet LLC, ULS File No. 0002910709 (filed February 14, 2007) (requesting the assignment of call signs WPXQ408, WPYW700, WPYW701, WPYW702, WPZB934, WQBN582, and WQBN597).

indirect foreign ownership that exceeds the 25 percent limit set forth in Section 310(b)(4) of the Communications Act..

Networks, a Nevada limited liability company, is the current licensee of the authorizations and will hold a 25 percent interest in Teltranet. Networks is ultimately controlled by Patrick H. Barringer, a citizen of Canada. Accordingly, Mr. Barringer, a Canadian citizen, will hold a 25 percent indirect ownership interest in Teltranet.

Horizon Tower, a Delaware limited liability company that will hold the remaining 75 percent ownership interest of Teltranet, is controlled by four investment funds affiliated with Duff Ackerman & Goodrich.² Specifically:

- Duff Ackerman & Goodrich QP II, L.P. (“DAG QP II”) has a 85.113 percent ownership interest;
- Duff Ackerman & Goodrich II, L.P. (“DAG II”) has a 8.04 percent ownership interest;
- DAG II Partners Fund, LLC (“DAG Partners”) has a 0.942 percent ownership interest; and
- DAG GP Fund II, L.P. (“DAG GP II”) has a 4.839 percent ownership interest.³

In addition, John Kapulica, a citizen of the U.S., has a 1.066 percent ownership interest in Horizon Tower.

Certain of the limited partners of DAG QP II and DAG II are non-U.S. citizens. More specifically, DAG QP II has the following limited partners that are either non-U.S. entities or are controlled by non-U.S. entities:

	Interest in Fund	Indirect Interest in Teltranet
Blackboard Ventures Inc.	17.417 %	11.118 %
1208934 Limited	0.663 %	0.423 %

² See Exhibit 1.

³ These funds are collectively referred to herein as the “DAG Funds.”

Special Private Equity Partners, L.P.	9.04 %	5.771 %
Jackson National Life Insurance Co.	1.808 %	1.154 %
PACUS (UK) Limited	4.972 %	3.174 %
UnionBanCal Equities, Inc.	4.52 %	1.847 %

DAG II also has one limited partner that is a non-U.S. entity:

	Interest in Fund	Indirect Interest in Teltranet
PIMCO Investment BV	9.57 %	0.577 %

All of these foreign limited partners are prohibited from participating in the day-to-day management of the partnership by the relevant partnership agreement.⁴ In addition, John Cadeddu, a member of the general partner of three of the DAG Funds, is a Canadian citizen.⁵

Although the Commission previously has approved Mr. Barringer's 100 percent ownership of the licenses currently held by Networks,⁶ the combination of Mr. Barringer's interest in Networks with Horizon Tower's foreign interests will result in Teltranet having indirect foreign ownership interests that exceed the 25 percent limitation set forth in Section 310(b)(4) of the Communications Act. As demonstrated below, however, it is respectfully submitted that grant of the application is in the public interest under applicable Commission standards.

DISCUSSION

Section 310(b)(4) of the Communications Act allows up to 100 percent indirect foreign ownership of U.S. common carrier radio licensees, including ownership by foreign corporations,

⁴ See Foreign Ownership Guidelines for FCC Common Carrier and Aeronautical Radio Licenses, International Bureau, DA 04-3610, Section III.E.3 – Calculating Voting Interests Through Intervening Partnerships, 18 (Nov. 17, 2004) (“*Foreign Ownership Guidelines*”).

⁵ Mr. Cadeddu is currently awaiting action on his application for U.S. citizenship.

⁶ See International Authorizations Granted, Section 214 Applications (47 C.F.R. § 63.18); Section 310(b)(4) Requests, Public Notice, DA 06-938, 2 (Apr. 26, 2006).

unless the Commission finds that such ownership is not in the public interest.⁷ In the *Foreign Participation Order*, the Commission adopted a strong presumption that indirect foreign ownership of common carrier wireless licensees by entities whose home markets are in World Trade Organization (“WTO”) Member countries serves the public interest.⁸ In determining the principal place of business or home market of an entity for purposes of evaluating foreign ownership under Section 310(b) of the Communications Act, the FCC looks at five factors: (1) the place of incorporation; (2) the location of the company’s headquarters; (3) the country from which the company derives the greatest sales and revenues for its operations; (4) the country in which the majority of the company’s tangible property is located; and (5) the nationality of the investment principals, officers, and directors.⁹ In addition to competition-related issues, the Commission’s analysis under the public interest standard includes consideration of potential threats to national security, law enforcement, foreign policy, and trade policy. The Commission has noted that it “expect[s] that such concerns will be raised only in very rare circumstances.”¹⁰

For purposes of this Section 310(b) analysis and as detailed below, all of Teltranet’s foreign ownership interests’ home markets are in WTO Member countries. Accordingly, Teltranet respectfully submits that its foreign ownership is in the public interest.

⁷ 47 U.S.C. § 310(b)(4).

⁸ *Rules and Policies on Foreign Participation in the U.S. Telecommunications Market; Market Entry and Regulation of Foreign-Affiliated Entities*, IB Docket Nos. 97-142 and 95-22, FCC 97-398, *Report and Order and Order on Reconsideration*, 12 FCC Rcd 23891, 23940 (1997) (“*Foreign Participation Order*”); modified by *Order on Reconsideration*, 15 FCC Rcd 18158 (2000). Up to 25 percent indirect foreign ownership by entities whose principal place of business is not in a WTO Member country is also deemed to be in the public interest under Section 310(b)(4) of the Communications Act.

⁹ *Market Entry and Regulation of Foreign-Affiliated Entities*, IB Docket No. 95-22, FCC 95-475, *Report and Order*, 11 FCC Rcd 3873, 3951-52 (1995).

¹⁰ *Foreign Participation Order*, 12 FCC Rcd at 23941.

A. Horizon Tower

1. DAG II LLC

DAG II LLC is the general partner of three of the investment funds that control Horizon Tower – DAG QP II, DAG II, and DAG GP II. John Cadeddu, one of the members of DAG II LLC, is a Canadian citizen. Mr. Cadeddu holds a 9.678 percent membership interest in DAG II LLC. The remaining members of DAG II LLC are U.S. citizens. Although Mr. Cadeddu is a Member of DAG II LLC, he is prohibited from participating in the day-to-day management of all matters dealing with Horizon Tower.¹¹ Because Mr. Cadeddu is a Canadian citizen, the FCC should find that his indirect interest in Teltranet is in the public interest.

2. Duff Ackerman & Goodrich QP II, L.P.

DAG QP II, a Delaware limited partnership, that holds a 85.113 percent ownership interest in Horizon Tower, has several limited partners that are deemed non-U.S. under the FCC's ownership standards.¹² As demonstrated below, the principal place of business of each of these limited partners is in a WTO Member country.

a. *Blackboard Ventures Inc.*

Blackboard Ventures Inc., which holds a 17.417 percent ownership interest in DAG QP II, is an investment corporation through which Ontario Teachers' Pension Plan Board ("OTPP"), a Canadian organization, makes investments. Blackboard Ventures Inc. is incorporated in Canada. It is wholly owned and controlled by OTPP and has its headquarters in Canada. It does

¹¹ Mr. Cadeddu is currently awaiting action on his application to become a U.S. citizen. It is anticipated that the restrictions on Mr. Cadeddu's involvement in the Horizon Tower investment will be removed when he becomes a U.S. citizen.

¹² As indicated previously, all of these foreign limited partners are prohibited from participating in the day-to-day management of the partnership by the relevant partnership agreement.

not hold any significant tangible property and the bulk of its investments are made in U.S. organizations, such as the DAG Funds. Accordingly, Blackboard Ventures Inc.'s home market should be deemed Canada. As such, the FCC should find that Blackboard Ventures Inc.'s 11.118 percent indirect ownership interest in Teltranet is in the public interest.¹³

OTPP, the parent company of Blackboard Ventures Inc., is a non-share capital corporation responsible for administering the pensions of Ontario's 163,000 elementary and secondary school teachers and 101,000 retired teachers.¹⁴ OTPP's co-sponsors are the Government of Ontario and the Ontario Teachers' Federation.¹⁵ OTPP is incorporated in Canada and controlled by a nine-member board of directors, all of whom are Canadian citizens. In addition, all of OTPP's officers are Canadian citizens. OTPP's headquarters and the majority of its tangible property also are located in Canada. Through Blackboard Ventures Inc. and similar entities, OTPP makes investments in enterprises around the world, including Canada.¹⁶ Based on these significant ties to Canada, OTPP's principal place of business should be deemed Canada. Accordingly, the FCC should find that OTPP's 11.118 percent indirect ownership interest in Teltranet through Blackboard Ventures Inc. is in the public interest.¹⁷

¹³ This percentage was calculated by multiplying Blackboard Ventures Inc.'s ownership interest in DAG QP II (17.417 percent) by DAG QP II's ownership interest in Horizon Tower (85.113 percent) by Horizon Tower's ownership interest in Teltranet (75 percent) ($17.417\% \times 85.113\% \times 75\% = 11.118\%$). Because Blackboard Ventures Inc. has no involvement in management, use of the multiplier is appropriate at all levels. See *Foreign Ownership Guidelines* at Section III.E.-Use of the Multiplier, 17-20.

¹⁴ See Ontario Teachers' Pension Plan Company Profile available at <http://www.otpp.com/web/website.nsf/web/companyprofile>.

¹⁵ *Id.*

¹⁶ These investments are listed in the Ontario Teachers' Pension Plan's Annual Report that is available at http://www.otpp.com/web/website.nsf/web/ar05_index.

¹⁷ This percentage was calculated by multiplying OTPP's interest in Blackboard Ventures

b. *1208934 Ontario Limited.*

1208934 Ontario Limited, which holds a 0.663 percent ownership interest in DAG QP II, is also wholly owned and controlled by OTPP. Like Blackboard Ventures Inc., 1208934 Ontario Limited is an investment corporation through which OTPP makes investments, is incorporated in Canada, has its headquarters in Canada, and holds no significant tangible property. Similar to Blackboard Ventures Inc., the majority of its investments are made in U.S. organizations. Accordingly, 1208934 Ontario Limited's home market also should be deemed Canada. As such, the FCC should find that 1208934 Ontario Limited's 0.423 percent indirect ownership interests in Teltranet is in the public interest.¹⁸ The FCC should similarly find that the OTPP's 0.423 percent indirect ownership interest in Teltranet through 1208934 Ontario Limited is also in the public interest for the reasons stated above.¹⁹

c. *Special Private Equity Partners, L.P.*

Special Private Equity Partners, L.P. ("SPEP LP"), a Delaware limited partnership that holds a 9.04 percent ownership interest in DAG QP II, is a U.S. based private equity fund-of-funds. As detailed below, although a variety of foreign entities hold interests in SPEP LP, and it

(Continued . . .)

Inc. (100 percent) by Blackboard Ventures Inc.'s ownership interest in DAG QP II (17.417 percent) by DAG QP II's ownership interest in Horizon Tower (85.113 percent) by Horizon Tower's ownership interest in Teltranet (75 percent) ($100\% \times 17.417\% \times 85.113\% \times 75\% = 11.118\%$).

¹⁸ This percentage was calculated by multiplying 1208934 Ontario Limited's ownership interest in DAG QP II (0.663 percent) by DAG QP II's ownership interest in Horizon Tower (85.113 percent) by Horizon Tower's ownership interest in Teltranet (75 percent) ($0.663\% \times 85.113\% \times 75\% = 0.423\%$).

¹⁹ This percentage was calculated by multiplying OTPP's interest in 1208934 Ontario Limited (100 percent) by 1208934 Ontario Limited's ownership interest in DAG QP II (0.663 percent) by DAG QP II's ownership interest in Horizon Tower (85.113 percent) by Horizon Tower's ownership interest in Teltranet (75 percent) ($100\% \times 0.663\% \times 85.113\% \times 75\% = 0.423\%$).

is ultimately controlled, in part, by non-U.S. entities, the bulk of SPEP LP's equity is held by U.S. individuals and entities.

SPEP LP is controlled by its sole general partner, The PMG Special PEP Investors LLC, a Delaware limited liability company, which holds a 1 percent equity interest in SPEP LP. The PMG Special PEP Investors LLC is controlled by its managing member, The PMG Special PEP Partners LLC, a Delaware limited liability company. The managing member, however, has no equity interest in The PMG Special PEP Investors LLC. Instead, the PMG Special PEP Investors LLC's equity is held entirely by its remaining members, all of whom are U.S. citizens. The PMG Special PEP Partners LLC, in turn, is wholly owned and controlled by West LB Mellon Asset Management Holdings Limited, a United Kingdom organization. West LB Mellon Asset Management Holdings Limited is a global investment management organization whose operating subsidiaries manage portfolios primarily for institutional investors with operations in the US, Europe, Japan and Australia. It is organized in the United Kingdom, has its headquarters in the United Kingdom, and derives sales and revenues from its subsidiaries' operations throughout the world. Based on this information, West LB Mellon Asset Management Holdings Limited's principal place of business should be deemed the United Kingdom. Accordingly, the FCC should find that West LB Mellon Asset Management Holdings Limited's 5.771 percent indirect ownership interest in Teltranet is in the public interest.²⁰

West LB Mellon Asset Management Holdings Limited, in turn, is controlled equally by

²⁰ This percentage was calculated by multiplying WestLB Mellon Asset Management Holdings Limited's ownership interest in The PMG Special PEP Partners LLC (100 percent due to managing member) by The PMG Special PEP Partners LLC's ownership interest in The PMG Special PEP Investors, LLC (100 percent due to managing member) by The PMG Special PEP Investors, LLC's ownership interest in SPEP LP (100 percent due to general partner) by SPEP LP's ownership interest in DAG QP II (9.04 percent) by DAG QP II's ownership interest in Horizon Tower (85.113 percent) by Horizon Tower's ownership interest in Teltranet (75 percent) (100% x 100% x 100% x 9.04% x 85.113% x 75% = 5.771%).

Mellon Financial Corporation, a U.S. corporation, and WestLB AG, a German organization. Mellon Financial Corporation is a global financial services company headquartered in Pittsburgh, Pennsylvania that provides a wide range of investment management products and services. It holds its interest in West LB Mellon Asset Management Holdings Limited through Mellon JV Limited, a U.K. organization, and several intermediary organizations.

WestLB AG is a European commercial bank based in the German federal state of North Rhine-Westphalia and is domiciled in Düsseldorf and Münster. As a European commercial German bank, WestLB AG provides commercial and investment banking services regionally, nationally and internationally to public, corporate and bank customers. Currently, the ownership structure of WestLB AG is as follows:

Sparkassen & Giro Association of the Rhineland (25.183%),
NRW.Bank (31.116%),
German State of North Rhine-Westphalia (17.470%), and
Sparkassen & Giro Association of Westphalia-Lippe (25.183%).²¹

WestLB AG's registered offices are in Germany, the majority of WestLB AG's Managing Board are citizens of Germany,²² and the majority of its tangible property and employees are located in Germany. WestLB AG derives revenue from around the world.²³ Based on these significant ties to Germany, WestLB AG's principal place of business should be deemed Germany.

Accordingly, the FCC should find that WestLB AG's 2.885 percent indirect ownership interest

²¹ The Regional Association of Westphalia-Lippe and the Regional Association of Rhineland also each hold 0.524 percent interests in WestLB AG.

²² Of the seven members of WestLB AG's Managing Board, five are German citizens, one is a U.S. citizen, and one is a citizen of the Netherlands.

²³ More detailed information on WestLB AG's services and revenues can be found in its annual report at http://www.westlb.de/cms/sitecontent/westlb/ir/en/finanzinformationen/geschaeftsberichte/archiv/gb2005_finrep.-bin.acq/qual-SingleAttachment.Single.AttachmentAttachmentFile/Annual_Report_Financial_Report2005.pdf.

in Teltranet is in the public interest.²⁴

As indicated above, one percent of SPEP LP's equity interests is held by its general partner, The PMG Special PEP Investors LLC. SPEP LP's remaining equity is held by its limited partners. Of these, U.S. pension funds own approximately 86.3 percent of the outstanding equity of SPEP LP. The remaining 13.8 percent equity is held by several non-U.S. investors. These non-U.S. investors comprise the following: publicly held Japanese corporation (5.5 percent indirectly); a Swiss corporation (5.5 percent indirectly); and a U.K. public pension (2.8 percent). Accordingly, the FCC should find that these non-U.S. investors' 0.796 percent indirect ownership interest in Teltranet is in the public interest.²⁵

d. *Jackson National Life Insurance Company ("Jackson")*.

Jackson National Life Insurance Company ("Jackson"), which holds a 1.808 percent ownership interest in DAG QP II, is ultimately owned by Prudential, plc, ("PLC"), a UK public listed company.²⁶ Jackson is a \$70-billion firm offering insurance and other products throughout the United States.²⁷ It is incorporated in the state of Michigan and its headquarters and the

²⁴ This percentage was calculated by multiplying WestLB AG's ownership interest in WestLB Mellon Asset Management Holdings Limited (50 percent) by WestLB Mellon Asset Management Holdings Limited's ownership interest in The PMG Special PEP Partners LLC (100 percent due to managing member) by The PMG Special PEP Partners LLC's ownership interest in The PMG Special PEP Investors, LLC (100 percent due to managing member) by The PMG Special PEP Investors, LLC's ownership interest in SPEP LP (100 percent due to general partner) by SPEP LP's ownership interest in DAG QP II (9.04 percent) by DAG QP II's ownership interest in Horizon Tower (85.113 percent) by Horizon Tower's ownership interest in Teltranet (75 percent) ($50\% \times 100\% \times 100\% \times 100\% \times 9.04\% \times 85.113\% \times 75\% = 2.885\%$).

²⁵ This percentage was calculated by multiplying the non-U.S. investors' ownership interest in SPEP LP (13.8 percent) by SPEP LP's ownership interest in DAG QP II (9.04 percent) by DAG QP II's ownership interest in Horizon Tower (85.113 percent) by Horizon Tower's ownership interest in Teltranet (75 percent) ($11\% \times 9.04\% \times 85.113\% \times 75\% = 0.796\%$).

²⁶ Prudential, plc, controls Jackson through multiple intermediary entities.

²⁷ See Jackson National Life Insurance Company, 2005 Annual Report, at 24, available at

the United Kingdom. Both of their headquarters are in the United Kingdom; their Directors are all citizens of the United Kingdom; the majority of their tangible property is located in the United Kingdom, and they derive the greatest amount of sales and revenues from operations in the United Kingdom.³⁰ PACL is wholly owned by Prudential plc, whose home market, as detailed above, is the United Kingdom. Accordingly, PACUS' and PACL's home market should be deemed the United Kingdom. Thus, the FCC should find that PACUS' and PACL's 3.174 percent indirect ownership interest in Teltranet is in the public interest.³¹ The FCC should similarly find that the PLC's 3.174 percent indirect ownership interest in Teltranet through PACUS is also in the public interest for the reasons stated above.³²

f. *UnionBanCal Equities, Inc.*

UnionBanCal Equities, Inc., a California corporation, which holds a 4.52 percent limited partnership interest in DAG QP II, makes investments in private equity funds as well as small and medium sized companies in the United States. Additionally, it provides mezzanine financing to small and medium-sized companies in the United States. It is wholly owned and controlled by UnionBanCal Corporation, a Delaware corporation that is traded on the New York Stock Exchange. The Bank of Tokyo-Mitsubishi UFJ, Limited, a Japanese organization, owns

³⁰ Detailed information about The Prudential Assurance Company Limited's operations and revenues can be found in its annual report at http://www.pru.co.uk/content/acrobat/2004_pac_report.pdf.

³¹ This percentage was calculated by multiplying PACUS (UK) Limited's ownership interest in DAG QP II (4.972 percent) by DAG QP II's ownership interest in Horizon Tower (85.113 percent) by Horizon Tower's ownership interest in Teltranet (75 percent) ($4.972\% \times 85.113\% \times 75\% = 3.174\%$).

³² This percentage was calculated by multiplying Prudential, plc's ultimate ownership interest in PACUS (UK) Limited (100 percent) by PACUS (UK) Limited's ownership interest in DAG QP II (4.972 percent) by DAG QP II's ownership interest in Horizon Tower (85.113 percent) by Horizon Tower's ownership interest in Teltranet (75 percent) ($100\% \times 4.972\% \times 85.113\% \times 75\% = 3.174\%$).

approximately 64 percent of the outstanding stock of UnionBanCal Corporation. The Bank of Tokyo-Mitsubishi UFJ, Limited, in turn, is a wholly owned subsidiary of Mitsubishi UFJ Financial Group, Inc., a Japanese organization. Mitsubishi UFJ Financial Group, Inc. is a publicly traded bank holding company incorporated in Japan. All of The Bank of Tokyo-Mitsubishi UFJ, Limited's and Mitsubishi UFJ Financial Group, Inc.'s officers and directors are citizens of Japan; their world headquarters are located in Japan; the majority of their tangible property is located in Japan; and they derive the majority of their sales and revenues from Japan. There are no 10 percent or greater interest holders in Mitsubishi UFJ Financial Group, Inc. Accordingly, the Bank of Tokyo-Mitsubishi UFJ, Limited's and Mitsubishi UFJ Financial Group, Inc.'s principal place of business should be deemed Japan. As such, the FCC should find that the Bank of Tokyo-Mitsubishi UFJ, Limited's and Mitsubishi UFJ Financial Group, Inc.'s 1.847 percent indirect ownership interest in Teltranet is in the public interest.³³

3. **Duff Ackerman & Goodrich II, L.P.**

DAG II, a Delaware limited partnership that holds a 8.04 percent interest in Horizon Tower, has one limited partner that is deemed non-U.S. under the FCC's ownership standards. As demonstrated below, the principal place of business of this limited partners is in a WTO Member country.

a. ***PIMCO Investment BV.***

PIMCO Investment BV, a Netherlands organization, holds a 9.57 percent limited

³³ This percentage was calculated by multiplying the Bank of Tokyo-Mitsubishi UFJ, Limited's ownership interest in UnionBanCal Corporation (64 percent) by UnionBanCal Corporation's ownership interest in UnionBanCal Equities, Inc. (100 percent) by UnionBanCal Equities, Inc's ownership interest DAG QP II (4.52 percent) by DAG QP II's ownership interest in Horizon Tower (85.113 percent) by Horizon Tower's ownership interest in Teltranet (75 percent) (64% x 100% x 4.52% x 85.113% x 75% = 1.847%).

partnership interest in DAG II.³⁴ PIMCO Investment BV is wholly owned and controlled by Fremont Holdings SA, a Luxembourg corporation, that, in turn, is wholly owned and controlled by Marine Trust, a charitable trust that was formed in the Channel Isle of Jersey. PIMCO Investment BV, an investment vehicle through which investments are made for Marine Trust, is organized and has its headquarters in the Netherlands. It has two directors. The first, FTC Trust BV, a Netherlands corporate services company that is run by a citizen of the Netherlands, helps to manage and maintain PIMCO Investment BV. The second director is a citizen of Switzerland. PIMCO Investment BV does not hold any appreciable tangible property and derives revenues from its investment activities around the world. Accordingly, PIMCO Investment BV's home market should be deemed the Netherlands. Thus, the FCC should find that PIMCO Investment BV's 0.577 percent indirect ownership interest in Teltranet is in the public interest.³⁵

Fremont Holdings SA is an investment vehicle through which investments are made in a variety of different investment funds. It is incorporated and headquartered in Luxembourg. Both of Fremont Holdings SA's directors also are citizens of Luxembourg. Accordingly, Fremont Holdings SA's home market should be deemed Luxembourg. Thus, the FCC should find that Fremont Holdings SA's 0.577 percent indirect ownership interest in Teltranet is in the public interest.³⁶

³⁴ PIMCO Investment BV is considering transferring its interests in DAG II to PIMCO US Investment LLC, a U.S. limited liability company and wholly owned subsidiary of PIMCO Investment BV. This transfer, if or when it occurs, will not modify the foreign ownership analysis herein.

³⁵ This percentage was calculated by multiplying PIMCO Investment BV's ownership interest in DAG II (9.57 percent) by DAG II's ownership interest in Horizon Tower (8.04 percent) by Horizon Tower's ownership interest in Teltranet (75 percent) ($9.57\% \times 8.04\% \times 75\% = 0.577\%$).

³⁶ This percentage was calculated by multiplying Fremont Holdings SA's ownership interest in PIMCO Investment BV (100 percent) by PIMCO Investment BV's ownership interest

Marine Trust is a charitable trust that was formed and is headquartered in the Bailiwick of Jersey. Private Capital Trust, Ltd., a trustee and corporate administrative service provider authorized and regulated by the Jersey Financial Services Commission, has investment and donation discretion. In addition, all tangible property of the trust is in the Bailiwick of Jersey. The trust derives revenues solely from its investments via Fremont Holdings throughout the world. The FCC has found that the Bailiwick of Jersey is a member of the WTO.³⁷ Thus, the FCC should find that Marine Trust's 0.577 percent indirect ownership interest in Teltranet is in the public interest.³⁸

4. DAG GP Fund II, LLC

DAG GP Fund II, LLC is a Delaware limited liability company. Mr. Cadeddu holds a 4 percent membership interest in DAG GP Fund II, LLC. As detailed above, Mr. Cadeddu is a Canadian citizen awaiting action on his application for U.S. citizenship. DAG GP Fund II, LLC does not have any other foreign members.

5. DAG II Partners Fund, LLC

DAG II Partners Fund, LLC is a Delaware limited liability company that does not have

(Continued . . .)

in DAG II (9.57 percent) by DAG II's ownership interest in Horizon Tower (8.04 percent) by Horizon Tower's ownership interest in Teltranet (75 percent) ($100\% \times 9.57\% \times 8.04\% \times 75\% = 0.577\%$).

³⁷ See *Petition of Telcove, Inc. for a Declaratory Ruling Pursuant to Section 310(b)(4) of the Communications Act of 1934*, as Amended, Order and Declaratory Ruling, 21 FCC Rcd 3982, ¶ 22 (2006).

³⁸ This percentage was calculated by multiplying Marine Trust's ownership interest in Fremont Holdings SA, Inc. (100 percent) by Fremont Holdings SA's ownership interest in PIMCO Investment BV (100 percent) by PIMCO Investment BV's ownership interest in DAG II (9.57 percent) by DAG II's ownership interest in Horizon Tower (8.04 percent) by Horizon Tower's ownership interest in Teltranet (75 percent) ($100\% \times 100\% \times 9.57\% \times 8.04\% \times 75\% = 0.577\%$).

any foreign members.

B. Telink Networks SW, LLC

Networks has two members, but is ultimately controlled by Patrick H. Barringer, a citizen of Canada. Specifically, Mr. Barringer has a direct 20 percent ownership interest in Networks and also wholly owns Telink Holdings, LLC (“Telink Holdings”), which holds the remaining 80 percent ownership interest in Networks.³⁹ Mr. Barringer is a citizen of Canada. Therefore, Mr. Barringer’s interest in Networks and Teltranet is considered to be a Canadian foreign ownership interest. As noted above, Mr. Barringer controls the current licensee of the common carrier microwave authorizations and the Commission has already determined that Mr. Barringer’s 100 percent ownership of these FCC licenses is in the public interest. Accordingly, the FCC should find that Mr. Barringer’s 25 percent ownership interest of these licenses continues to be in the public interest.

CONCLUSION

Because the indirect foreign ownership interests in Teltranet are based in WTO Member countries for purposes of the Section 310(b)(4) analysis, it is respectfully submitted that the Commission should apply the presumption in favor of entry to Mr. Barringer’s 25 percent, Blackboard Ventures Inc.’s 11.118 percent, 1208934 Ontario Limited’s 0.423 percent, WestLB Mellon Asset Management’s 5.771 percent, Prudential plc’s 1.154 percent through Jackson, PACUS’s 3.174 percent, The Bank of Tokyo-Mitsubishi UFJ, Limited’s 1.847 percent, and PIMCO Investment BV’s 0.577 percent indirect ownership interests in Teltranet. Indeed, since all of these countries enjoy close and friendly relations with the United States, it is highly unlikely that any of these entities’ indirect ownership of Teltranet, either individually or in

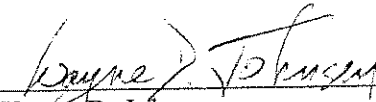
³⁹ See Exhibit 1.

aggregate, will raise any Executive Branch concerns, particularly given that the Executive Branch agencies previously concluded that they would not object to Mr. Barringer's 100 percent ownership interest in these licenses⁴⁰ and the overall foreign ownership interest in these licenses is decreasing as a result of the proposed transaction.

Accordingly, Teltranet respectfully requests that, in the event the Commission consents to the assignment of these common carrier point-to-point microwave licenses from Networks to Teltranet, the Commission also issue a declaratory ruling confirming that Teltranet's indirect foreign ownership is in the public interest.

Respectfully submitted,

Teltranet LLC

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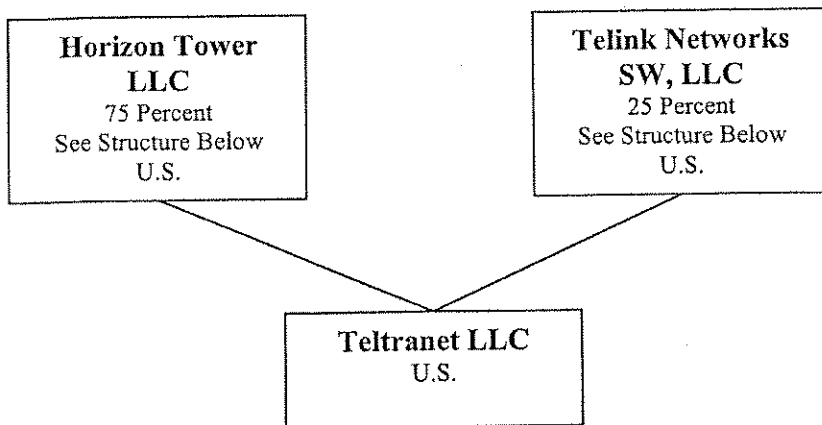
Its Attorneys

Dated: February 14, 2007

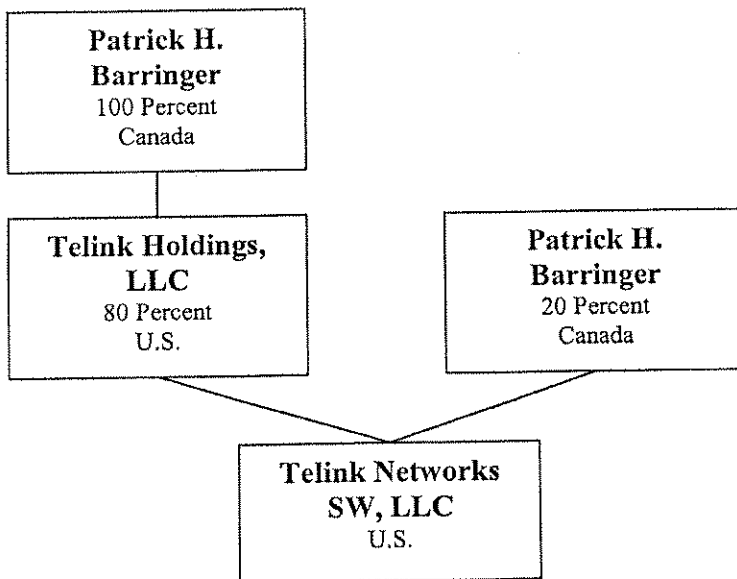
⁴⁰ See Letter from Laura H. Parsky, U.S. Dep't of Justice, to Marlene H. Dortch, FCC, ISP-PDR-20060106-00001 (Filed Apr. 19, 2006).

Exhibit 1 to Petition for Declaratory Ruling

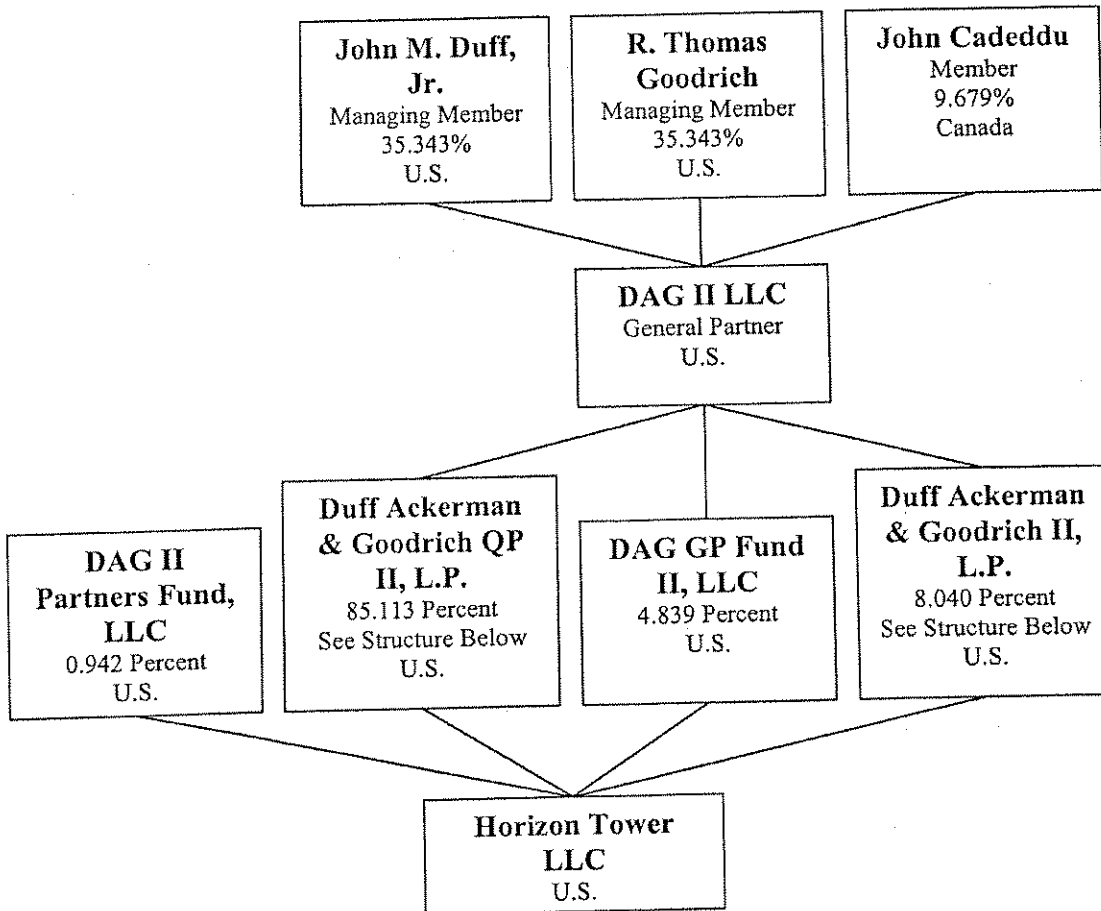
Teltranet LLC



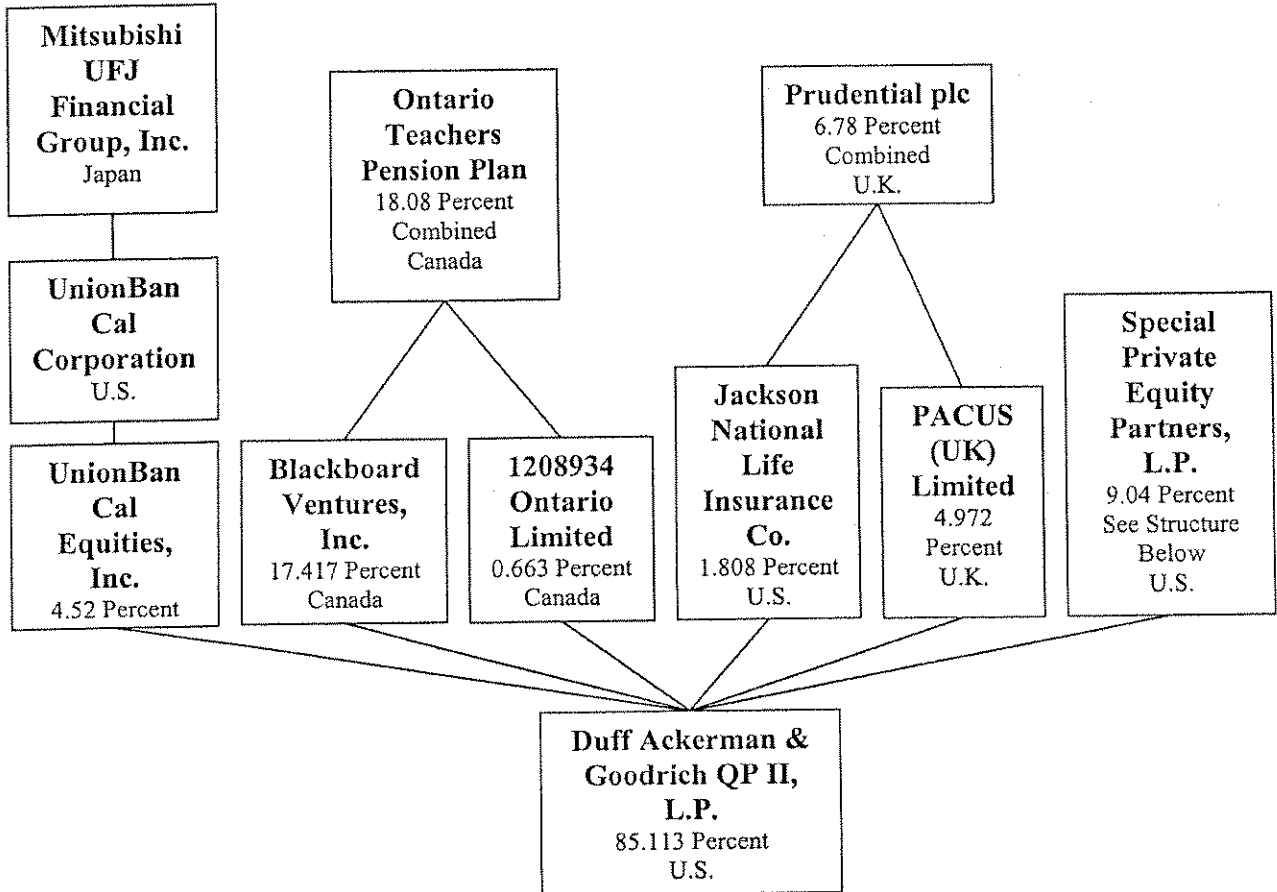
Telink Networks, SW, LLC



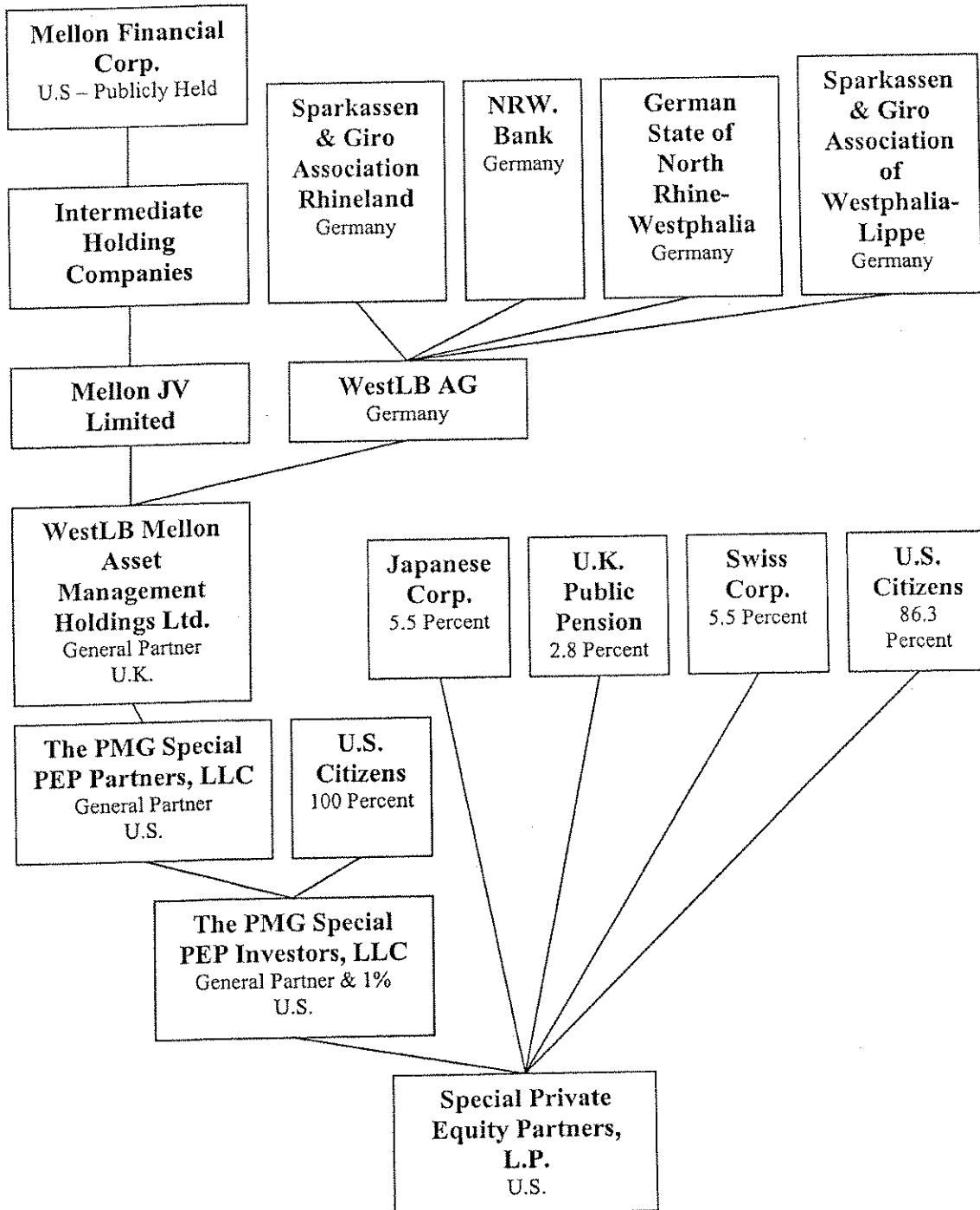
Horizon Tower LLC



Duff Ackerman & Goodrich QP II, L.P.



Special Private Equity Partners, L.P.



Duff Ackerman & Goodrich II, L.P.

