

STAMP AND RETURN

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

In the Matter of)
)
PACIFIC TELECOM INC.)
)
)
)
Petition for Declaratory)
Ruling Under Section 310(b)(4))
of the Communications Act of 1934, as)
Amended, to Permit Acquisition of)
Common Carrier Licenses)

FILED/ACCEPTED

APR - 3 2008

Federal Communications Commission
Office of the Secretary

File No. ISP-PDR - 2008-_____

PETITION OF PACIFIC TELECOM INC. FOR DECLARATORY RULING UNDER SECTION 310(b)(4) OF THE COMMUNICATIONS ACT OF 1934, AS AMENDED

Pacific Telecom Inc. ("Pacific Telecom" or "PTI") hereby requests a declaratory ruling that the proposed acquisition by its wholly-owned subsidiary PTI Pacifica Inc. ("PTI Pacifica") of a common carrier satellite earth station license on Guam and Local Multipoint Distribution Service ("LMDS") licenses for Guam and the Commonwealth of the Northern Mariana Islands ("CNMI") is consistent with the public interest standard under Section 310(b)(4) of the Communications Act of 1934, as amended (the Act").

This request is associated with the applications being filed simultaneously for the assignment from IT&E Overseas, Inc. ("IT&E") to PTI Pacifica of common carrier earth station license E990094 and common carrier LMDS licenses WPLM240 and WPLM241 for Guam and WPLM242 and WPLM243 for the CNMI. The Commission previously approved PTI's foreign ownership structure pursuant to Section 310(b)(4) of the Act, and

no substantive changes have occurred in PTI's foreign ownership since the most recent FCC authorization was granted.

DESCRIPTION OF THE TRANSACTION AND FOREIGN OWNERSHIP

This request for declaratory ruling relates to a transaction in which Pacific Telecom Inc. proposes to buy certain telecommunications assets of IT&E, including certain of IT&E's FCC authorizations, infrastructure, and subscriber bases. IT&E's FCC authorizations include PCS licenses on Guam and CNMI, an earth station license on Guam, LMDS licenses for CNMI and Guam, private microwave licenses on Guam, and an international Section 214 authorization. The parties are filing separate applications for assignment of these various authorizations to PTI Pacifica. As noted above, this request relates only to the earth station license on Guam and the LMDS licenses for CNMI and Guam.

Proposed assignee PTI Pacifica is a CNMI corporation that is a wholly-owned subsidiary of another CNMI corporation, Micronesian Telecommunications Corporation ("MTC"), which in turn is wholly-owned by CNMI corporation PTI. PTI is ultimately 100% foreign-owned. PTI is majority-owned (75%) by Prospector Investments Ltd. ("Prospector"), a company organized under the laws of the Cayman Islands, British West Indies. Prospector is owned by two related individuals: (1) Ricardo C. Delgado, a citizen of the Philippines, holds a 60% equity and voting interest in Prospector; and (2) Jose Ricardo Delgado, also a citizen of the Philippines, holds a 40% equity and voting interest in Prospector. The remaining 25% ownership interest in PTI is held 20% by Sumitomo Corporation, a company organized under the laws of Japan, and 5% by its wholly-owned

U.S.-incorporated subsidiary Sumitomo Corporation of America. Attached as an exhibit is a diagram of PTI Pacifica's ownership structure.

Because PTI is ultimately 100 percent non-U.S.-owned, grant of the assignment applications for the common carrier Guam earth station and LMDS licenses requires a finding by the Commission pursuant to Section 310 (b)(4) of the Act that indirect foreign ownership in excess of 25 percent is not inconsistent with the public interest. The FCC already has issued two declaratory rulings finding that PTI's indirect non-U.S. ownership of FCC common carrier licenses is consistent with the public interest. The FCC's first declaratory ruling, issued in 2003, covered a cellular license and a common carrier earth station license in the CNMI.¹ The second ruling in 2006 approved a PCS license covering both CNMI and Guam, the same geographic areas at issue in the instant request.² In each case, the Commission concluded that it would not serve the public interest to deny the relevant application(s) to assign common carrier radio licenses to PTI Pacifica (then known as GTE Pacifica) because of indirect foreign ownership interests.³

Because PTI's ultimate ownership is substantively the same as when the FCC issued the *2006 Guam and CNMI PCS Order*,⁴ PTI submits that no new foreign ownership issues are raised by this filing and that the FCC should extend its previous

¹ *Bell Atlantic New Zealand Holdings, Inc., Transferor and Pacific Telecom Inc., Transferee, Applications for Consent to Transfer Control of a Submarine Cable Landing License, International and Domestic Section 214 Authorizations, a Cellular Radiotelephone License, Common Carrier and Non-Common Carrier Satellite Earth Station Licenses, and a Petition for Declaratory Ruling Pursuant to Section 310(b)(4) of the Communications Act*, 18 FCC Rcd 23140 (2003) ("BANZHI-PTI Order").

² *Application of Bell Atlantic New Zealand Holdings, Inc., Assignor, and GTE Pacifica, Inc., Assignee, for the Assignment of Personal Communications Service (PCS) License WQCV808 (MTA 050)*, DA 06-2197, 21 FCC Rcd 12097 (2006) at ¶ 17 ("2006 Guam and CNMI PCS Order"). For the same reasons discussed by the Commission at ¶16 n.52, the proposed assignment here of earth station and LMDS licenses do not raise foreign ownership issues under Section 310(a) or 310(b)(1)-(3) of the Act.

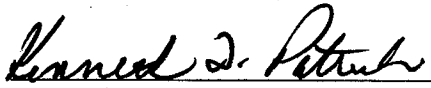
³ See *2006 Guam and CNMI PCS Order* at ¶16; *BANZHI-PTI Order* at ¶28.

⁴ At the time of the *2006 PCS Order*, Sumitomo Corporation of Japan held a 25% interest in PTI. Subsequently, as described above, a 5% interest has been assigned to its wholly-owned U.S.-incorporated subsidiary Sumitomo Corporation of America. See Exhibit 1.

Section 310(b)(4) findings to permit PTI Pacifica's acquisition of a common carrier earth station license on Guam and common carrier LMDS licenses on CNMI and Guam.⁵

Respectfully submitted,

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April 3, 2008

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⁵ The parties also are applying for the assignment to PTI Pacifica of IT&E's PCS licenses for Guam (WPOK677 and KNL923) and CNMI (WPOK678 and KNLG849). Consistent with the instructions on FCC Form 601, however, no additional declaratory ruling is requested for these licenses because the FCC already has provided a declaratory ruling that PTI can indirectly control a PCS licensee in Guam and CNMI. *See 2006 Guam and CNMI PCS Order*. Additionally, no declaratory ruling is requested for the private microwave licenses that PTI proposes to acquire from IT&E since such non-common carrier licenses are not subject to Section 310(b)(4) of the Act.

Pacific Telecom Inc. Ownership Structure

