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March 11, 2011

VIA IBFS

Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

Re: International Bureau File No. ISP-PDR-20110106-00001


In the Matter of Covad Communications Group, Inc., Transferor, NextWeb, Inc., Licensee, and U.S. TelePacific Corp., Transferee, Petition for Declaratory Ruling Under Section 310(b)(4) of the Communications Act, as Amended

Dear Ms. Dortch:

U.S. TelePacific Corp., through its undersigned counsel, hereby provides a response to the letter from Mr. James Ball, Policy Division Chief of the International Bureau, dated February 3, 2011.

Should you have you have any questions concerning this filing, please do not hesitate to contact us.

Respectfully submitted,


Jean L. Kiddoo
Danielle Burt

Counsel for U.S. TelePacific Corp.

cc (via email): James Ball, Policy Division Chief, International Bureau
Carrie-Lee Early, International Bureau

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1. **Confirmation that Investcorp S.A. wholly owns the intermediate entities through which it holds its 39.6% interest in TPAC Holdings; i.e., Aguanga Limited, Cahullia Limited, Fallbrook Limited, Palmas Limited, Investcorp Properties Limited, TelePacific Holdings Limited, TelePacific Equity Limited, Investcorp TPC L.P., Investcorp Secondary Partners I, L.P., and InvestCorp International, Inc. Or, to the extent that any of these companies are also owned by any entity other than Investcorp Holdings Limited, the identity of the owners of each of the intermediate entities and the citizenship and the relative ownership interests of each;**

Response:

- (a) Investcorp Properties Limited and Investcorp International, Inc. are wholly-owned subsidiaries of Investcorp S.A.
- (b) Investcorp Secondary Partners I L.P., which holds a 7.4% interest in U.S. TelePacific Holdings, Inc. ("TPAC Holdings"), is an indirect wholly-owned subsidiary of Investcorp S.A. through general partner entities organized under the law of the Cayman Islands. Investcorp S.A. holds a 7.4% voting interest and a 0.15% equity interest in TPAC Holdings through Investcorp Secondary Partners I L.P. The remaining 7.25% equity interest in TPAC Holdings through Investcorp Secondary Partners I L.P. is held by numerous individuals who reside in, or are citizens of, the United States, United Kingdom, or the Kingdom of Bahrain, all of which are WTO countries. We do not have sufficient information to provide a percentage breakdown for these individuals.
- (c) Investcorp TPC L.P. holds a 5.9% interest in TPAC Holdings. Investcorp S.A., through a Cayman Islands subsidiary that is the general partner of Investcorp TPC L.P., holds a 5.42% equity interest and a 0.47% voting interest in TPAC Holdings. 5.53% of the voting interest and 0.23% of the equity interest held in TPAC Holdings through Investcorp TPC L.P. are ultimately held by numerous individuals, all of whom reside in, or are citizens of, one of the following countries: Kingdom of Bahrain, Kuwait, Oman, Qatar, United Arab Emirates or Saudi Arabia, all of which are WTO countries. None of these individuals individually own a greater than 1% interest in TPAC Holdings. The remaining 0.25% equity interest in TPAC Holdings through Investcorp TPC L.P. is held by numerous individuals, all of whom reside in, or are citizens of, one of the following countries: the United States, the United Kingdom, or the Kingdom of Bahrain. We do not have sufficient information to provide a percentage breakdown for these individuals.
- (d) The other entities (e.g., Aguanga Limited, Cahullia Limited, Fallbrook Limited, Palmas Limited, TelePacific Holdings Limited, TelePacific Equity Limited) are owned by numerous individual and institutional investors that reside in, or are citizens of, one of the following countries: Kingdom of Bahrain, Kuwait, Oman, Qatar, United Arab Emirates, Egypt, Saudi Arabia or Jordan, all of which are WTO countries. As indicated in the Petition for Declaratory Ruling, none of these entities, other than TelePacific Equity Limited, hold a greater than 2.3% interest in TPAC Holdings. TelePacific Equity Limited holds a 11.9% interest in TPAC Holdings, and no indirect holder of the stock of TPAC Holdings through ownership in the stock of TelePacific Equity Limited holds a greater than 1% interest in TPAC Holdings.

Investcorp S.A. does not own any stock in these entities. The shares held by all of these entities are included in the number of shares held by Investcorp S.A. because these entities or their shareholders or principals have entered into revocable management agreements pursuant to which each entity has granted authority to Investcorp S.A. or a wholly-owned subsidiary of Investcorp S.A. to direct the voting and disposition of the TPAC Holdings stock held by each entity for so long as the agreement is in place.

2. the identity and citizenship of the holders of the unidentified 19.3% of Investcorp Holdings Limited voting rights;

Response:

We take this opportunity to correct the information provided on page 4 of the Petition for Declaratory Ruling to note that Investcorp Bank B.S.C. owns 100% of the economic interests and 22.1% of the voting control of Investcorp Holdings Limited. CP Holdings Limited (*see* response to question 5) continues to control 40.4% of the vote. In addition, 19.8% of the voting stock is held by Ownership Holdings Limited (*see* response to question 6), 9.8% of the voting stock is held by SIPCO Limited (*see* response to question 7), and 7.9% of the voting stock is held by Investcorp Funding Limited, a wholly-owned subsidiary of Investcorp Bank B.S.C. Investcorp Funding Limited is organized under the law of the Cayman Islands.

3. the jurisdiction in which Investcorp Bank B.S.C. is organized;

Response:

Investcorp Bank B.S.C. is organized under the laws of the Kingdom of Bahrain.

4. the identity and citizenship of the owners and their relative ownership interests of the unidentified 59.6% of Investcorp Bank B.S.C.;

Response:

The current ownership of 100% of the stock of Investcorp Bank B.S.C. is as follows: C.P. Holdings Limited owns 40.4% (*see* response to question 5), 19.8% is held by Ownership Holdings Limited (*see* response to question 6), 9.8% is held by SIPCO Limited (*see* response to question 7), 0.7% is held by public owners of Global Depository Receipts formerly listed on the London Stock Exchange, 21.4% is held by approximately 300 public stockholders, which are residents of Bahrain, Oman, Saudi Arabia, Kuwait, or Qatar, all of which are WTO member countries, and 7.9% is held by Investcorp Funding Limited (as treasury shares). Investcorp Funding Limited is organized under the law of the Cayman Islands.

5. the identity and citizenship of the owners and their relative ownership interests of the unidentified 44.6% of CP Holdings;

Response:

Of the unidentified 44.4% ownership of CP Holdings (55.6% is held by Ownership Holdings Limited - *see* response to question 6 below), two Cayman Island entities hold the

interest. Both entities are ultimately owned by individuals, who are citizens of one of the following countries: Kingdom of Bahrain, Kuwait, Oman, Qatar, United Arab Emirates, Egypt, Saudi Arabia or Jordan, all of which are WTO countries.

6. the identity and citizenship of the owners and their relative ownership interests of the unidentified 21.1 % of Ownership Holdings Limited;

Response:

63.4% of Ownership Holdings Limited is owned by SIPCO Limited (*see* response to question 7 below). The remaining 36.6% of Ownership Holdings Limited is owned by two Cayman Island entities, which are ultimately owned by individuals who are citizens of one of the following countries: Kingdom of Bahrain, Kuwait, Oman, Qatar, United Arab Emirates, Egypt, Saudi Arabia or Jordan, all of which are WTO countries.

7. the identity and citizenship of the owners and their relative ownership interests of SIPCO Limited;

Response:

SIPCO Limited is beneficially owned by individuals, all of whom reside in the Kingdom of Bahrain. 100% of the voting stock of SIPCO Limited is owned by SIPCO Holdings Limited, a Cayman Islands corporation. 14.28% of the equity and voting stock of SIPCO Holdings Limited is owned by U.S. citizens and 85.69% of the equity and voting stock of SIPCO Holdings Limited is owned by citizens of the United Kingdom, Kuwait, Saudi Arabia, and Qatar, all of which are WTO countries.

8. the identity and citizenship of the owners and their relative ownership interests of New Investors Holding Limited;

Response:

New Investors Holding Limited is owned by numerous individuals and/or institutions. All of the individual and institutional investors reside in, or are citizens of, one of the following countries: Kingdom of Bahrain, Kuwait, Oman, Qatar, United Arab Emirates, Egypt, Saudi Arabia or Jordan, all of which are WTO countries.

9. for the investors of Clarity Partners LP, Clarity Advisors, L.P., and Clarity Associates, L.P., the information specified in the Attachment to this request;

Response:

See Section A of the Attachment hereto.

10. for the "other private equity funds" which collectively own 24.1 % of TPAC, an organizational chart that illustrates the ownership and control structure of each fund, including the direct and indirect equity and voting interests in each fund, and a narrative description of the governance of each fund;

Response:

We do not have sufficient information to provide a percentage breakdown of the citizenship/principal place of business of the "other" funds identified on page 6 of the Petition that comprise the 24.1% interest described in TPAC Holdings. However, we do know that all of the owners of the "other private equity funds" reside in, or are citizens of, one of the following countries: Kingdom of Bahrain, Kuwait, Oman, Qatar, United Arab Emirates, Egypt, Saudi Arabia or Jordan, all of which are WTO countries.

11. for the investors of the "other private equity funds" which collectively own 24.1 % of TPAC, the information specified in the Attachment to this request;

Response:

See Section (b) of the Attachment hereto.

12. with regard to each of the trusts which hold ownership interests in TPAC Holdings, provide the country(ies) of organization, the citizenship of the trustee(s) and, for each trustee that is not a U.S. citizen, provide its relative ownership interest in TPAC Holdings;

Response:

As stated on page 3 of the Petition for Declaratory ruling, 12.33% of TPAC Holdings is held by U.S individuals and trusts for individuals who are U.S. citizens. Approximately 50 trusts hold ownership interests in TPAC Holding, and none holds a greater than 2.1% interest in TPAC Holdings. Each of these trusts are organized in the U.S. and each of the trustees are U.S. citizens.

13. an organizational chart that illustrates the ownership and control structure of TPAC Holdings, including the direct and indirect equity and voting interests held in TPAC Holdings by its immediate shareholders and their respective direct and indirect owners.

Response:

See Exhibit 1 hereto.

ATTACHMENT

Please provide the following information with respect to the investors of Clarity Partners LP, Clarity Advisors, L.P., and Clarity Associates, L.P., and the “other private equity funds” which collectively own 24.1% of TPAC:

- a) Please provide the following information with respect to the investors of each of the three entities listed above:
 - i) The aggregate percentage of total equity and voting stock held by or on behalf of individuals that are citizens of the United States;
 - ii) The aggregate percentage of total equity and voting stock held by or on behalf of individuals that are citizens of foreign countries; and
 - iii) A list of the countries of citizenship for the beneficial owners of the stock, including for any individual that holds the right to vote the stock. If any of these countries are non-WTO countries, please note the aggregate percentage of total equity and voting stock attributable to the non-WTO investment for each non-WTO country.
 - iv) The aggregate percentage of total equity and voting stock held by banks, insurance companies, pension plans and foundations/endowments organized in the United States and controlled by U.S. citizens;
 - v) The aggregate percentage of total equity and voting stock held by banks, insurance companies, pension plans and foundations/endowments controlled by foreign citizens or organized in foreign countries; and
 - vi) A list of the countries included in category (v) above. If any of these countries are non-WTO countries, please note the aggregate percentage of equity and voting stock attributable to the non-WTO investment for each non-WTO country.
 - vii) The aggregate percentage of total equity and voting stock held by private equity funds and management investment companies (*i.e.*, closed end funds and mutual funds) that are organized in the United States and that have their principal places of business in the United States. In making a principal place of business determination, the applicants should include in its determination for each investing entity the country of its world headquarters; tax jurisdiction; the citizenship or principal place of business of its controlling principals, directors and/or investment managers; and country(ies) from which the funds being managed were contributed.

- viii) **The aggregate percentage of total equity and voting stock held by private equity funds and management investment companies (*i.e.*, closed end funds and mutual funds) that are organized in a foreign country or that have their principal places of business in a foreign country; and**
- ix) **For the investors in Category (viii) above, a list of the countries where the investors are organized and where they have their principal places of business. If any of these countries are non-WTO countries, please note the aggregate percentage of total equity and voting stock attributable to the non-WTO investment for each non-WTO country. In making a principal place of business determination, the applicant should include in its determination for each investor the country of its world headquarters; tax jurisdiction; the citizenship or principal place of business of its controlling principals, directors and/or investment managers; and country(ies) from which the funds being managed were contributed.**
- x) **In making the principal place of business determination for the private equity funds and management investment companies, please confirm that the applicant relied upon the factors listed above in making its determination (*i.e.*, world headquarters; tax jurisdiction; the citizenship or principal place of business of its controlling principals, directors and/or investment managers; and country(ies) from which the funds being managed were contributed.). If the applicant used different criteria, please list the factors it considered in making its principal place of business determinations.**

For each of Clarity Partners, L.P., Clarity Associates, L.P. and Clarity Advisors, L.P., we provide below the ownership¹ percentages for (i) individuals who are citizens of the U.S. (“U.S. Individuals”), (ii) individuals who are citizens of foreign countries (“Foreign Individuals”), (iii) banks, insurance companies, pension plans, foundations/endowments organized in the U.S. (“U.S. Banks”); (iv) banks, insurance companies, pension plans, foundations/endowments organized in foreign countries or controlled by foreign citizens (“Foreign Banks”); (v) private equity funds and management investment companies organized in the U.S. (“U.S. Private Equity”); and (vi) private equity funds and management investment companies organized in a foreign country or with their principal place of business in a foreign country (“Foreign Private Equity”).

We also take this opportunity to correct the information provided on page 5 of the Petition for Declaratory Ruling to note that a small percentage of interest in Clarity Partners, L.P. is held by limited partners who are citizens of a foreign country or organized in a foreign country. As stated below, the foreign investors are organized in, or are citizens of, Taiwan, Canada, Japan or the United Kingdom, all of which are WTO countries. The Applicant also confirms that it relied upon the factors listed to make the principal place of business determination for the private equity funds and management investment companies.

¹ All three of these entities are limited partnerships and as such do not have any “equity” or “voting stock.” We are therefore responding as to the beneficial owners of interests in the limited partnerships.

Clarity Partners, L.P.

U.S. Individuals:	4.383%
Foreign Individuals:	4.225% (All reside in, or are citizens of, Taiwan.)
US Banks:	56.393%
Foreign Banks:	4.246% (All are organized in Canada or Japan.)
US Private Equity:	18.750%
Foreign Private Equity:	12.003% (All are organized in the United Kingdom.)
Total	100%

Clarity Advisors, L.P.

US Individuals:	97.754%
Foreign Individuals:	0%
US Banks:	0.242%
Foreign Banks:	0%
US Private Equity:	2.004%
Foreign Private Equity:	0%
Total	100%

Clarity Associates

US Individuals:	97.943%
Foreign Individuals:	0%
US Banks:	2.057%
Foreign Banks:	0%
US Private Equity:	0%
Foreign Private Equity:	0%
Total	100%

In addition, we clarify that Clarity Partners, L.P. does not hold a beneficial interest in either Clarity Advisors, L.P. or Clarity Associates, L.P. However, each of Clarity Partners, L.P. (20.71% equity and voting interest in TPAC Holding), Clarity Advisors, L.P. (2.98% equity and voting interest in TPAC Holding) and Clarity Associates, L.P. (0.28% equity and voting interest in TPAC holdings) have the same general partner (Clarity GenPar, LLC). The managing members of Clarity GenPar, LLC are: Mr. Barry Porter, Mr. Stephen P. Rader, and Mr. David Lee, all of whom are U.S. citizens. Mr. Porter, Mr. Rader, Mr. Lee, and numerous other individuals, all of whom are U.S. citizens, hold all of the beneficial ownership interests in Clarity GenPar, LLC.

b) For investors other than those covered by the questions above (i.e., individuals, banks, insurance companies, pension plans, foundations/endowments, private equity funds and management investment companies), please explain the nature of these investing entities and provide:

i) The aggregate percentage of total equity and voting stock for such investors that are organized in the United States and that have their principal places of business in the United States. For purposes of determining the investors' principal places of business, please use the five factor test specified in the *Foreign Carrier Entry Order*, 11 FCC Rcd 3873, 3951, ¶ 207 (1995). See also *Foreign Ownership Guidelines*, 19 FCC Rcd 22612, 22623 (2004).

None. See response to question (b)(ii) below.

ii) The aggregate percentage of total equity and voting stock for such investors that are organized in a foreign country or that have their principal places of business in a foreign country; and

As stated in the response to Question 10, we do not have sufficient information to provide a percentage breakdown of the citizenship/principal place of business of the "other" funds identified on page 6 of the Petition that comprise the 24.1% interest described in TPAC Holdings. However, we do know that all of the owners of the "other private equity funds" reside in, or are citizens of, one of the following countries: Kingdom of Bahrain, Kuwait, Oman, Qatar, United Arab Emirates, Egypt, Saudi Arabia or Jordan, all of which are WTO countries.

iii) For the investors in Category (ii) above, a list of the countries where the investors are organized and where they have their principal places of business. If any of these countries are non-WTO countries, please note the aggregate percentage commitment attributable to the non-WTO investment for each non-WTO country.

See response to question (b)(ii) above.

U.S. TelePacific Corp. Indirect Ownership Chart

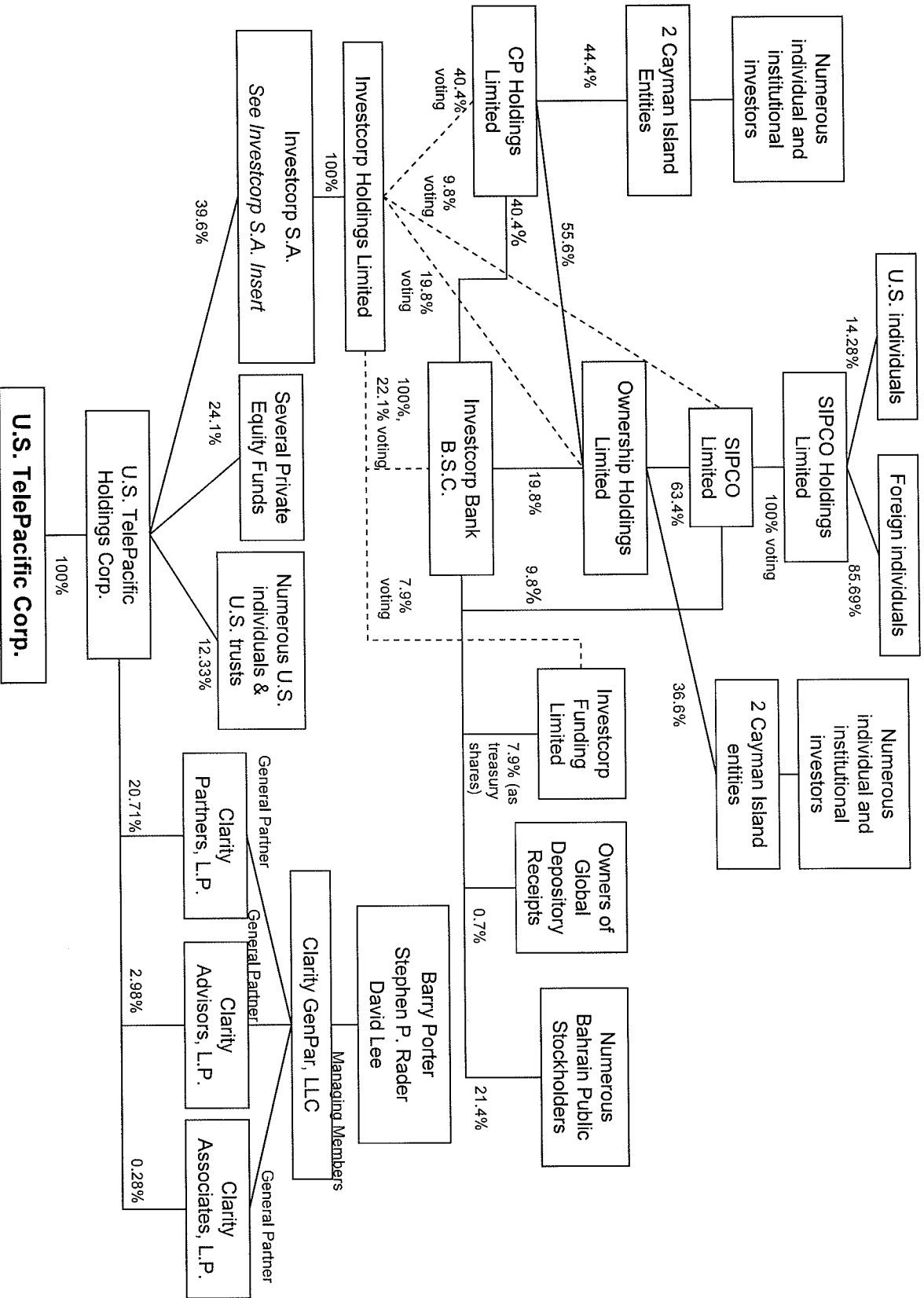


EXHIBIT 1

U.S. TelePacific Corp. Indirect Ownership Chart

