

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

In the Matter of:)
)
)
Indirect Foreign Investments in) File No. ISP-PDR-2013-_____
Common Carrier Licensee,)
CTM Spectrum LLC)
)

To: Chief, International Bureau

PETITION FOR DECLARATORY RULING

CTM Spectrum LLC (“CTM Spectrum”), pursuant to Section 310(b)(3) of the Communications Act of 1934, as amended (“Act”), and relevant Federal Communications Commission (“Commission”) rules, orders, and policies, requests that the Commission issue a Declaratory Ruling permitting CTM Spectrum to exceed the indirect foreign ownership limits of Section 310(b)(3) should it win licenses in the Commission’s upcoming H Block Auction (Auction 96) (“Auction”).

The Parties

CTM Spectrum is a Delaware limited liability company that was formed to bid in the Auction.

Telcom Ventures, LLC (“Telcom”) is a Florida limited liability company controlled by Dr. Rajendra Singh and his wife, Neera. The Singhs were instrumental in the design of the first generation of cellular systems in the United States. Telcom holds a 25.5% interest in CTM Spectrum. All investors in Telcom are U.S. citizens or entities.

Columbia Capital Equity Partners V (QP), L.P. (“CCQP”) is a Delaware limited partnership and holds a 15.96% interest in CTM Spectrum.

Columbia CTM Spectrum LLC (“CCS”) is a Delaware limited partnership and holds a 9.54% interest in CTM Spectrum.

CCS and CCQP (collectively, the “Columbia Parties”) are commonly controlled by Columbia Capital, a U.S. venture capital firm founded in 1989 with headquarters in Alexandria, Virginia. Columbia Capital manages approximately \$2.5 billion and specializes in investments in communications, media, and technology companies.

MDCP Hill Splitter, L.P. (“MDHS”) is a Delaware limited partnership and holds an 8.00% interest in CTM Spectrum. Madison Dearborn Capital Partners VI-B, L.P. (“MDB”) is a Delaware limited partnership and holds a 40.59% interest in CTM Spectrum. Madison Dearborn Capital Partners VI Executive-B, L.P. (“MDE”) is a Delaware limited partnership and holds a 0.42% interest in CTM Spectrum.

MDHS, MDB and MDE (collectively, the “MD Parties”) are commonly controlled by Madison Dearborn Partners, LLC (“Madison Dearborn”), a U.S. private equity firm founded in 1992 with headquarters in Chicago, Illinois. Madison Dearborn manages approximately \$13 billion and specializes in, among other industry sectors, investments in communications, media, and technology service companies.

CTM Spectrum seeks a declaratory ruling its total attributable foreign interest of 28.1% - the MD Parties’ 16.2% attributable foreign interest together with the Columbia Parties’ 11.9% attributable foreign interest - will serve the public interest.

The Auction

Contemporaneously herewith, CTM Spectrum is submitting a short form application (FCC Form 175) (“Short Form”) to participate in the Auction. The Short Form requires CTM Spectrum to disclose its attributable foreign ownership and to certify that it is in compliance with the foreign ownership provisions in Section 310 of the Communications Act of 1934, as amended (“Act”), or has filed a petition for declaratory ruling requesting Commission approval to exceed the applicable foreign ownership benchmark in Section 310(b).¹

CTM Spectrum Foreign Ownership

CTM Spectrum is managed and controlled by its Board, consisting of three directors: one appointed by the MD Parties, one by Telcom and one by the Columbia Parties.

Following a declaratory ruling by the Commission that the investment by the MD Parties and the Columbia Parties will serve the public interest, equity ownership of CTM Spectrum will be:

Columbia CTM Spectrum LLC	9.54%
Columbia Capital Equity Partners V (QP), L.P.	15.96%
MDCP Hill Splitter, L.P.	8.00%
Madison Dearborn Capital Partners VI-B, L.P.	40.59%
Madison Dearborn Capital Partners VI-Executive-B, L.P.	0.42%
Telcom Ventures	25.50% ²

¹ *Auction for H Block Licenses in the 1915-MHz and 1995-2000 MHz Bands Schedule for January 14, 2014; Notice and Filing Requirements, Reserve Price, Minimum Opening Bids, Upfront Payments, and Other Procedures for Auction 96, Public Notice*, 28 FCC Rcd 13019, ¶ 67; see 47 U.S.C. § 310(b)(3) (interests held or voted by foreign entities or individuals in a U.S. common carrier licensee may not exceed 20%).

² Interests add up to slightly more than 100% (100.01%) due to rounding.

CCQP is a managed fund with foreign investors holding 17.68% of its equity.

CCS is a holding company with foreign investors holding 95.40% of its equity.

MDHS is a partnership wholly owned by a holding company of a managed fund with foreign investors holding insulated investments of 96.9%.³ MDB is a managed fund with insulated foreign investors holding 20.5% of its equity. MDE is a managed fund with insulated foreign investors holding 7.2% of its equity.

Including the MD Parties' and Columbia Parties' investment, foreign entities hold 28.1% of the equity in CTM Spectrum. These foreign investors are insulated and do not have a voting interest in CTM Spectrum.

The Investment by MD Parties is in the Public Interest

The Commission has recognized that wireless networks are critical components of the nation's telecommunications infrastructure and that demand for wireless broadband services and the network capacity needed to support those services is surging.⁴ The Auction is being conducted in accordance with the Middle Class Tax Relief and Job Creation Act of 2012.⁵ The Spectrum Act directs the Commission to allocate for commercial use, license and auction ten megahertz of paired spectrum at 1915-1920 MHz and 1995-2000 MHz—the H Block.⁶ The H Block extends the widely deployed broadband Personal Communications Services ("PCS") band,

³ See 47 C.F.R. §§ 1.991(i)(3)(C), 1.993 (exempting disclosure of specific foreign investors holding between 5% and 10% insulated interests). Note that no specific foreign investor holds a 10% or greater interest in CTM Spectrum. See Attachment B.

⁴ *Review of Foreign Ownership Policies for Common Carrier and Aeronautical Radio Licenses Under Section 310(b)(4) of the Communications Act of 1934, as Amended, Second Report and Order*, 28 FCC Rcd 5741, ¶ 2 (2013) ("*Second Report and Order*").

⁵ Middle Class Tax Relief and Job Creation Act of 2012, Pub. L. No. 112-96, 126 Stat. 156 (2012) ("*Spectrum Act*").

⁶ Spectrum Act, §6401(b), codified at 47 C.F.R. § 1451(b).

which is used by national, regional and rural wireless providers to offer mobile wireless services.⁷

The Commission has previously concluded that the H Block spectrum will “help ensure that the speed, capacity, and ubiquity of the Nation’s wireless networks keep pace with the skyrocketing demand for mobile services.”⁸ In the *H Block Order*, the Commission also noted that “[w]ireless broadband represents a critical component of economic growth, job creation and global competitiveness because consumers are increasingly using wireless broadband services to assist them in their everyday lives.”⁹ If CTM Spectrum is the high bidder for spectrum in the Auction, it will face intense competition from incumbent mobile carriers in the wireless broadband marketplace. It will need firm financial underpinnings to be an effective competitor. The foreign investments in the MD Parties and the Columbia Parties will help provide CTM Spectrum with the financial resources to successfully enter the competitive wireless broadband market.

The Commission has found that foreign investment has been and will continue to be an important source of financing for U.S. telecommunications companies, fostering technical innovation, economic growth, and job creation.¹⁰ In its *Foreign Participation Order of 1997*,¹¹ the Commission adopted a presumption that foreign investment from WTO member companies

⁷ *Service Rules for Advanced Wireless Services H Block – Implementing Section 6401 of the Middle Class Tax Relief and Job Creation Act of 2012 Related to the 1915-1920 MHz and 1995-2000 MHz Bands, Report and Order*, 28 FCC Rcd 9483, ¶ 1 (2013) (“*H Block Order*”).

⁸ *Id.*

⁹ *Id.*, ¶ 2.

¹⁰ *Second Report and Order*, ¶ 3.

¹¹ *Rules and Policies on Foreign Participation in the U.S. Telecommunications Market: Market Entry and Regulation of Foreign-Affiliated Entities, Report and Order and Order on Reconsideration*, 12 FCC Rcd 23891 (1997).

in U.S. common carrier licensees poses no competitive concerns in the U.S. market.¹² Earlier this year, the FCC eliminated the WTO member/Non-WTO member company distinction from its foreign ownership analysis and expanded its rebuttable presumption to include all foreign investments.¹³

Based on the *Second Report and Order*, the foreign investment included in the MD Parties' and Columbia Parties' investment in CTM Spectrum is presumed to be in the public interest.¹⁴ There is nothing about the MD Parties' and Columbia Parties' investment in CTM Spectrum that would disturb this presumption.

The Commission has expressed the need to facilitate greater investment in mobile networks as a critical component of economic growth.¹⁵ The MD Parties' and Columbia Parties' investment in CTM Spectrum will facilitate the entry of a new competitor in the wireless broadband market, which will increase competition, support technical innovation and foster job creation. This petition meets all of the requirements of Section 310 and the Commission's rules and policies, including those adopted in the *Second Report and Order*.¹⁶ Accordingly, the Commission should provide streamlined processing for this request.

¹² *Id.*, ¶¶ 51-54.

¹³ *Second Report and Order*, ¶ 5.

¹⁴ *Id.*

¹⁵ *Second Report and Order*, ¶¶ 2-3 and Statement of Commissioner Mignon L. Clyburn in support of the order.

¹⁶ *See Attachment B*, 47 C.F.R. § 1.991 Showing; 47 U.S.C. § 310(b); 47 C.F.R. § 1.990; *Second Report and Order*, ¶¶ 36-37.

Respectfully submitted,

/s/

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Dated: November 15, 2013

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

In the Matter of:)
)
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Indirect Foreign Investments in) File No. ISP-PDR-2013-_____
Common Carrier Licensee,)
CTM Spectrum LLC)
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**PETITION FOR DECLARATORY RULING
CERTIFICATION OF
CTM SPECTRUM LLC**

I, Monish Kundra, Authorized Signatory for CTM Spectrum LLC certify under penalties of perjury that the facts contained in the foregoing Petition are true and correct. CTM Spectrum LLC has calculated the ownership interests disclosed in this Petition based upon its review of the Commission's rules. These disclosures satisfy each of the pertinent standards and criteria set forth in the rules.

CTM Spectrum LLC further certifies that neither it nor any party to this application is subject to denial of federal benefits by federal and/or state courts under authority granted in 21 U.S.C. § 862.

By: CTM Spectrum LLC

/s/ Monish Kundra

Monish Kundra, Authorized Signatory

Dated: November 15, 2013

Attachment A – Types of Authorizations

Contemporaneously herewith, CTM Spectrum LLC is submitting a short form application (FCC Form 175) to participate in Auction 96 for the purchase of H Block Personal Communications Service licenses.

Attachment B – Additional Information for 47 C.F.R. § 1.991 Showing

Applicant

CTM Spectrum LLC
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Alexandria, Virginia
Phone: 703-519-2000
Fax: 703-519-5870
Certifying Officer:

FRN: 0022804140
A Delaware limited liability company

email: don.doering@colcap.com
Monish Kundra, Authorized Signatory

Applicant's Legal Counsel

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Type of Radio Service Authorized: 1915-1920 MHz and 1995-2000 MHz bands (H Block), Personal Communications Service

Rule Implicated: CTM Spectrum LLC seeks a declaratory ruling pursuant to Section 1.990(a)(2).

CTM Spectrum LLC – Limited Liability Company Members

		<u>Interests</u> ¹
Columbia CTM Spectrum LLC	uninsulated ²	9.54% equity, 9.54% voting
Columbia Capital Equity Partners V (QP), L.P.	uninsulated	15.96% equity, 15.96% voting
Telcom Ventures, LLC	uninsulated	25.5% equity, 25.5% voting
Madison Dearborn Capital Partners VI-B, LP*	uninsulated	40.59% equity, 40.59% voting
Madison Dearborn Capital Partners VI-Executive-B, LP	uninsulated	0.42% equity, 0.42% voting
MDCP Hill Splitter, L.P.	uninsulated	8.00% equity, 8.00% voting

¹ Interests add up to slightly more than 100% (100.01%) due to rounding.

² Although all direct interests in CTM Spectrum LLC are uninsulated interests, all foreign ownership involved in this application is nonetheless insulated. These foreign interests are only held through limited partnerships that insulate the foreign investments from management or operation of the partnership. See 47 C.F.R. §§ 1.991(i)(3)(C), 1.993.

Indirect U.S. Equity or Voting Interests of 10% or More

Parents of the Columbia Parties

James Fleming	0% equity, 25.5% voting ³
John Siegel	0% equity, 25.5% voting
Columbia Capital Equity Partners V, L.P. (Delaware)	<1% equity, 25.5% voting
Columbia Capital V, LLC (Delaware)	<1% equity, 25.5% voting

Parents of Telcom Ventures, LLC

Neera Singh	12.69% equity, 25.5% voting
Rajendra Singh	12.69% equity, 25.5% voting

Parents of the MD Parties

Paul Finnegan	~0% equity, ⁴ 49.0% voting
Samuel Mencoff	~0 % equity, 49.0 % voting
Madison Dearborn Partners VI-B, L.P. (Delaware)	3.0% equity, 49.0% voting
Madison Dearborn Partners, LLC (Delaware)	~0% equity, 49.0% voting

Foreign Interests of 5% or Greater

No specific foreign entity or individual holds a 10% or greater interest in CTM Spectrum LLC. Additionally, all foreign entities and individuals hold insulated investments in managed funds and are thus, under § 47 C.F.R. § 1.1991(i)(3), exempt from the 5% disclosure requirement for specific foreign investors.

Current Aggregate Foreign Equity Percentage: 28.1%
See Petition for details.

Current Aggregate Foreign Voting Percentage: 28.1%
See Petition for details.

Ownership Structure of CTM Spectrum LLC

See Attachment C

Description of methods used to determine the percentages

The Columbia Parties and the MD Parties are private equity funds, and both track the investments in their funds, including the foreign ownership of its investors. Using this foreign ownership information in the respective funds, foreign ownership percentages are calculated according to the Commission's rules. *See* 47 C.F.R. § 1.992.

³ Note that pursuant to § 1.992(b)(2), voting interests in the ownership chain equal to 50 percent are treated as a 100 percent interest for purpose of calculating indirect ownership interests.

⁴ Paul Finnegan and Samuel Mencoff hold less than 0.01% of the equity interest in CTM Spectrum LLC.

Circumstances that prompted the filing of the petition

This petition was prompted by CTM Spectrum LLC's submission of a short form application (FCC Form 175) to participate in Auction 96.

Public Interest Statement

See Petition for details.