

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

In the Matter of:	)	
	)	
<b>Onvoy Spectrum, LLC,</b>	)	
<i>Petitioner/Licensee</i>	)	
	)	File No. ISP-PDR-2017 _____
Petition for Declaratory Ruling Under	)	
Section 310(b)(4) of the Communications	)	
Act of 1934, as Amended	)	
	)	

**PETITION FOR DECLARATORY RULING**

Pursuant to 47 U.S.C. § 310(b)(4) of the Communications Act of 1934, as amended (the “Communications Act”), and Section 1.990(a) (1.5000(a)) of the Commission’s Rules,<sup>1</sup> Onvoy Spectrum, LLC (“Petitioner” or “Licensee”) petitions the Commission for a declaratory ruling that it would serve the public interest to permit indirect foreign ownership of Petitioner to exceed the 25-percent benchmark identified in Section 310(b)(4) of the Communications Act and thus allow Petitioner to hold a common carrier wireless license.

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<sup>1</sup> In *Review of Foreign Ownership Policies for Broadcast, Common Carrier and Aeronautical Radio Licensees*, GN Docket No. 15–236, Report and Order, FCC 16–128 (rel. Sept. 30, 2016), the Commission removed sections 1.990–1.994 from its rules, and adopted new sections 1.5000–1.5004 that are substantially identical insofar as applicable to this petition. Although the above-referenced Report and Order became effective on January 30, 2017, the adoption of the recodified rules has not yet taken effect due to Paperwork Reduction Act requirements. Out of an abundance of caution, Petitioner cites herein to both the old and the new versions of these rules.

## **I. INTRODUCTION AND SUMMARY**

Petitioner holds a nationwide non-common carrier wireless license, Call Sign WQVK773, in the 3650-3700 MHz band (the “License”).<sup>2</sup> Petitioner intends to modify the License to include common carrier status.<sup>3</sup> However, since Petitioner’s current indirect, foreign ownership exceeds the benchmark set forth in Section 310(b)(4), Petitioner files this Petition in connection with that conversion.

Although Petitioner is ultimately controlled by U.S. citizens, certain direct and indirect investors in Petitioner’s controlling U.S. parent are either foreign entities or persons. For the reasons described herein, this indirect foreign ownership in a non-exclusive nationwide license raises no significant foreign ownership or control issues that would be of interest to the U.S. government with respect to U.S. national security, law enforcement, foreign policy, or trade policy concerns, and is in the public interest. Therefore, Petitioner respectfully requests that the Commission grant this Petition for Declaratory Ruling and find the indirect foreign ownership of Petitioner, as described herein, to be in the public interest.

## **II. DESCRIPTION OF THE PETITIONER**

Onvoy Spectrum is a Colorado limited liability company with its principal place of business located at 10300 6th Ave. N., Plymouth, Minnesota 55441. Onvoy Spectrum currently holds a nationwide non-common carrier wireless license, Call Sign WQVK773, in the 3650-3700 MHz band (the “License”), which Petitioner intends to modify to include common carrier status

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<sup>2</sup> This band is currently being transitioned to the Citizens Broadband Radio Service. The license expires on March 13, 2025. Petitioner has registered 39 locations and has over 840 pending location registrations.

<sup>3</sup> Petitioner previously filed to convert the License to common carrier status, but withdrew that Application when an internal review of its current indirect ownership indicated that its aggregate, indirect foreign ownership may exceed the 25% threshold of Section 301(b)(4). *See* ULS File No. 0007523622.

in addition to non-common carrier status as permitted by the rules.<sup>4</sup> Onvoy Spectrum intends to provide wholesale and retail wireless services, including 911 services, to affiliated companies, as well as unaffiliated Local Exchange Carriers (LECs), interexchange carrier (IXCs), wireless providers, applications service providers, VoIP providers, cable companies, and end users.

Onvoy Spectrum is a direct, wholly owned subsidiary of Onvoy, LLC (d/b/a Inteliquent), a Delaware limited liability company. Onvoy, LLC has provided telecommunications services since 1988. Onvoy, LLC provides primarily wholesale local exchange and long distance services, switched access, transit and other services to other carriers and communications providers. Onvoy, LLC has several other wholly owned subsidiaries that provide various types of communications services including: Inteliquent, Inc. and its Neutral Tandem subsidiaries; Minnesota Independent Equal Access Company; Voyant Communications, LLC; Broadvox–CLEC, LLC; Broadvox, LLC; Onvoy Spectrum, LLC; ANPI Business, LLC; and ANPI, LLC.

Onvoy, LLC is an indirect, wholly owned subsidiary of GTCR Onvoy Holdings LLC (“Holdings”), which is the controlling U.S. parent of Onvoy Spectrum. Holdings is a Delaware limited liability company with its principal executive office at 300 N. LaSalle Street, Suite 5600, Chicago, Illinois 60654. Holdings is an investment vehicle created to aggregate the ownership of various investment funds managed by GTCR LLC<sup>5</sup> in connection with the acquisition by such funds of Onvoy and its subsidiaries along with certain other co-investors and persons.

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<sup>4</sup> 47 C.F.R. § 90.1309; *see also*, *In the Matter of Wireless Operations in the 3650-3700 MHz Band, Report and Order*, ET Docket No. 04-151 and WT Docket No. 05-96, 20 FCC Red 6502, note 67 (2005) (citing 47 U.S.C. § 153).

<sup>5</sup> Founded in 1980, GTCR LLC is a private equity firm focused on investing in growth companies in the Financial Services & Technology, Healthcare, Technology, Media & Telecommunications and Growth Business Services industries. GTCR LLC pioneered The Leaders Strategy™—finding and partnering with management leaders in core domains to identify, acquire and build market-leading companies through transformational acquisitions and

Due to the indirect foreign ownership of Petitioner through the presence of foreign investors in certain private equity funds, Petitioner is filing this Petition for Declaratory Ruling pursuant to Section 301(b)(4) of the Act.

**III. INFORMATION REQUIRED BY SECTION 1.991 (1.5001)**

Pursuant to Section 1.991 (1.5001) of the Commission’s rules, Petitioner provides the following information in support of this Petition:

**(a) Name, FRN, Contact Information, Place of Organization, Type of Business, and Certification Information (Section 1.991(a) (1.5001(a))**

**Name:** Onvoy Spectrum, LLC  
**FRN:** 0024415002  
**Address:** 10300 6th Ave. N.  
Plymouth, MN 55441  
**Telephone:** 763-230-4660  
**Email:** scott.sawyer@onvoy.com  
**Place of Organization:** Colorado  
**Certifying Officer:** Scott Sawyer, General Counsel and Secretary

**(b) Legal Counsel Contact Information (Section 1.991(b) (1.5001(b))**

Russell M. Blau  
Brett P. Ferenchak  
Morgan, Lewis & Bockius LLP  
1111 Pennsylvania Avenue, N.W.  
Washington, DC 20004-2541  
202-739-3000 (tel)  
202-739-3001 (fax)  
russell.blau@morganlewis.com  
brett.ferenchak@morganlewis.com

**(c) (1) Type of Radio Service Authorized (Section 1.991(c)(1) (1.5001(c)(1))**

<b>Station Call Sign</b>	<b>Radio Service</b>
WQVK773	NN – 3650-3700 MHz

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organic growth. Since its inception, GTCR LLC has invested more than \$12 billion in over 200 companies.

**(2) Associated Application (Section 1.991(c)(2) (1.5001(c)(2))**

This Petition is filed in connection with the proposed modification of the License to include common carrier status in addition to non-common carrier status. The Application for modification of the License is expected to be filed shortly after this Petition.

**(d) Type of Declaratory Ruling Request (Section 1.991(d) (1.5001(d))**

Petitioner requests a declaratory ruling pursuant to Section 310(b)(4) and Section 1.990(a)(1) (1.5000(a)(1)) of the Commission’s Rules to exceed the 25 percent indirect foreign ownership benchmark established by Section 310(b)(4) of the Act.

**(e) Direct Ownership Information (Section 1.991(e), (g) (1.5001(e), (g))**

The direct owner of Petitioner is Onvoy, LLC, a Minnesota limited liability company. The controlling U.S. parent company of Petitioner is GTCR Onvoy Holdings LLC (“Holdings”), a Delaware limited liability company. Please see Exhibit A for a diagram depicting the intervening ownership structure between Petitioner and Holdings. All members of Holdings are fully insulated in accordance with Section 1.993 (1.5003) of the Commission’s Rules. Holdings is managed by a Board of Managers. The following individuals comprise the Board and are each a U.S. citizen and can be reached through Holdings: Fritz Hendricks, Philip A. Canfield, Lawrence C. Fey and Stephen P. Master. There is no other non-equity manager of Holdings. The following members directly own 10 percent or more of the membership interests of Holdings:

Name:	GTCR Fund X/A LP (“Fund X/A”)
Address:	300 N. LaSalle Street, Suite 5600 Chicago, IL 60654
Citizenship:	U.S. (Delaware)
Principal Business:	Investments
% Equity Interest:	64.7%
% Voting Interest:	64.7%

Name: GTCR Fund X/C LP (“Fund X/C”)  
 Address: 300 N. LaSalle Street, Suite 5600  
 Chicago, IL 60654  
 Citizenship: U.S. (Delaware)  
 Principal Business: Investments  
 % Equity Interest: 18.5%  
 % Voting Interest: 18.5%

**(f) Indirect Ownership Information (Section 1.991(f), (g) (1.5001(f), (g))**

All limited partnership interests in Fund X/A and Fund X/C are fully insulated in accordance with Section 1.993 (1.5003) of the Commission’s Rules. Only the entities and persons listed below have a 10 percent or greater interest in Holdings through Fund X/A or Fund X/C as calculated pursuant to Section 1.992 (1.5002).

Name: U.S. State Pension Fund  
 Citizenship: U.S.  
 Principal Business: Public Pension Fund  
 % Equity Interest: 11.93% (indirectly in Holdings as 11.93% limited partner of Fund X/A)  
 % Voting Interest: 11.93%

Name: GTCR Partners X/A&C LP  
 Address: 300 N. LaSalle Street, Suite 5600  
 Chicago, IL 60654  
 Citizenship: U.S. (Delaware)  
 Principal Business: Investments  
 % Equity Interest: 83.2% (indirectly in Holdings as the general partner of (i) Fund X/A and (ii) Fund X/C)  
 % Voting Interest: 83.2%

All limited partnership interests in GTCR Partners X/A&C LP are fully insulated in accordance with Section 1.993 (1.5003) of the Commission’s Rules, except for those limited partners who are also members of the Board of Managers of Holdings (and thus listed in paragraph (e) above). All limited partnership interests are held by individual U.S. citizens. One or more of the limited partners may have a 10% or greater limited partnership interest in GTCR Partners X/A&C LP.

Name: GTCR Investment X LLC  
Address: 300 N. LaSalle Street, Suite 5600  
Chicago, IL 60654  
Citizenship: U.S. (Delaware)  
Principal Business: Investments  
% Equity Interest: 83.8% (indirectly in Holdings as the general partner of (i) GTCR Partners X/A&C LP and (ii) GTCR Co-Invest X LP (which has an approximately 0.6% direct equity interest in Holdings))  
% Voting Interest: 83.8%

The following individuals (i) are all the members of GTCR Investment X LLC and comprise its board of managers, (ii) are all U.S. citizens and (iii) can be reached through GTCR Investment X LLC:

Mark M. Anderson  
Craig A. Bondy  
Philip A. Canfield  
Aaron D. Cohen  
Sean L. Cunningham  
David A. Donnini  
Constantine S. Mihas  
Collin E. Roche

To the Petitioner's knowledge, no other person or entity, directly or indirectly, owns or controls a ten percent (10%) or greater equity or voting interest in Petitioner through Holdings.

**(g) Citizenship of Each 10 Percent Interest Holder (Section 1.991(g) (1.5001(g)(1))**

Please see the responses to (e) and (f) above.

**(h) Estimate of Aggregate Foreign Ownership and Ownership/Control Structure (Section 1.991(h) (1.5001(h))**

(1) The following is the estimated direct and indirect foreign voting and equity interests in Holdings. These interests are calculated pursuant to the standards and criteria set forth in Section 1.992 (1.5002) of the Commission's rules. In lieu of a separate attachment please see the chart below:

<b>Investor</b>	<b>Aggregate % Voting</b>	<b>Aggregate % Equity</b>
Aggregate Known Direct Foreign Insulated Members of Holdings	1.93%	1.93%
Aggregate Known Through U.S. Insulated Members of Holdings (Other than through Fund X/A or Fund X/C)	4.31%	4.31%
Aggregate Known Through Fund X/A	6.73%	6.73%
Aggregate Known Through Fund X/C	14.27%	14.27%
Aggregate Unknown Through Fund X/A	5.34%	5.34%
Aggregate Unknown Through Fund X/C	3.07%	3.07%
<b>TOTAL</b>	<b>35.65%</b>	<b>35.65%</b>

(2) The ownership and control structure is depicted in an organization chart in Exhibit A.

**(i) Request for Specific Approval (Section 1.991(i) (1.5001(i))**

There is no foreign entity or person, that is not exempt under Section 1.991(i)(3) (1.5001(i)(3)), for which specific approval is required.

**(j) Citizenship of Foreign Entities and Individuals (Section 1.991(j) (1.5001(j))**

Not applicable.

**(k) Request for Advance Approval (Section 1.991(k) (1.5001(k))**

Petitioner does not seek advance approval for any foreign person or entity.

**IV. GRANT OF THIS PETITION IS IN THE PUBLIC INTEREST**

In its implementation of Section 310(b)(4) of the Act, the Commission has determined that allowing indirect foreign investment in common carrier radio licensees beyond the 25% benchmark established in Section 310(b)(4), regardless of whether the entity or entities holding that interest are from World Trade Organization member countries, could promote competition



in the U.S. market, thereby promoting the U.S. public interest.<sup>6</sup> This approach benefits U.S. consumers by encouraging additional competition in the U.S. market, allowing the Commission to prevent anticompetitive conduct in the provision of international services and facilities more effectively, and promoting further opening to U.S. carriers in foreign markets.<sup>7</sup> The Commission has determined that the public interest would be served by permitting foreign ownership, in part, because:

[R]emoving barriers to entry and focusing on competitive safeguards will promote effective competition in the U.S. telecommunications services market by removing unnecessary regulation and barriers to entry that can stifle competition and deprive U.S. consumers of the benefits of lower prices, improved service quality, and service innovations.<sup>8</sup>

The modification of the License to include common carrier status and the continued foreign ownership of Petitioner raises no significant foreign ownership or control issues that would be of interest to the U.S. government with respect to U.S. national security, law enforcement, foreign policy, or trade policy concerns, and is in the public interest. Following the modification of the License to include common carrier status, Licensee will be permitted to offer its telecommunications services indiscriminately to the public thereby expanding its potential customer base. Therefore, Petitioner will be able to compete more effectively with other carriers, common and non-common, and other providers of similar or equivalent services. Since the modification of the License's regulatory status will benefit competition, it follows that continued indirect non-controlling foreign ownership in the Petitioner will serve the public interest.

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<sup>6</sup> See *Review of Foreign Ownership Policies for Common Carrier and Aeronautical Radio Licensees under Section 310(b)(4) of the Communications Act of 1934, as Amended*, Second Report and Order, 28 FCC Rcd 05741, FCC 13-50, ¶¶23-26 (2013); *Rules and Policies on Foreign Participation in the U.S. Telecommunications Market*, 12 FCC Rcd 23891, FCC 97-398, ¶111 (1997) (“*Foreign Participation Order*”).

<sup>7</sup> *Foreign Participation Order* at ¶10-11.

<sup>8</sup> *Id.* at ¶11.

47 U.S.C. §§ 310(a) and (b)(1)-(3), which prohibit certain direct foreign ownership of FCC authorizations, are not implicated by this Petition because the License at issue will be held by Petitioner, which is U.S. corporation organized under the laws of the State of Colorado, and which will continue to be 100% directly owned by Onvoy, LLC (a U.S. entity organized under the laws of the State of Minnesota). Further, the foreign investment through Holdings is insulated in accordance with the Commission's rules.

## V. CONCLUSION

Based on the foregoing, the Petitioner respectfully submits that the public interest, convenience and necessity would be furthered by the Commission granting the instant Petition and issuing a declaratory ruling that the indirect, foreign ownership of Onvoy Spectrum, LLC is in the public interest.

Respectfully submitted,

/s/ Brett P. Ferenchak

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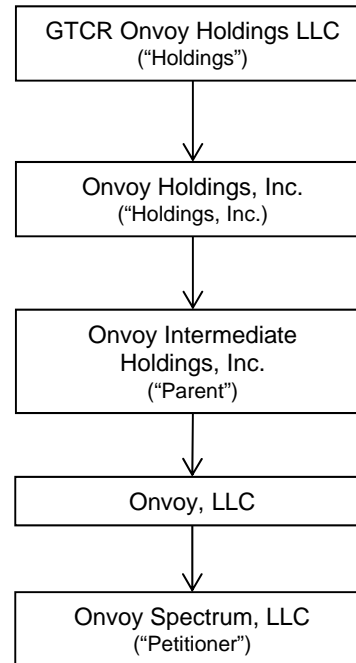
Counsel for Onvoy Spectrum, LLC

Dated: March 16, 2017

**EXHIBIT A**

**Corporate Ownership Structure of Petitioner**

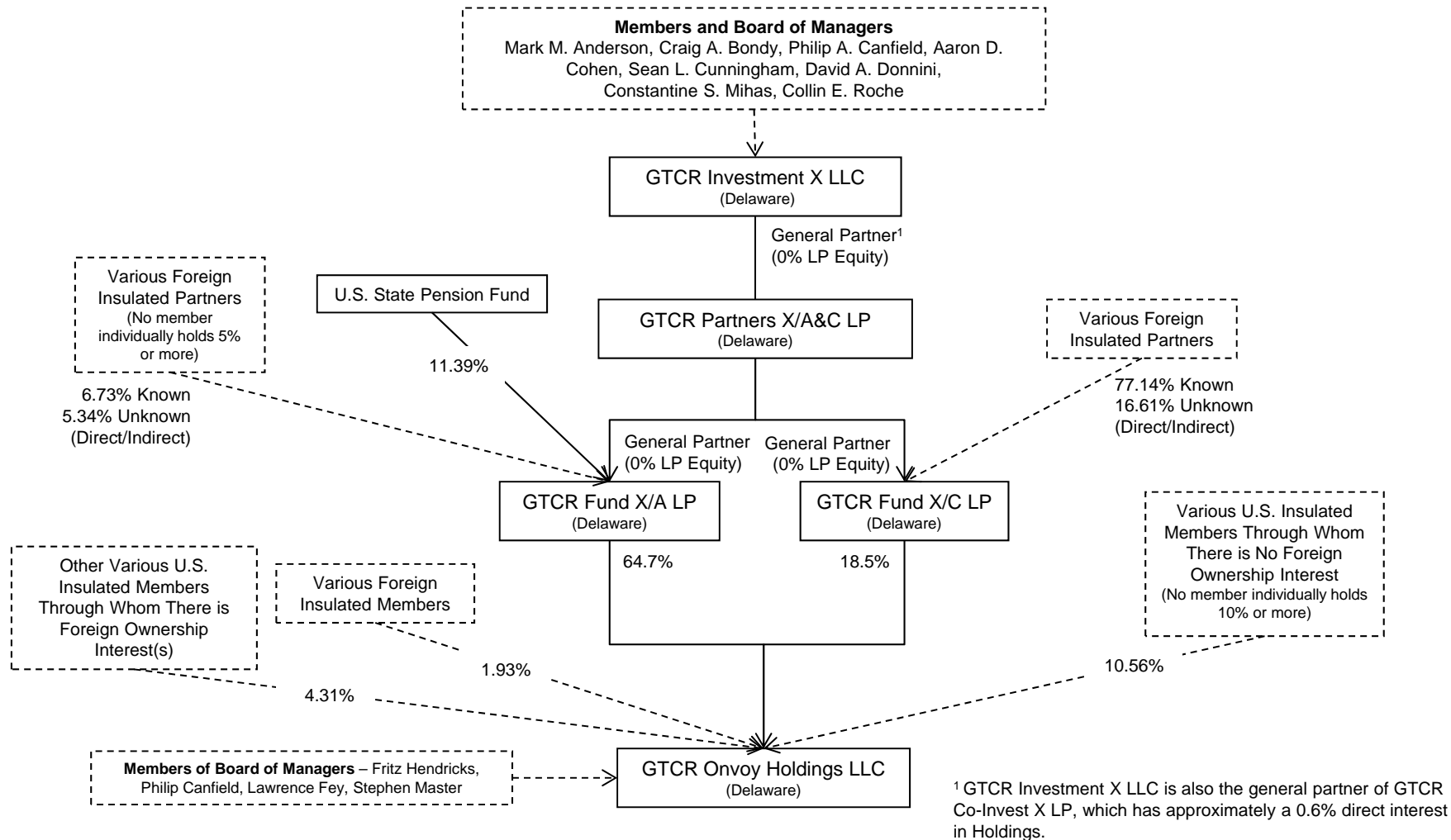
## Corporate Ownership Structure of Petitioner (to Controlling U.S. Parent)



All equity and voting ownership percentages are 100%.

# Corporate Ownership Structure of Holdings

(Includes all 10% Owners, 5% Foreign Owners and Controlling Entities)

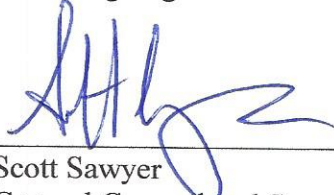


Unless indicated all ownership percentages are 100%.

**VERIFICATION**

I, Scott Sawyer, state that I am General Counsel and Secretary of Onvoy Spectrum, LLC (“Licensee”); that I am authorized to make this verification on behalf of Licensee; that the foregoing Petition for Declaratory Ruling was prepared under my direction and supervision; and that the contents of that Petition with respect to Licensee are true and correct to the best of my knowledge, information, and belief.

15 I declare under penalty of perjury that the foregoing is true and correct. Executed this day of March, 2017.



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Scott Sawyer  
General Counsel and Secretary  
Onvoy Spectrum, LLC