

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554**

In the Matter of)	
)	
KBW Spectrum LLC)	ISP-PDR-2020 _____
)	
Petition for Declaratory Ruling under)	
Section 310(b)(4) of the Communications)	
Act of 1934, as Amended)	
)	
To: International Bureau)	

PETITION FOR DECLARATORY RULING

Pursuant to 47 U.S.C. §310(b)(4) and 47 C.F.R. §1.5000(a)(1), KBW Spectrum LLC (“KBW”) respectfully petitions the Federal Communications Commission (“FCC” or “Commission”) for a declaratory ruling that it would not serve the public interest to prohibit KBW’s ultimate parent company, Liberty Latin America Ltd. (“LLA”), from exceeding the statutory benchmark set forth in Section 310(b)(4). Although LLA is majority-owned and controlled by U.S. persons, it is organized under the laws of Bermuda. KBW may bid for one or more of the Priority Access Licenses in the Citizens Broadband Radio Service available in Auction 105¹. KBW therefore submits this petition to obtain any declaratory ruling that may be required regarding LLA’s foreign ownership to facilitate KBW’s participation in Auction 105.

¹ See *Auction of Priority Access Licenses for the 3550-3650 MHz Band, Notice and Filing Requirements, Minimum Opening Bids, Upfront Payments, and Other Procedures for Auction 105*, AU Docket No. 19-244, FCC 20-18 (rel. Mar. 2, 2020).

BACKGROUND

KBW is a limited liability company organized under the laws of Delaware, and an indirect, wholly-owned subsidiary of LLA. LLA, a Bermuda company limited by shares, provides communications and entertainment services in Chile, Puerto Rico, the Caribbean and other parts of Latin America, including video, broadband internet, telephony and mobile services. LLA's shares are publicly-traded on the NASDAQ Stock Exchange, and it maintains executive offices in Denver, Colorado, and certain network operations and facilities in Miami, Florida, and in Puerto Rico. LLA is a public company controlled by its Board of Directors, who are elected by its shareholders. U.S. persons own over 80 percent of LLA's aggregate voting interests, and over 67 percent of LLA's aggregate outstanding equity.

The following wholly-owned subsidiaries of LLA hold certain non-Title III FCC licenses and authorizations: A.SurNet, Inc., ARCOS-1 USA, Inc., Columbus Networks Puerto Rico, Inc., Columbus Networks Telecommunications Services USA, Inc., Columbus Networks USA, Inc., CWC New Cayman Limited and Liberty Cablevision of Puerto Rico LLC ("LCPR"). LCPR is the largest cable operator in Puerto Rico, passing over one million homes or approximately 85 percent of the households in Puerto Rico. LCPR currently provides: (1) broadband internet services to approximately 340,000 customers; (2) video services to approximately 220,000 customers; and (3) fixed line telephony to approximately 209,700 customers.

On November 7, 2019, LLA and AT&T, Inc. ("AT&T") filed applications seeking FCC consent to the transfer of control to LLA of the FCC licenses, lease and authorizations held by AT&T's indirect wholly-owned subsidiaries, AT&T Mobility Puerto Rico Inc. ("AT&T Mobility PR") and AT&T Mobility USVI Inc. ("AT&T Mobility USVI"). LLA also

filed a petition for declaratory ruling to permit foreign ownership above 25 percent in AT&T Mobility PR and AT&T Mobility USVI under Section 310(b)(4) of the Communications Act of 1934, as amended.² The applications and petition remain pending.

PUBLIC INTEREST SHOWING

KBW respectfully submits that it would not serve the public interest to prohibit LLA's proposed ultimate ownership and control of KBW based solely upon LLA's organization under Bermuda law. LLA's shares are publicly-traded on the NASDAQ Stock Market, and it maintains executive offices in Denver, Colorado, and certain network facilities and operations in Miami, Florida, and Puerto Rico. LLA's recent analysis of its share ownership completed in December 2019 in connection with its pending transaction with AT&T confirms that U.S. persons hold more than 80 percent of LLA's voting interests. Specifically, LLA has determined that U.S. persons owned: (1) 37,547,625 Class A³ Common Shares (approximately 80 percent of total Class A shares outstanding); and (2) 1,865,201 Class B⁴ Common Shares (approximately 96 percent of total Class B shares outstanding). Thus, on an aggregate basis, U.S. persons held approximately 83 percent of LLA's voting interests. With respect to equity ownership, the analysis determined that, of the total 181,064,520 outstanding common shares of LLA (Classes A, B and C⁵), 122,821,717 shares were owned by U.S. persons. U.S. persons therefore owned 67.8 percent of LLA's aggregate outstanding equity.

² See *Liberty Latin America Ltd. and AT&T Inc. Seek FCC Consent to the Transfer of Control of the Licenses, Authorizations, and Spectrum Lease Held by AT&T Mobility Puerto Rico Inc. and AT&T Mobility USVI Inc. to Liberty Latin America Ltd.*, WT Docket No. 19-384, DA 19-1316 (rel. Dec. 20, 2019).

³ Holders of Class A shares have one vote per share.

⁴ Holders of Class B shares have 10 votes per share.

⁵ LLA's Class C shares are non-voting.

LLA has reviewed the following information to estimate the relative proportions of U.S. domestic and foreign beneficial owners and holders of equity and voting interests in LLA and confirmed the accuracy of the foregoing estimates:

- Information recorded in LLA's share register regarding the registered owners of Class A Common Shares provided by Computershare Trust Company, N.A., which serves as LLA's registrar and transfer agent.
- Information regarding the share ownership of LLA's directors and officers, as disclosed in LLA's Proxy Statement for its 2019 Annual General Meeting of Shareholders, filed with the U.S. Securities and Exchange Commission ("SEC") on April 3, 2019.
- The information publicly disclosed by each person or entity that holds more than five percent of LLA's outstanding voting securities pursuant to Section 13(d) and 13(g) of the Securities Exchange Act of 1934 ("Exchange Act") and the SEC's rules promulgated thereunder, as reflected in such holders' Schedule 13D or 13G filings with the SEC submitted in January and February, 2020.
- Geographical ownership analyses of the Class A Common Shares held in "street name" provided by Mediant Communications Inc. and Broadridge Financial Solutions, Inc., which provide investor communications and related services to LLA and to the broker/dealers, banks and other financial institutions whose customers hold LLA's Class A Common Shares.
- Listings of non-objecting beneficial owners ("NOBOs") of the Class A Shares and the Class C Shares, including the names, addresses and share positions of the NOBOs.
- The listing of shareholders entitled to vote at LLA's 2019 Annual General Meeting of Shareholders.
- Information regarding LLA's shareholders contained in its Form 10-K, Amendment No. 1, filed with the SEC on April 29, 2020.

The FCC treats Bermuda, LLA's place of organization, as a member of the World Trade Organization ("WTO").⁶ The United States and Bermuda have been allies and trading partners since the 1700's, and maintain strong government and commercial ties today.⁷ In addition, the FCC has approved 100 percent ownership of a company holding Title II authorizations and Title III licenses by a Bermuda company.⁸

INFORMATION REQUIRED PURSUANT TO 47 C.F.R. §1.5001

1.5001(a): Contact Information, FRN, Place of Organization, Type of Business Organization and Name and Title of Officer Certifying to the Information Contained in the Petition

Name: KBW Spectrum LLC
FRN: 0029536950
Mailing Address: 1550 Wewatta Street, Suite 1000, Denver, CO 80202
Place of Organization: Delaware
Telephone: (303) 925-6000
Email Address: j@lla.com
Type of Business: limited liability company
Certifying Officer: John M. Winter, Senior Vice President

1.5001(b): Legal Counsel Contact

Name: Robert L. Hoegle, Nelson Mullins Riley & Scarborough LLP
Mailing Address: 101 Constitution Avenue, NW, Ste. 900, Washington, DC 20001
Telephone: (202) 689-2816
Email Address: bob.hoegle@nelsonmullins.com

1.5001(c)(1): Licensees and Licenses Covered by Declaratory Ruling

⁶ See *Cable & Wireless USA, Inc. Application for Authority to Operate as a Facilities-Based Carrier in Accordance with the Provisions of Section 63.18(e)(4) of the Rules Between the United States and Bermuda, Authorization and Certificate*, 15 FCC Rcd. 3050 (Int'l Bur 2000), at ¶7 (relying on a State Department opinion that the 1994 Marrakesh Agreement establishing the WTO applies to Bermuda as a dependent territory of the United Kingdom).

⁷ See *United States—Bermuda: A Special Relationship*, U.S. Department of State, United States of America, U.S. Consulate General in Bermuda (last visited May 4, 2020); <https://bm.usconsulate.gov/our-relationship/policy-history/io/>.

⁸ See *Intelsat Holdings, Ltd. Transferor and Serafina Holdings Limited, Transferee*, 22 FCC Rcd. 22151 (2007) (granting applications for consent to transfer control of Title II authorizations and Title III licenses to a Bermuda company).

KBW submits this petition in connection with its Form 175 application to participate in Auction 105 for Priority Access Licenses in the Citizens Broadband Radio Service in the 3550-3650 MHz band.

1.5001(c)(2): Associated Applications

KBW is filing concurrently a Form 175 application to participate in Auction 105.

1.5001(d): Declaratory Ruling Basis

KBW seeks a declaratory ruling pursuant to 47 C.F.R. §1.5000(a)(1).

1.5001(e)(1), (e)(4)(ii) & (g)(1): Disclosable Direct Interest Holders in Controlling U.S. Parent LiLAC Communications Inc. (“LiLAC Communications”)⁹:

The following entity will hold a 10 percent or greater direct equity/voting interest in controlling U.S. parent LiLAC Communications:

Name: LGI International Holdings, LLC
Mailing Address: 1550 Wewatta Street, Suite 1000
Denver, CO 80202
Citizenship: Colorado
Percentage Held: 100 percent direct equity/voting interest in LiLAC Communications

1.5001(f)(1) & (g)(1): Disclosable Indirect Interest Holders in Controlling U.S. Parent

The following individual and entities will hold a 10 percent or greater indirect equity/voting interest in controlling U.S. parent LiLAC Communications:

Name: LiLAC Services Ltd.
Mailing Address: 2 Church Street, Hamilton, Bermuda HM 11
Citizenship: Bermuda
Percentage Held: 100 percent indirect equity/voting interest in LiLAC Communications

The following entity will hold a direct 100 percent equity/voting interest in LiLAC Services Ltd.:

Name: Liberty Latin America Ltd.
Mailing Address: 2 Church Street, Hamilton, Bermuda HM 11 (principal executive offices); 1550 Wewatta Street, Suite 1000, Denver, CO 80202 (U.S. executive offices)

⁹ As noted in the Section 1.5001(h)(2) ownership chart attached as Exhibit 1, LiLAC Communications is KBW’s immediate U.S.-organized parent and therefore is the controlling U.S. parent for this petition.

Citizenship: Bermuda
Percentage Held: 100 percent indirect equity/voting interest in LiLAC Communications

The following individual will hold a direct 10 percent or greater interest in Liberty Latin America Ltd.:

Name: John C. Malone
Mailing Address: c/o 1550 Wewatta Street, Suite 1000, Denver, CO 80202
Citizenship: United States
Percentage Held: 25.4 percent indirect voting and 5.6 percent indirect equity interest in LiLAC Communications

There are no other intervening entities or limited partners in the ownership chain of controlling U.S. parent LiLAC Communications.

1.5001(h)(1): Estimate of Aggregate Foreign Ownership

LLA is organized under the laws of Bermuda. LLA recently has determined that U.S. persons own: (1) 37,547,625 Class A Common Shares (approximately 80 percent of total Class A Shares outstanding); and (2) 1,865,201 Class B Common Shares (approximately 96 percent of total Class B shares outstanding). Thus, on an aggregate basis, U.S. persons hold approximately 83 percent of LLA's voting interests. With respect to equity ownership, LLA has determined that, of the total 181,064,520 outstanding common shares of LLA (Classes A, B and C), 122,821,717 shares are owned by U.S. persons. U.S. persons therefore own 67.8 percent of LLA's aggregate outstanding equity. The sources of information for these estimates of aggregate foreign ownership are discussed at pages 3-4 above.

1.5001(h)(2): Ownership Chart

A chart depicting the ownership and control structure of KBW is attached as Exhibit 1.

1.5001(i): Requests for Specific Approval¹⁰

KBW requests specific approval for LLA to hold an indirect 100 percent equity/voting interest in LiLAC Communications, and an indirect 100 percent equity/voting interest in KBW.

¹⁰ Ashe Capital Management, LP ("Ashe"), a registered investment adviser, holds 6.1 percent of LLA's voting power. See LLA Form 10-K, Amendment No. 1, filed with the SEC on April 29, 2020. Ashe is a limited partnership organized under the laws of Delaware and each of its principals is a U.S. citizen. See Schedule 13G and Amendment No. 1 to Schedule 13G for the year ended December 31, 2019, filed with the SEC on Feb. 14, 2020.

Name: Liberty Latin America Ltd.
Place of Organization: Bermuda
Type of Business: Company limited by shares
Principal Businesses: Communications and entertainment services

KBW requests specific approval for LiLAC Services Ltd. to hold an indirect 100 percent equity/voting interest in LiLAC Communications, and an indirect 100 percent equity/voting interest in KBW.

Name: LiLAC Services Ltd.
Place of Organization: Bermuda
Type of Business: Company limited by shares
Principal Business: Holding company

Genesis Investment Management, LLP (“Genesis”), an investment advisor to institutional investors and in-house pooled funds for institutional advisors, is organized under the laws of the United Kingdom with its principal place of business in London. Genesis holds 5.2 percent of LLA’s aggregate voting power. *See* LLA Form 10-K, Amendment No. 1, filed with the SEC on April 29, 2020. Based upon Genesis’s Schedule 13G for the year ended December 31, 2019, Genesis reports its beneficial ownership interest in LLA pursuant to Exchange Act Rule 13d-1(b). *See* Genesis Schedule 13G, filed with the SEC on Jan. 24, 2020. KBW therefore is exempt from the requirement in Section 1.5001(i) of the Rules to request specific approval for the ownership interest held by Genesis in LLA because such interest in LLA currently is no greater than 10 percent. *See* 47 C.F.R. §1.5001(i)(3).

However, KBW requests specific approval for Genesis to exceed the 10 percent ownership threshold for institutional investors up to and including a non-controlling equity and voting interest of 15 percent in LLA. Because LLA is a public company and Genesis presently holds a 5.2% voting interest, KBW seeks such approval to accommodate ordinary-course stock purchases by Genesis in LLA which could cause it to exceed the 10 percent threshold.

Name: Genesis Investment Management, LLP
Place of Organization: United Kingdom
Type of Business: Limited liability partnership
Principal Business: Investment advisor

1.5001(k): Request for Advance Approval

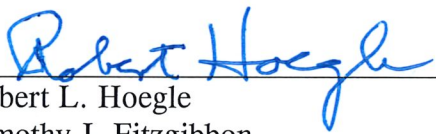
KBW does not seek advance approval for specific foreign individuals or entities.

CONCLUSION

KBW respectfully requests approval of this petition for declaratory ruling to permit the indirect, ultimate ownership of KBW by LLA. Grant of this petition will facilitate KBW's potential participation in Auction 105.

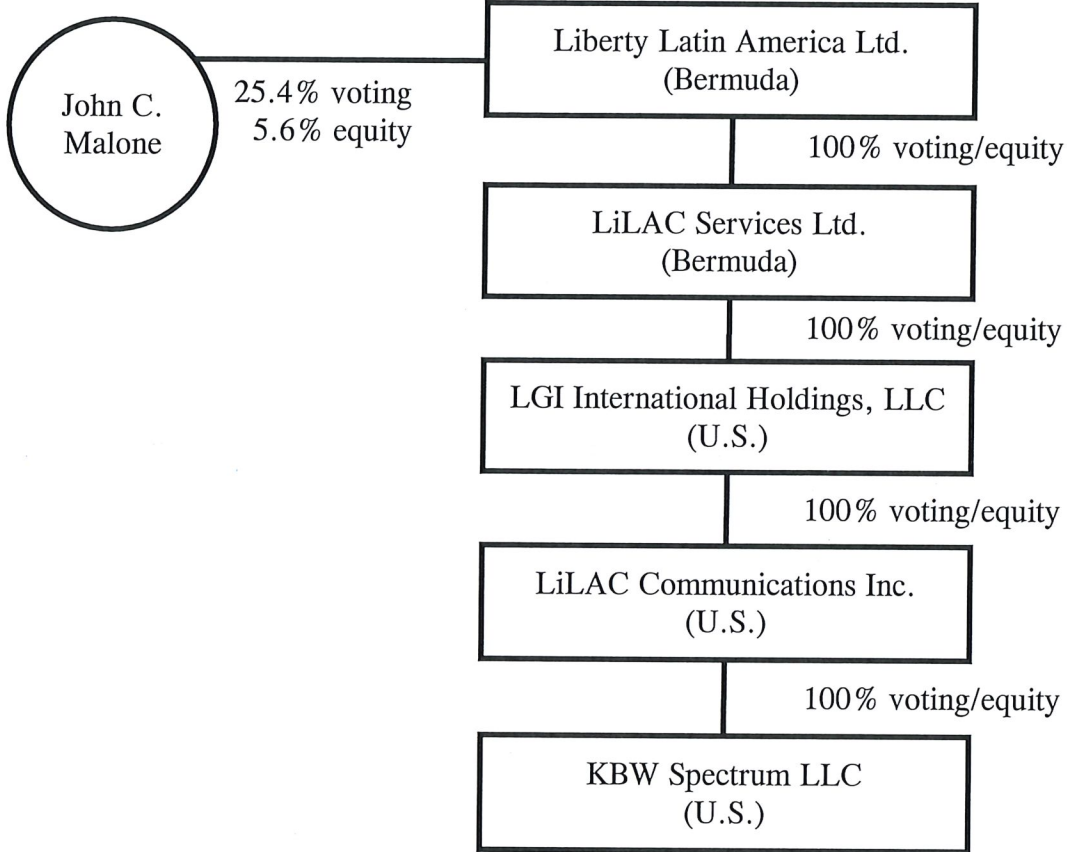
May 7, 2020

Respectfully submitted,
KBW Spectrum LLC

By: 
Robert L. Hoegle
Timothy J. Fitzgibbon
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Its Attorneys

SECTION 1.5001(h)(2) Exhibit



DECLARATION

I, John M. Winter, Senior Vice President of KBW Spectrum LLC, the filer of this Petition for Declaratory Ruling, state that: (1) the information contained in the foregoing Petition is accurate; and (2) all ownership interests disclosed in the Petition have been calculated based upon FCC rules and that the interests disclosed satisfy each of the pertinent standards and criteria set forth in the rules. I certify under the penalty of perjury of the laws of the United States that the foregoing is true and correct to the best of my knowledge, information and belief.

Executed on May 6, 2020


John M. Winter