

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

In the Matter of )  
 )  
CAE USA, Inc. )  
 )  
Petition for Declaratory Ruling under ) IB Docket No. \_\_\_\_\_  
Section 310(b)(4) of the Communications )  
Act of 1934, as Amended )

To: International Bureau  
Federal Communications Commission

**PETITION FOR DECLARATORY RULING**

Pursuant to Section 310(b)(4) of the Communications Act of 1934, as amended,<sup>1</sup> and Section 1.5000(a)(1) of the Commission’s rules,<sup>2</sup> CAE USA Inc. (“CAE USA”), on behalf of its current and future FCC licensee subsidiaries,<sup>3</sup> respectfully petitions the Federal Communications Commission (“FCC” or “Commission”) for a declaratory ruling that it would not serve the public interest to prohibit indirect foreign ownership of CAE USA and its subsidiaries of up to 100 percent. This petition seeks authority for CAE Inc. (“CAE”) and certain of its controlled subsidiaries to hold up to 100 percent indirect ownership and control of CAE USA.

**I. BACKGROUND AND PRIOR RULINGS**

Section 310(b)(4) of the Communications Act prohibits the issuance of any aeronautical fixed radio station license to:

any corporation directly or indirectly controlled by any other corporation of which more than one-fourth of the capital stock is owned of record or voted by aliens, their representatives, or by a foreign government or representative thereof or by

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<sup>1</sup> 47 U.S.C. § 310(b)(4).  
<sup>2</sup> 47 C.F.R. § 1.5000(a)(1).  
<sup>3</sup> 47 C.F.R. § 1.5000(c)(2)(ii).

any corporation organized under the laws of a foreign country, *if the Commission finds the public interest will be served by the refusal or revocation of such license.*<sup>4</sup>

In the *Foreign Participation Order*, the Commission concluded that allowing additional foreign investment in aeronautical fixed radio station licensees beyond the 25 percent benchmark established in Section 310(b)(4) would promote competition in the U.S. market, thereby serving the public interest.<sup>5</sup> More recently, in the *Foreign Ownership Policies Second Report and Order*, the Commission re-affirmed 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.”<sup>6</sup>

The instant declaratory ruling is requested in connection with an application seeking consent for the assignment to CAE USA of three Aeronautical Fixed radio licenses now held by L3Harris Technologies, Inc. (“L3Harris”). A description of the transaction and its public interest benefits has been filed with the application for the transaction, ULS File No. 0009448636.

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<sup>4</sup> 47 U.S.C. § 310(b)(4) (emphasis added).

<sup>5</sup> See Rules and Policies on Foreign Participation in the U.S. Telecommunication Market, *Report and Order and Order on Reconsideration*, 12 FCC Rcd 23891, 23940, Para. 111 (1997) (*Foreign Participation Order*).

<sup>6</sup> 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, IB Docket No. 11-133, *Second Report and Order*, 26 FCC Rcd 5741 at ¶3 (2013).

## II. INFORMATION REQUIRED BY SECTION 1.5001

### 1. Section 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:** CAE USA Inc.

**FCC Registration Number:** 0026229492

**Mailing Address:** 4908 Tampa West Blvd., Tampa, FL 33634

**Place of Organization:** United States

**Telephone:** 813-887-1400

**Facsimile:** 813-887-3964

**Email Address:** dave.allmand@caemilusa.com

**Type of Business Organization:** Corporation

**Name and Title of Officer Certifying to the Information Contained in the Petition:** Dave Allmand, General Counsel

### 2. Section 1.5001(b): Legal Counsel Contact

**Name:** Nancy J. Victory

**Mailing Address:** DLA Piper LLP, 500 Eighth Street, N.W., Washington, DC 20004

**Telephone:** (202) 799-4216

**Facsimile:** (202) 799-5616

**Email:** nancy.victory@dlapiper.com

### 3. Section 1.5001(c)(1): Licensees and Licenses Covered By Declaratory Ruling

CAE USA seeks to acquire three Aeronautical Fixed radio licenses with call signs: WQFS959, WQLW286, and WQXY739.

### 4. Section 1.5001(c)(2): Associated Applications

The associated assignment application is ULS file no. 0009448636.

### 5. Section 1.5001(d): Type of Declaratory Ruling

CAE USA seeks authority under Section 1.5000(a)(1) of the Commission's rules.

### 6. Section 1.5001(e) and (g): Direct Ownership

Upon closing, the following entities will hold directly a ten percent or greater equity and/or voting interest, or a controlling interest, in CAE USA.<sup>7</sup>

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<sup>7</sup> Note: indirect ownership and voting interest in CAE USA is mitigated pursuant to a Special Security Agreement that CAE USA, CAE and CAE (US) signed with the US Department of Defense dated January 16, 2018.

**Name:** CAE (US) Inc. (“CAE (US)”)
**Address:** 4908 Tampa West Blvd., Tampa, FL 33634
**Place of Organization:** Delaware
**Type of Organization:** Corporation
**Principal Business:** Holding company
**Percentage Held:** CAE (US) holds a 100 percent direct equity and voting interest in CAE USA

After consummation of the transaction, no other person or entity will hold directly a ten percent or greater equity and/or voting interest in CAE USA.

7. Section 1.5001(f) and (g): Indirect Ownership

The following entities will hold indirectly a ten percent or greater equity and/or voting interest, or a controlling interest, in CAE USA:<sup>8</sup>

**Name:** CAE International Holdings Limited (“CAE International Holdings”)
**Address:** 8585 Côte de Liesse Road
St-Laurent
Quebec H4T 1G6
Canada
**Place of Organization:** Canada
**Type of Organization:** Limited Liability Company
**Principal Business:** Holding company
**Percentage Held:** CAE International Holdings holds a 100 percent direct equity and voting interest in CAE (US), the direct parent of CAE USA.

**Name:** CAE Machinery Ltd. (“CAE Machinery”)
**Address:** 8585 Côte de Liesse Road
St-Laurent
Quebec H4T 1G6
Canada
**Place of Organization:** Canada
**Type of Organization:** Limited Liability Company
**Principal Business:** Holding company
**Percentage Held:** CAE Machinery holds a 27 percent direct equity and voting interest in CAE International Holdings, and thus a 27 percent indirect equity and voting interest in CAE USA.

<sup>8</sup> Note: indirect ownership and voting interest in CAE USA is mitigated pursuant to a Special Security Agreement that CAE USA, CAE and CAE (US) signed with the US Department of Defense dated January 16, 2018.

**Name:** CAE Railway Ltd. (“CAE Railway”)  
**Address:** 8585 Côte de Liesse Road  
St-Laurent  
Quebec H4T 1G6  
Canada  
**Place of Organization:** Canada  
**Type of Organization:** Limited Liability Company  
**Principal Business:** Holding company  
**Percentage Held:** CAE Railway holds a 100 percent direct equity and voting interest in CAE Machinery and also a 5 percent direct equity and voting interest in CAE International Holdings, giving it an attributable 32 percent indirect equity and voting interest in CAE USA.

**Name:** CAE Inc.  
**Address:** 8585 Côte de Liesse Road  
St-Laurent  
Quebec H4T 1G6  
Canada  
**Place of Organization:** Canada  
**Type of Organization:** Corporation  
**Principal Business:** Consulting Services  
**Percentage Held:** CAE Inc. holds a 68 percent interest in CAE International Holdings directly and also indirectly holds the other 32 percent through two wholly owned subsidiaries (CAE Railway and CAE Machinery). Therefore, CAE Inc. holds a 100 percent indirect equity and voting interest in CAE USA.

After consummation, no other individual or entity will hold indirectly a ten percent or greater equity and/or voting interest in CAE USA.

#### **8. Section 1.5001(h)(1): Estimate of Aggregate Foreign Ownership**

Following consummation of the transaction, 100 percent of the equity and voting interests of CAE (US), CAE USA’s direct US parent, will be held by CAE International Holdings, a Canadian entity. Thus CAE (US)’s aggregate direct and/or indirect foreign ownership is 100 percent. Such interests, and the interests noted above, were calculated in accordance with Section 1.5002 of the Commission’s rules.

#### **9. Section 1.5001(h)(2): Ownership Chart**

A chart depicting CAE USA’s ownership and control structure is set out in Exhibit 1.

### **10. Section 1.5001(i) and (j): Requests for Specific Approval**

CAE USA requests specific approval for each of the entities listed above in response to Sections 1.5001(f)-(g).

### **11. Section 1.5001(k): Requests for Advance Approval**

If not already permitted under Section 1.5004, CAE USA seeks approval for the following entities to increase their aggregate interest in CAE USA, at some future time, up to and including a non-controlling 49.99 percent equity and voting interest in CAE USA.

- CAE Railway Ltd.
- CAE Machinery Ltd.

### **III. GRANT OF THIS PETITION IS IN THE PUBLIC INTEREST**

The requested declaratory ruling is fully consistent with the standard set forth in Section 310(b)(4), the Commission's foreign ownership rules and prior precedent. Allowing CAE USA to operate the aeronautical fixed stations at issue is in the public interest. CAE USA is a leading training and simulation company in the defense market, focused principally on developing and delivering training systems and services to the U.S. Department of Defense and other allied militaries worldwide. CAE USA owns and operates two flight training facilities in the United States: (i) the C-130 Tampa Training Center which offers training for operators of the Lockheed Martin C-130 Hercules aircraft (also called the C-130/L-382 as a commercial variant); and (ii) the CAE Dothan Training Center located at the Dothan Regional Airport in Dothan, Alabama and offering comprehensive fixed-wing flight training to the U.S. Army, U.S. Air Force, U.S. Navy and other customers. CAE USA also operates a subsidiary, CAE USA Mission Solutions Inc., which has operated under a Proxy Agreement with the United States Government

Similarly, CAE, founded in 1947 and headquartered in Montreal, Canada, is a Canadian manufacturer of simulation technologies, modeling technologies and provider of training services to airlines, aircraft manufacturers, healthcare specialists, and defense customers. CAE is a global leader in defense force training and mission readiness, offering a comprehensive

portfolio of training centers, training services, and simulation products for air, land, naval, and public safety market segments for CAE's global defense and security customers. CAE is a global leader in the development and delivery of integrated live, virtual and constructive (LVC) training solutions for defense forces.

Grant of the requested relief will clearly serve the public interest as it will enable CAE USA to provide additional training services for both civilian and defense flight teams that will serve to protect both lives and property. As a result, there is no basis upon which the FCC could conclude that "the public interest will be served by the refusal" of the requested relief.

#### **IV. CONCLUSION**

For the foregoing reasons, CAE USA requests that the Commission promptly grant this petition.

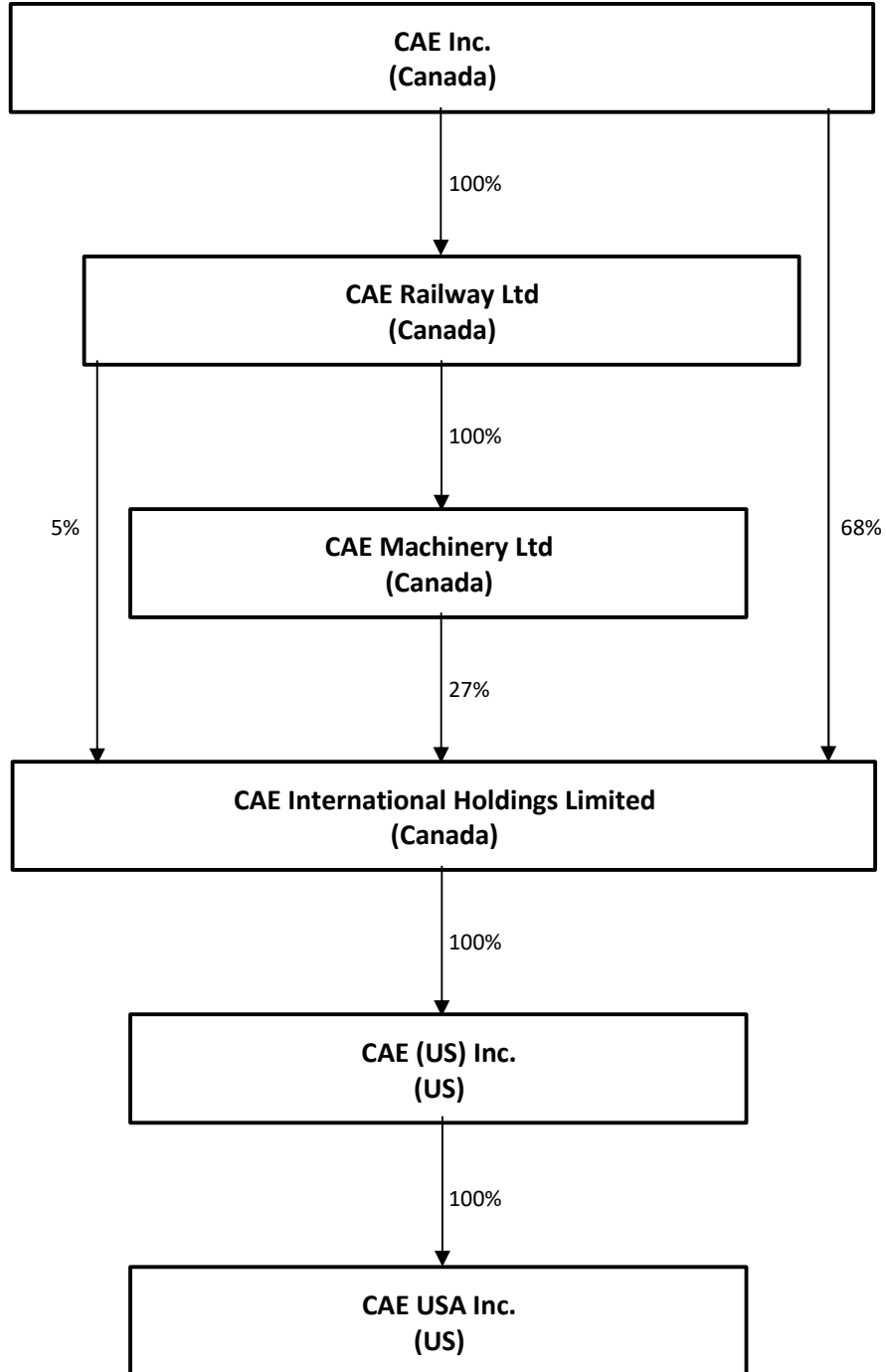
Respectfully submitted,

/s/ David C. Allmand

Dave Allmand  
General Counsel  
CAE USA INC.

**EXHIBIT 1**

**OWNERSHIP STRUCTURE**





## CERTIFICATION

On behalf of the licensees listed in this Petition for Declaratory Ruling, I certify that the information in this petition is in accordance with the provisions of Sections 1.16 and 1.5000(c)(1) of the Commission's rules, 47 C.F.R. § 1.16 and 1.5000(c)(1). In particular, CAE-USA has calculated the ownership interests disclosed in the Petition based upon its review of the Commission's rules. The interests disclosed satisfy each of the pertinent standards and criteria set forth in the rules.

Respectfully submitted,

*/s/ David C. Allmand*

David C. Allmand  
General Counsel  
CAE USA Inc.