

**ATTACHMENT 1  
INTERNATIONAL AND DOMESTIC SECTION 214  
ASSIGNMENT APPLICATION**

Pursuant to Section 214 of the Communications Act of 1934, as amended,<sup>1</sup> and Sections 63.04 and 63.24 of the Federal Communications Commission's ("Commission" or "FCC") rules,<sup>2</sup> Novatel Ltd., Inc. ("Novatel" or "Assignor") and X5 OpCo LLC ("X5 OpCo" or "Assignee", and, together with Novatel, "Applicants") hereby request Commission consent to assignment of the domestic and international Section 214 authorizations held by Novatel to X5 OpCo.

**ANSWER TO QUESTION 10**

**63.18(c) and (d) Information for Novatel – Assignor**

- Contact Information for Novatel

Company Contact:

Alan W. Saltzman  
Chief Financial Officer  
Novatel Ltd., Inc.  
11550 IH-10 West, Suite 110  
San Antonio, TX 78230  
Tel: 210.698.8005  
Fax: 210.349.7562  
Email: [asaltzman@novatelnetworks.com](mailto:asaltzman@novatelnetworks.com)

Legal Counsel

Judith A. Riley, Esq.  
President  
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- Novatel is organized under the laws of Texas.
- Novatel holds Section 214 authority to provide international and domestic telecommunications services. *See* File No. ITC-214-20010719-00393 and 47 C.F.R. § 63.01.

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<sup>1</sup> 47 U.S.C. § 214.

<sup>2</sup> 47 C.F.R. §§ 63.04 and 63.24.

**63.18(c) and (d) Information for X5 OpCo LLC – Assignee**

- Contact Information for X5 OpCo

Company Contact

Barbara Meyer  
Controller  
X5 OpCo LLC  
1008 Western Ave.  
Suite 400  
Seattle, WA 98104  
Tel: 206.973.5865  
E-mail: [bmeyer@x5solutions.com](mailto:bmeyer@x5solutions.com)

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Wiley Rein LLP  
1776 K Street, NW  
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- X5 OpCo is organized under the laws of Delaware.
- X5 OpCo holds Section 214 authority to provide international and domestic telecommunications services. *See* File No. ITC-214-20150605-00136 and 47 C.F.R. § 63.01. *See also* Notice of Domestic Section 214 Authorizations Granted, Public Notice, WC Docket No. 14-268, DA 15-334 (Mar. 16, 2015).

**ANSWER TO QUESTION 11**

The following entities will hold a direct or indirect ten percent or greater equity ownership interest in X5 OpCo LLC:<sup>3</sup>

**Equity Ownership of X5 OpCo LLC:**

X5 Holdings LLC  
c/o NewSpring Holdings LLC  
555 E. Lancaster Ave, Suite 444  
Radnor, PA 19087  
Delaware Limited Liability Company

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<sup>3</sup> As X5 OpCo continues to finalize financing, the percentage ownership by these entities is subject to fluctuations. X5 OpCo will provide updates if there are any material changes to the ownership of X5 OpCo.

Equity Interest: 100% direct interest in X5 OpCo LLC

**Equity Ownership of X5 Holdings LLC:**

X5 Partners LLC

c/o NewSpring Holdings LLC

555 E. Lancaster Ave, Suite 444

Radnor, PA 19087

Delaware Limited Liability Company

Equity Interest: 68.3% direct interest in X5 Holdings LLC; 68.3% indirect interest in X5 OpCo

**Equity Ownership of X5 Partners LLC**

NewSpring Holdings LLC

555 E. Lancaster Ave, Suite 444

Radnor, PA 19087

Delaware Limited Liability Company

Equity Interest: 67.2% direct interest in X5 Partners LLC; 45.9% indirect interest in X5 OpCo

NewSpring Holdings Parallel LLC

555 E. Lancaster Ave, Suite 444

Radnor, PA 19087

Delaware Limited Liability Company

Equity Interest: 32.8% direct interest in X5 Partners LLC; 22.4% indirect interest in X5 OpCo

**Equity Ownership of NewSpring Holdings LLC:**

Ohana Holdings, LLC

720 University Avenue, Suite 200

Los Gatos, CA 95032

Delaware Limited Liability Company

Equity Interest: 46.0% direct interest in NewSpring Holdings LLC; 21.1% indirect interest in X5 OpCo

The Pierre M. Omidyar Trust

Pierre M. Omidyar, Trustee (US Citizen)

Michael G. Mohr, Trustee (US Citizen)

720 University Avenue, Suite 200

Los Gatos, CA 95032

Equity Interest: 100% direct interest in Ohana Holdings, LLC; 21.1% indirect interest in X5 OpCo

**Equity Ownership of NewSpring Holdings Parallel LLC:**

Carbon Investments LLC

P.O. Box 5004

Wichita, KS 67201  
Delaware Limited Liability Company  
Equity Interest: 98.0% direct interest in NewSpring Holdings Parallel LLC; 22.0% indirect interest in X5 OpCo

Charles G. Koch 1997 Trust  
Charles G. Koch, Trustee and Beneficiary (U.S. Citizen)  
P.O. Box 5004  
Wichita, KS 67201  
Equity Interest: 75.0% direct interest in Carbon Investments LLC; 16.5% indirect interest in X5 OpCo

Based on the foregoing, no other individual or entity has a direct or indirect 10% or greater equity interest in X5 OpCo.

X5 OpCo is ultimately controlled by NewSpring Holdings Management Company LLC (“NSHMC”). NSHMC is a Non-Member Manager of X5 Partners LLC and a Member Manager of NewSpring Holdings LLC and NewSpring Holdings Parallel LLC. NSHMC is a Delaware limited liability company with its address at 555 E. Lancaster Avenue, Suite 444, Radnor, PA 19087. NSHMC is managed by Walter P. Maner and James Ashton. Both of these individuals are U.S. citizens. Messrs. Maner and Ashton have an address at 555 E. Lancaster Avenue, Suite 444, Radnor, PA 19087.

### **ANSWER TO QUESTION 13**

#### ***Description of the Applicants***

Novatel is a corporation organized under the laws of the State of Texas in 2007 when converted from a limited partnership originally formed in 2000. Novatel is a provider of regulated time division multiplex interexchange voice, network services including unregulated Ethernet, unregulated MPLS/VPN, and regulated dedicated, non-switched, private line services, as well as a provider of other unregulated services. Novatel does not provide interconnected VoIP services. Novatel provides intrastate, interstate, and international non-facilities-based switched and dedicated interexchange telecommunications services. Novatel maintains intrastate operating authority in 28 States: Alabama, Arizona, California, Florida, Illinois, Indiana, Iowa, Kansas, Kentucky, Massachusetts, Maine, Michigan, Minnesota, Missouri, North Carolina, North Dakota, New Hampshire, New Jersey, New York, Ohio, Oklahoma, Pennsylvania, South Dakota, Texas, Utah, Virginia, Washington, and Wisconsin.

X5 OpCo is a limited liability company formed under the laws of the State of Delaware in 2014. X5 OpCo is a wholly owned subsidiary of X5 Holdings LLC (“X5 Holdings”), which is controlled by NewSpring Holdings Management Company LLC (“NewSpring”). NewSpring is a limited liability company organized under the laws of the State of Delaware. NewSpring is affiliated with NewSpring Holdings LLC, a private equity fund that seeks to partner with successful business owners and management teams to grow profitable businesses. The FCC recently granted authority to X5 OpCo to provide domestic telecommunications services to

commercial subscribers, wholesale carrier customers, and interconnecting carriers as part of the sale of assets to X5 OpCo by X5 Solutions, Inc. and X5 PDX, LLC.<sup>4</sup>

### ***Description of Transaction***

Novatel seeks to sell, and X5 OpCo seeks to acquire, substantially all of the assets and business of Novatel as an ongoing operation. Under the terms of the proposed acquisition, Novatel will sell the entirety of its interest in operational assets, customer and supplier contracts, and all of Novatel's personnel will be transferred to X5 OpCo. Following the grant of the proposed transaction, X5 OpCo will operate the assets and business of Novatel and will continue to provide domestic telecommunications services to Novatel's customers. There will be no changes in rates, terms or conditions as a result of this transaction. The transaction will be entirely transparent to Novatel's customers.

### ***Public Interest Statement***

The proposed assignment of Novatel's assets to X5 OpCo serves the public interest and will cause no offsetting public interest harms. Therefore, the Commission should expeditiously approve the proposed assignment.

The transaction will provide additional capitalization needed to expand services and operations, and enhance the company's ability to provide competitive telecommunications services to the public. Further, broad management experience will enable X5 OpCo to explore new innovative service opportunities and provide added value to customers. The proposed assignment does not raise any competitive concerns. The only impact of the proposed transaction is that Novatel's business will obtain access to increased resources that will result in a stronger, more capable and robust company, capable of pursuing additional opportunities.

The transaction will be entirely transparent to subscribers and customers. The transaction will not result in any immediate change in service rates, terms, and conditions, and will not result in the discontinuance, reduction, loss, or impairment of service to subscribers or customers.

### **ANSWER TO QUESTION 20**

This application for assignment of international Section 214 authorization qualifies for streamlined processing pursuant to Section 63.12(c) of the Commission's rules.<sup>5</sup> X5 OpCo is not a foreign carrier and is not affiliated with any foreign carriers. The parties will not consummate the proposed transaction until after all necessary Commission approvals are obtained.

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<sup>4</sup> See *Notice of Domestic Section 214 Authorizations Granted*, Public Notice, WC Docket No. 14-268, DA 15-334 (Mar. 16, 2015).

<sup>5</sup> 47 C.F.R. § 63.12(c).

## **INFORMATION REQUIRED BY SECTION 63.04 OF THE COMMISSION'S RULES IN RELATION TO DOMESTIC 214 AUTHORIZATIONS**

In support of the Applicants' request for assignment of Novatel's domestic blanket Section 214 authority to X5 OpCo, the following information is submitted pursuant to Section 63.04 of the Commission's rules.<sup>6</sup> Specifically, Section 63.04(b) provides that applicants submitting a joint domestic/international Section 214 assignment application should submit as an attachment to the international Section 214 application responses to the information requested in paragraphs (a)(6) through (a)(12) of Section 63.04.

### **RESPONSES TO SECTION 63.04(a)(6)-(12)**

#### **Section 63.04(a)(6):**

See Answer to Question 13.

#### **Section 63.04(a)(7):**

Novatel provides intrastate, interstate, and international non-facilities-based switched and dedicated interexchange telecommunications services. Novatel maintains intrastate operating authority in 28 States: Alabama, Arizona, California, Florida, Illinois, Indiana, Iowa, Kansas, Kentucky, Massachusetts, Maine, Michigan, Minnesota, Missouri, North Carolina, North Dakota, New Hampshire, New Jersey, New York, Ohio, Oklahoma, Pennsylvania, South Dakota, Texas, Utah, Virginia, Washington, and Wisconsin. Novatel does not have any affiliates.

X5 OpCo provides local exchange and domestic interexchange telecommunications services primarily to commercial and governmental institution subscribers, wholesale telecommunications network facilities and services to carriers, and switched exchange access services to interconnecting carriers in Washington, Oregon and Utah. X5 OpCo does not have any affiliates that provide domestic telecommunications services.

#### **Section 63.04(a)(8):**

This application for assignment of domestic Section 214 authority presumptively qualifies for streamlined processing pursuant to Section 63.03(b)(2)(i) because, immediately following the transaction: (1) Applicants and their affiliates (as defined in 47 U.S.C. § 153(1) – "Affiliates") combined will hold less than a ten percent share of the interstate, interexchange market; (2) to the extent that Applicants or their Affiliates provide U.S. local exchange services or exchange access services, those services are provided only in geographic areas served by a dominant local exchange carrier that is not a party to this transaction; and (3) none of the Applicants or their Affiliates is dominant with respect to any U.S. domestic service. 47 C.F.R. § 63.03(b)(2)(i).

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<sup>6</sup> 47 C.F.R. § 63.04.

**Section 63.04(a)(9):**

Applicants are filing an application to assign Novatel's international Section 214 authorization, File No. ITC-214-20010719-00393.

**Section 63.04(a)(10):**

The Applicants are not requesting special consideration because neither party to the transaction is facing imminent business failure.

**Section 63.04 (a)(11):**

The Applicants are not separately filing any waiver requests in conjunction with the transaction.

**Section 63.04 (a)(12):**

See Answer to Question 13.