Federal Communications Commission 445 12th Street, S.W. Washington, D.C. 20554

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DA 06-56

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MODIFICATION OF DOMESTIC AND INTERNATIONAL SECTION 214 AUTHORIZATIONS HELD BY CYPRESS COMMUNICATIONS OPERATING COMPANY, LLC.

WC Docket No. 04-418 ITC-MOD-20051205-00515

By the Chief, International Bureau and Chief, Wireline Competition Bureau:

On June 28, 2005, the Commission granted the applications for transfer of control of the domestic and international section 214 authorizations ¹ held by Cypress Communications Operating Company, LLC. ("Cypress Operating") from Cypress Communications Holding Co., Inc. ("Cypress Holding") to TechInvest Holding Company, Inc. ("THC"), an indirect subsidiary of Arcapita Bank, B.S.C.(c) ("Arcapita"), a joint stock company organized under the laws of the Kingdom of Bahrain. Grant of the applications was conditioned upon compliance with the terms of a national security agreement entered into on June 17, 2005 by and between Cypress Holding, THC, Arcapita Investment Management Limited ("AIM"), Arcapita, and the U.S. Department of Justice, the Federal Bureau of Investigation, the U.S. Department of Homeland Security, and the U.S. Department of the Treasury (collectively, the "Executive Branch Agencies"). ³

On December 5, 2005, Cypress Operating requested that the Commission modify its domestic and international section 214 authorizations by replacing the existing national security agreement with a revised version of the national security agreement between Cypress Holding, THC, AIM, Arcapita, and the Executive Branch Agencies.⁴ According to Cypress Operating the Executive Branch Agencies have no objection to the request.⁵

¹ 47 U.S.C. § 214. See also 47 C.F.R. Part 63.

² Authorizations Granted: Applications for Transfer of Control of Domestic and International Section 214 Authorizations Held by Cypress Communications Operating Company, LLC, WC Docket No. 04-418, ITC-T/C-20041112-00448, Public Notice, DA 05-1850, 20 FCC Rcd 11643 (2005).

³ *Id.* at 11644-45.

⁴ Letter from Joan M. Griffin, counsel for Cypress Communications Operating Company, Inc. to Marlene H. Dortch, Secretary, FCC, dated Dec. 5, 2005. The revised national security agreement is attached to the letter.

⁵ *Id*. at 2.

The International Bureau and the Wireline Competition Bureau find that modification of the domestic and international section 214 authorizations held by Cypress Operating will serve the public interest, convenience, and necessity. Consistent with Commission precedent, the Wireline Competition Bureau and the International Bureau accord the appropriate level of deference to the Executive Branch Agencies' expertise on national security and law enforcement issues. The revised national security agreement addresses the Executive Branch Agencies concerns regarding national security, law enforcement, and public safety with these authorizations. Accordingly, we modify the domestic and international section 214 authorizations held by Cypress Operating to condition those authorizations on compliance with the revised national security agreement filed on December 5, 2005.

Failure to comply with all relevant Commission rules, policies, or any specific condition to the domestic and international section 214 authorizations will result in automatic rescission of the Commission's approval, dismissal of the underlying applications, and could subject the applications to enforcement action, including but not limited to the imposition of forfeitures.

Pursuant to section 1.103 of the Commission's rules, the modification of grant is effective upon release of this Public Notice. Petitions for reconsideration under section 1.106 or applications for review under section 1.115 of the Commission's rules may be filed within 30 days of this Public Notice. 10

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⁶ 47 U.S.C. § 214(a).

⁷ The Commission considers national security, law enforcement, foreign policy, and trade policy concerns when analyzing a transfer of control or assignment application in which foreign ownership is an issue. *See Rules and Policies on Foreign Participation in the U.S. Telecommunications Market*, Report and Order and Order on Reconsideration, 12 FCC Rcd 23891, 23919-921, paras. 61-66 (1997), Order on Reconsideration, 15 FCC Rcd 18158 (2000) (*Foreign Participation Order*). In assessing the public interest, the Commission considers the record and accords the appropriate level of deference to Executive Branch expertise on national security and law enforcement issues. *Id.*

⁸ The underlying international section 214 authorizations held by Cypress Communications Operating Company, LLC are ITC-214-20000413-00203 and ITC-ASG-20030207-00132.

⁹ 47 C.F.R. § 1.103.

¹⁰ 47 C.F.R. §§ 1.106, 1.115.