

Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C.

*In the Matter of*

RELIANCE GLOBALCOM LIMITED, DEBTOR-IN-  
POSSESSION  
*Assignor and Licensee,*

GCX OpCo  
*Assignee,*

Application for Consent to Assign the Cable  
Landing License for the FLAG Atlantic-1 System

File No. SCL-ASG-2019-\_\_\_\_\_

**APPLICATION FOR CONSENT TO ASSIGN A CABLE LANDING LICENSE—  
STREAMLINED PROCESSING REQUESTED**

Pursuant to 47 U.S.C. § 34, Executive Order No. 10,530, and 47 C.F.R. § 1.767, Reliance Globalcom Limited, Debtor-in-Possession (“RGL DIP” or “Assignor”) seeks authority to assign the cable landing license held by RGL DIP for the FLAG Atlantic-1 system<sup>1</sup> to a new, to-be-formed (reorganized) entity, GCX OpCo (“GCX OpCo” or “Assignee”), with new ownership.<sup>2</sup> On September 15, 2019, Reliance Globalcom Limited, its immediate parent company, GCX Limited (“GCX Limited DIP”), and certain other affiliates (collectively with GCX Limited DIP,

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<sup>1</sup> *FLAG Atlantic Limited*, Order, 15 FCC Rcd. 21,359 (Int’l Bur. 1999), FCC File No. SCL-LIC-19990301-00005; *Actions Taken Under Cable Landing License Act*, Public Notice, 2004 WL 598180 (Int’l Bur., rel. Mar. 23, 2004) (adding *pro forma* condition in 47 C.F.R. § 1.767(g)(7)), FCC File No. SCL-MOD-20040211-00006.

<sup>2</sup> Concurrently with this application, RGL DIP’s affiliates, GCX DIP, Vanco US, LLC, Debtor-in-Possession (“Vanco US DIP”), Vanco Solutions, Inc. (“Vanco Solutions”), and Reliance Globalcom Services, Inc. are filing a parallel consolidated application for the assignment of Vanco US DIP’s domestic and international Section 214 authority to a reorganized Vanco US, LLC, and transfer of control of Vanco Solutions and RGSi from GCX Limited DIP to reorganized GCX Limited.

“Debtors”), filed for bankruptcy protection under Chapter 11 of the U.S. Bankruptcy Code in the United States Bankruptcy Court for the District of Delaware (the “Bankruptcy Court”).<sup>3</sup>

Concurrently therewith, Debtors filed that certain *Joint Prepackaged Chapter 11 Plan of GCX Limited and Its Debtor Affiliates*, which the Bankruptcy Court confirmed as subsequently modified by the Joint Prepackaged Chapter 11 Plan (As Modified) of GCX Limited and Its Debtor Affiliates dated December 2, 2019 (hereinafter, the “Plan” or “Proposed Transaction”).<sup>4</sup>

Pursuant to the Plan, upon emergence from bankruptcy, the assets of RGL DIP, including the FLAG Atlantic-1 cable landing license, will be assigned to GCX OpCo, which will be 100-percent owned by another to-be-formed Bermuda (reorganized) entity, GCX Limited

(“Reorganized GCX Limited”), which will in turn be owned by GCX DIP’s senior secured noteholders (hereinafter, “New Equity Holders”) based on ownership of senior secured notes.<sup>5</sup>

None of the New Equity Holders will hold a controlling interest in Reorganized GCX Limited (and indirectly in GCX OpCo) or collectively exercise control through any other arrangement.

Upon emergence, neither RGL DIP’s and GCX DIP’s current ultimate corporate parent, Reliance

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<sup>3</sup> On October 4, 2019, RGL DIP filed the notification of *pro forma* assignment and transfers of control required pursuant to 47 C.F.R. § 1.767(g)(7).

<sup>4</sup> *Findings of Fact, Conclusions of Law, and Order (I) Approving Debtors’ (A) Disclosure Statement, (B) Solicitation of Votes and Voting Procedures, and (C) Forms of Ballots and (II) Confirming Joint Prepackaged Chapter 11 Plan of GCX Limited and Its Debtor Affiliates*, Case 19-112031-CSS (Doc 203) (Bankr. D. Del.).

<sup>5</sup> Going forward, the New Equity Holders’ interests may be slightly diluted by a management equity plan (“MIP”). The MIP contemplates a possible equity distribution to management of up to 10 percent above a threshold (the value of the senior secured claims) in the event the Reorganized GCX Limited is sold, which amount accretes at 10 percent a year. The MIP further provides a minimum payment of \$1.5 million in equity in the event the threshold is not met upon a sale of Reorganized GCX Limited.

Communications Limited (“RCOM”), nor its largest shareholder, Anil Ambani, will hold any direct or indirect interest in RGL.<sup>6</sup>

Consummation of the Proposed Transaction will permit GCX OpCo (the reorganized RGL) to operate on a stronger financial footing, outside of bankruptcy and free from the challenges currently faced by RCOM, which is itself involved in insolvency proceedings in India. Post-bankruptcy, with reduced debt, new ownership, and an experienced management team in place, GCX OpCo, as the FLAG Atlantic-1 cable landing licensee, will be well-positioned to better serve both existing and new customers on the FLAG Atlantic-1 system through new offerings and more vigorous marketing of services.

The Proposed Transaction raises no public-interest concerns that would warrant an extended review or transaction-specific conditions for consent. Indeed, this application qualifies for presumptive streamlined processing under 47 C.F.R. § 1.767(k)(2) & (4), as GCX OpCo will not be affiliated with foreign carriers with market power in France or the United Kingdom, the two foreign destination markets for the FLAG Atlantic-1 system. Furthermore, consummation of the Proposed Transaction would not result in any new foreign-carrier affiliations for GCX OpCo (much less affiliations with foreign carriers with market power in France or the United Kingdom) nor create new combinations that would adversely affect competition in any geographic market for submarine cable capacity.

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<sup>6</sup> As the secured notes trade publicly, it is theoretically possible, but unlikely, that RCOM may acquire a minority interest. Additionally, as described in the Plan, if certain conditions are met, RCOM may hold a security or contractual right (the “Transition Services Contingent Value Right”) that would entitle RCOM to value or a payment of up to 10 percent above the amount by which (a) net proceeds generated by a sale that closes within two years of the Effective Date (as defined in the Plan) of all or substantially all of the reorganized Debtors’ equity or assets exceeds (b) the aggregate amount of Senior Secured Note Claims (as defined in the Plan) on the date immediately preceding the Effective Date. As of the date hereof, those conditions have not been met.

## **I. BACKGROUND**

### **A. Parties to the Proposed Transaction**

#### **1. Reliance Globalcom Limited, Debtor-in-Possession**

RGL DIP is an exempt company incorporated in Bermuda. RGL DIP is the licensee for the FLAG Atlantic-1 system and owns and operates the system in international waters, which represents the bulk of the system.<sup>7</sup> The FLAG Atlantic-1 system is a 12 fiber-pair ring configuration system connecting the United States, France, and the United Kingdom. The northern segment of the ring connects Northport, New York and Skewjack, United Kingdom and has six fiber pairs. The southern segment of the ring connects Island Park, New York and Plerin, France and also has six fiber pairs. The FLAG Atlantic-1 fiber pairs have a design capacity of between 560 and 4,000 Gbps using current technology. RGL operates the FLAG Atlantic-1 system on a non-common-carrier basis, offering capacity to third-party telecommunications carriers, Internet content companies, and large enterprise customers. RGL DIP competes vigorously with other systems on U.S-Europe routes, including the AEConnect-1, Apollo, Atlantic Crossing-1, GTT Atlantic, Marea, TAT-14, TGN Atlantic, and Yellow systems, and will soon compete with the Havfrue system. With its subsidiaries, RGL DIP operates submarine cables globally. RGL DIP's immediate parent is GCX Limited DIP. RGL DIP, together with its affiliates, provide services under the brand name "Global Cloud Xchange." RGL DIP is a debtor in the Chapter 11 proceedings.

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<sup>7</sup> As the Commission noted at the time of licensing, RGL's wholly-owned subsidiary, FLAG Telecom Network USA Limited (formerly known as FLAG Atlantic USA Ltd.) owns and operates the U.S.-territory portions of the system. RGL's other wholly-owned subsidiaries, FLAG Atlantic UK Limited and Reliance FLAG Atlantic France SAS, own the U.K.- and French-territory portions of the system, respectively. *See FLAG Atlantic Limited, Cable Landing License*, 15 FCC Rcd. 21,359, 21,362 ¶ 12 (1999).

## **2. GCX Limited, Debtor-in-Possession**

GCX Limited DIP is also an exempt company incorporated in Bermuda, with executive offices in London and Hong Kong. GCX Limited DIP owns a 99.665-percent direct voting and economic interest in RGL DIP. Through its subsidiaries, GCX Limited DIP owns and operates submarine cable systems and competitive telecommunications service providers globally. In the United States, GCX Limited DIP's indirect subsidiaries, Vanco US, LLC, Vanco Solutions, Inc., and Reliance Globalcom Services, Inc., provide international and domestic managed network, Ethernet, and private line services. GCX Limited is not a party to this Application, although it is a party to the Chapter 11 proceeding. Upon consummation of the Proposed Transaction, GCX Limited DIP will be wound up and dissolved.

## **3. Reliance Communications Limited**

As noted above, RCOM, a company established in India, is RGL DIP's pre-bankruptcy ultimate corporate parent. RCOM, a provider of wireless and wireline voice, data, video, and Internet services in India, itself is subject to insolvency proceedings in India before the National Company Law Tribunal, Mumbai Bench, Mumbai. Prior to filing for insolvency in India, RCOM was controlled by its largest shareholder, Anil Ambani. RCOM's operations and assets are currently managed by a court-appointed Resolution Professional, Mr. Anish Nanavaty. Accordingly, RCOM is not a party to this Application. Upon consummation of the Proposed Transaction, RCOM's interests will be extinguished,<sup>8</sup> and GCX OpCo will be owned by its parent, Reorganized GCX Limited, which will in turn be owned by the New Equity Holders.

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<sup>8</sup> See note 6 above.

#### **4. GCX OpCo**

GCX OpCo will be a Bermuda entity, with executive offices in London and Hong Kong. Upon consummation of the Proposed Transaction, GCX OpCo's ultimate corporate parent will be Reorganized GCX Limited, which will hold a 100-percent voting and economic interest in GCX OpCo. GCX OpCo will own and operate the FLAG Atlantic-1 system with its wholly-owned subsidiaries and will also continue to own and operate submarine cables globally.

#### **5. Reorganized GCX Limited**

Reorganized GCX Limited is not a party to this Application but will, as noted above, hold a 100-percent voting and economic interest in GCX OpCo upon consummation of the Proposed Transaction. Reorganized GCX Limited will be owned by the New Equity Holders.

#### **B. The Proposed Transaction**

Pursuant to the Plan, upon emergence, GCX OpCo and Reorganized GCX Limited will operate pursuant to new organizational documents (as newly-formed Bermuda entities), and Reorganized GCX Limited will issue new equity interests, to be held by the New Equity Holders. As described in Exhibit I of the Plan Supplement (the "Description of Transaction Steps"),<sup>9</sup> the New Equity Interests will first be distributed to GCX OpCo, which will exchange such New Equity Interests for the assets of GCX Limited DIP and RGL DIP (including the equity interests in those entities' subsidiaries). GCX Limited DIP will then issue the New Equity Interests to the New Equity Holders. Through the same process, Reorganized GCX Limited will be re-capitalized through a New First Lien Facility (as defined in the Plan) and New Second Lien Bonds (as defined in the Plan). The New Equity Holders will enter into a Stockholders'

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<sup>9</sup> *Notice of Filing of Supplement to Joint Prepackaged Chapter 11 Plan of GCX Limited and Its Debtor Affiliates*, Case No. 19-12031-CSS (Doc. 156) (Bankr. D Delaware).

Agreement to set forth their agreement with respect to their rights and the governance of Reorganized GCX Limited and, indirectly, its subsidiaries, including GCX OpCo.

### **C. The New Equity Holders and the Stockholders' Agreement**

The New Equity Holders are a diverse group of independent investors, none of which will hold a controlling voting or economic interest or exercise *de facto* control singly or jointly through any other arrangement. As previously noted, the New Equity Holders will enter into a Stockholders' Agreement to govern their respective rights and interests in Reorganized GCX Limited and, indirectly, its subsidiaries. Pursuant to an agreed-upon term sheet, this Stockholders' Agreement will have the following key provisions:

- Only one class of equity will be issued (other than equity issued pursuant to the Management Incentive Plan).
- The Board of Directors will consist of five (5) directors, elected annually.
- Each New Equity Holder holding at least 25 percent of the issued and outstanding New Equity Interests shall be entitled to appoint one (1) director for each 25-percent interest held.
- One director shall be Reorganized GCX Limited's Chief Executive Officer.
- The remaining directors shall be appointed by the affirmative vote of the majority of the issued and outstanding New Equity Interests.
- All major corporate actions decided by the Board of Directors shall be decided by a simple majority vote.

Under this governance structure, only Värde Partners, Inc. (a U.S.-based investment management company with significant experience in corporate restructurings) will have the initial right to appoint a director based on its overall 28.82-percent voting and economic interest in Reorganized GCX Limited, while the majority of directors will be elected by a simple majority vote of all New Equity Interests.

## II. THE PROPOSED TRANSACTION WOULD SERVE THE PUBLIC INTEREST AND WOULD NOT HARM COMPETITION

### A. Standard of Review

Although the Cable Landing License Act does not contain a public interest standard, the Commission has asserted that it determines whether a proposed assignment or transfer of control of a cable landing license is consistent with the public interest, convenience, and necessity.<sup>10</sup> In making such a determination, the Commission first assesses “whether the proposed transaction complies with the specific provisions of the Act, other applicable statutes, and the Commission’s rules.”<sup>11</sup> Second, if a proposed transaction would not violate the Act, any other applicable statute, or any of the Commission’s rules, the Commission then considers whether a proposed transaction “could result in public interest harms by substantially frustrating or impairing the objectives or implementation of the [Communications] Act or related statutes.”<sup>12</sup> Third, the

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<sup>10</sup> See, e.g., *Applications Filed by Global Crossing Limited and Level 3 Communications, Inc. for Consent to Transfer Control*, Memorandum Opinion and Order and Declaratory Ruling, 26 FCC Rcd. 14,056, 14,061 ¶ 10 (Wireline Comp. and Int’l Burs. 2011). See also *Applications of AT&T Inc. and DIRECTV For Consent to Assign or Transfer Control of Licenses and Authorizations*, Memorandum Opinion and Order, 30 FCC Rcd. 9131, 9139-40 ¶ 18 (2015) (“*AT&T-DIRECTV Order*”); *Applications of XO Holdings and Verizon Communications, Inc. for Consent to Transfer Control of Licenses and Authorizations*, Memorandum Opinion and Order, 31 FCC Rcd. 12,501, 12,504-05 ¶ 7 (Wireline, Int’l, and Wireless Tel. Burs. 2016) (“*Verizon-XO Order*”).

<sup>11</sup> See *AT&T-DIRECTV Order*, 30 FCC Rcd. at 9139-40 ¶ 18 (citations omitted); *Verizon-XO Order*, 31 FCC Rcd. at 12,504 ¶ 7; *Applications of SoftBank Corp., Starburst II, Inc., Sprint Nextel Corp., and Clearwire Corp.*, Memorandum Opinion and Order, Declaratory Ruling and Order on Reconsideration, 28 FCC Rcd. 9642, 9650 ¶ 23 (2013) (citations omitted) (“*SoftBank-Sprint-Clearwire Order*”); *Applications Filed by Qwest Communications International Inc. and CenturyTel, Inc. d/b/a CenturyLink For Consent to Transfer Control*, Memorandum Opinion and Order, 26 FCC Rcd. 4194, 4198-99 ¶ 7 (2011) (citation omitted) (“*Qwest-CenturyLink Order*”); *AT&T Inc. and BellSouth Corp. Application for Transfer of Control*, Memorandum Opinion and Order, 22 FCC Rcd. 5662, 5672 ¶ 19 (2007) (“*AT&T-BellSouth Order*”).

<sup>12</sup> See *AT&T-DIRECTV Order*, 30 FCC Rcd. at 9140 ¶ 18 (citation omitted); *Verizon-XO Order*, 31 FCC Rcd. at 12,505 ¶ 7 (citation omitted); *SoftBank-Sprint-Clearwire Order*, 28



Commission employs a balancing test “weighing any potential public interest harms of the proposed transaction against any potential public interest benefits.”<sup>13</sup> The applicants bear the burden of proving, by a preponderance of the evidence that, on balance, a proposed transaction serves the public interest.<sup>14</sup> If the Commission is unable to find that a proposed transaction would serve the public interest or presents a substantial and material question of fact, it will designate the applications for hearing pursuant to 47 U.S.C. § 309(e).<sup>15</sup>

The Proposed Transaction would not violate any provision of the Cable Landing License Act or any Commission rule, nor would it substantially frustrate or impair the Commission’s implementation or enforcement of the Cable Landing License Act or interfere with the objectives of the Cable Landing License Act or other statutes. To the contrary, as detailed below, the Proposed Transaction will offer substantial public interest benefits without any material countervailing harms.

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FCC Rcd. at 9651 ¶ 23 (citation omitted); *Qwest-CenturyLink Order*, 26 FCC Rcd. at 4199 ¶ 7; *AT&T-BellSouth Order*, 22 FCC Rcd. at 5672 ¶ 19 (citation omitted).

<sup>13</sup> See *AT&T-DIRECTV Order*, 30 FCC Rcd at 9140 ¶ 18 (citation omitted); *Verizon-XO Order*, 31 FCC Rcd. at 12,504-05 ¶ 7 (citation omitted); *SoftBank-Sprint-Clearwire Order*, 28 FCC Rcd. at 9651 ¶ 23 (citation omitted); *Qwest-CenturyLink Order*, 26 FCC Rcd. at 4199 ¶ 7 (citation omitted); *AT&T-BellSouth Order*, 22 FCC Rcd. at 5672 ¶ 19 (citation omitted).

<sup>14</sup> See *AT&T-DIRECTV Order*, 30 FCC Rcd. at 9140 ¶ 18; *Verizon-XO Order*, 31 FCC Rcd. at 12,504-05 ¶ 7; *General Motors Corp. and Hughes Electronics Corp., Transferors, and The News Corp. Limited, Transferee, For Authority to Transfer Control*, Memorandum Opinion and Order, 19 FCC Rcd. 473, 483 ¶ 15 (2004).

<sup>15</sup> See *AT&T-DIRECTV Order*, 30 FCC Rcd. at 9140 ¶ 18; *Verizon-XO Order*, ¶ 7; *Applications of Comcast Corp., General Electric Co., and NBC Universal Inc. For Consent to Assign Licenses and Transfer Control of Licenses*, Memorandum Opinion and Order, 26 FCC Rcd. 4238, 4248 ¶ 22; *Application of EchoStar Communications Corp., General Motors Corp., and Hughes Electronics Corp. (Transferors) and EchoStar Communications Corp. (Transferee)*, Hearing Designation Order, 17 FCC Rcd. 20,559, 20,574 ¶ 25 (2002).

**B. The Proposed Transaction Will Serve the Public Interest**

The Proposed Transaction will serve the public interest, convenience, and necessity by ensuring the continued operation of the FLAG Atlantic-1 system on a more financially robust footing, while at the same time ensuring that all of GCX DIP's unsecured creditors (including all U.S. unsecured creditors) will be paid in full. GCX OpCo will benefit from Reorganized GCX Limited's re-capitalization, and, independent from RCOM, will be able to market FLAG Atlantic-1 capacity and spectrum more vigorously to its wholesale, enterprise, and carrier-customers on the trans-Atlantic route.

**C. The Proposed Transaction Would Not Create Any Anti-Competitive Effects**

The Proposed Transaction would create no new combinations that would adversely affect competition in any geographic market for submarine cable capacity. RGL DIP is not now, and GCX OpCo will not be, affiliated with any foreign carriers with market power in France or the United Kingdom, the destination markets where the FLAG Atlantic-1 system lands. Further, neither entity now (nor will) control or be affiliated with any other operators of submarine cables licensed by the Commission.

**III. INFORMATION REQUIRED BY 47 C.F.R. § 1.767(a)(11)(i)**

Pursuant to 47 C.F.R. § 1.767(a)(11)(i), the Applicants provide the following information in support of their request for Commission consent for the Proposed Transaction:

**A. Applicant Identification Information<sup>16</sup>**

In Table 1 below, the Applicants provide their names, addresses, telephone numbers, places of organization, and FCC Registration Numbers.

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<sup>16</sup> See 47 C.F.R. § 1.767(a)(1), (2).

**TABLE 1: Applicant Identification Information**

<b>Name, Address, and Telephone #</b>	<b>Place of Organization</b>	<b>FRN</b>	<b>Transaction Role</b>
Reliance Globalcom, Debtor-in-Possession c/o Michael Katzenstein FTI Consulting, Inc. Three Times Square, 9 <sup>th</sup> Floor New York, New York 10036 +1 212 247 1010	Bermuda	0028867679	Assignor
GCX OpCo <sup>17</sup> World Business Centre 2 Newall Road Middlesex TW6 2 SF United Kingdom +1 44 20 8636 1712	Bermuda	0029061371	Assignee

**B. Contact Information<sup>18</sup>**

The Commission should address correspondence regarding this application to the persons identified in Table 1 above, and to counsel as indicated on the signatory page.

**C. Certification Regarding Ownership, Place of Organization, Principal Business, and Interlocking Directorates<sup>19</sup>**

GCX OpCo certifies that it will have the following 10-percent-or-greater interest holders following the consummation of Proposed Transaction:

**GCX Limited (Reorganized)**

*Address:* World Business Centre 2, Newall Road, Middlesex, TW6 2SF, United Kingdom

*Place of Organization:* Bermuda

*Principal Business:* telecommunications

*Relationship:* Reorganized GCX Limited will hold a 100-percent voting and economic interest in GCX OpCo.

<sup>17</sup> GCX OpCo will maintain executive offices in London (GCX Limited DIP's current executive offices) although its registered address will be in Bermuda.

<sup>18</sup> See *id.* § 1.767(a)(3).

<sup>19</sup> See *id.* §§ 1.767(a)(8)(i), 63.18(h).

**Värde Partners, Inc. (“Värde Partners”)**

*Address:* 901 Marquette Avenue South, Suite 3300, Minneapolis, MN 55402

*Place of Organization:* Delaware

*Principal Business:* investments

*Relationship:* Värde Partners will hold a 28.82-percent voting interest in Reorganized GCX Limited through: its role as general partner of the Värde Fund XII (Master), L.P. (a Delaware limited partnership with a 1.84-percent direct voting and economic interest in Reorganized GCX Limited); the Värde Fund VI-A, L.P. (a Delaware limited partnership with a 0.44-percent direct voting and economic interest in Reorganized GCX Limited); the Värde Asia Credit Fund Master, L.P. (a Cayman Islands limited partnership with a 0.75-percent direct voting and economic interest in Reorganized GCX Limited); Värde Investment Partners (Offshore) Master, L.P. (a Cayman Islands limited partnership with a 5.94-percent direct voting and economic interest in Reorganized GCX Limited); the Värde Skyway Master Fund, L.P. (a Cayman Islands limited partnership with a 3.78-percent direct voting and economic interest in Reorganized GCX Limited); Värde Credit Partners Master, L.P. (a Cayman Islands limited partnership with a 8.85-percent direct voting and economic interest in Reorganized GCX Limited); and Värde Investment Partners, L.P. (a Delaware limited partnership with a 7.22-percent direct voting and economic interest in Reorganized GCX Limited). The identified funds may form a special purpose vehicle for the purpose of holding the Reorganized GCX Limited equity. Should the funds decide to do so, the Applicants will file a supplement to this Application.

**George C. Hicks**

*Address:* 901 Marquette Avenue South, Suite 3300, Minneapolis MN 55402

*Citizenship:* United States

*Principal Business:* investment management

*Relationship:* Mr. Hicks is a co-founder and Chief Executive Officer of Värde Partners and holds 33.3-percent voting and economic interest in Värde Partners. As CEO, he exercises ultimate voting control over the shares indirectly held by Värde Partners in Reorganized GCX Limited.

**Marcia L. Page**

*Address:* 901 Marquette Avenue South, Suite 3300, Minneapolis MN 55402

*Citizenship:* United States

*Principal Business:* investment management

*Relationship:* Ms. Page is a co-founder and Chair of Värde Partners and holds 33.3-percent voting and economic interest in Värde Partners.

**Greg Macmillan**

*Address:* 901 Marquette Avenue South, Suite 3300, Minneapolis MN 55402

*Citizenship:* United States

*Principal Business:* investment management (retired)

*Relationship:* Mr. Macmillan is a retired co-founder of Värde Partners and holds a 33.3-percent voting and economic interest in Värde Partners.

No other entity or individual, including Värde Partners Principals, will have an attributable 10-percent or greater voting or economic interest in Reorganized GCX Limited through Värde Partners.

**Bardin Hill Investment Partners LP (“Bardin Hill Partners”)**

*Address:* 299 Park Avenue, 24th Floor, New York, NY 10171

*Place of Organization:* Delaware

*Principal Business:* investments

*Relationship:* Bardin Hill Partners will hold a 14.28-percent voting interest in Reorganized GCX Limited through its (or one or more of its affiliates’) role(s) as general partner and/or investment manager) of Bardin Hill WC Fund LP (a Cayman Islands limited partnership with a 1.25-percent direct voting and economic interest in Reorganized GCX Limited); Bardin Hill Event-Driven Master Fund LP (a Cayman Islands limited partnership with a 2.60-percent direct voting and economic interest in Reorganized GCX Limited); HCN LP (a Cayman Islands limited partnership with a 5.11-percent direct voting and economic interest in Reorganized GCX Limited); Halcyon Vallée Blanche Master Fund LP (an Ontario, Canada limited partnership with a 2.51-percent direct voting and economic interest in Reorganized GCX Limited); Halcyon Eversource Credit LLC (a Delaware limited liability company with a 1.01-percent direct voting and economic interest in Reorganized GCX Limited); and HDML Fund II LLC (a Delaware limited liability company with a 1.80-percent direct voting and economic interest in Reorganized GCX Limited).

**Bardin Hill Investment Partners GP LLC (“BHIP GP”)**

*Address:* 299 Park Avenue, 24th Floor, New York, NY 10171

*Place of Organization:* Delaware

*Principal Business:* investments

*Relationship:* BHIP GP is the non-economic General Partner of Bardin Hill Partners, with a 100-percent voting interest.

**Bardin Hill Management Partners LP (“Bardin Hill Management”)**

*Address:* 299 Park Avenue, 24th Floor, New York, NY 10171

*Place of Organization:* Delaware

*Principal Business:* investments

*Relationship:* Bardin Hill Management holds a 100-percent voting and economic interest in BHIP GP.

**Bardin Hill Management Partners GP LLC (“BHM GP”)**

*Address:* 299 Park Avenue, 24th Floor, New York, NY 10171

*Place of Organization:* Delaware

*Principal Business:* investments

*Relationship:* BHM GP is the non-economic General Partner of Bardin Hill Management, with a 100-percent voting interest.

**Halcyon Holdings LLC (“Halcyon Holdings”)**

*Address:*

299 Park Avenue, 24th Floor, New York, NY 10171

*Place of Organization:* Delaware

*Principal Business:* investments

*Relationship:* Halcyon Holdings holds a 100-percent voting and economic interest in BHM GP.

**Jason Dillow**

*Address:* 299 Park Avenue, 24th Floor, New York, NY 10171

*Citizenship:* United States

*Principal Business:* investment management

*Relationship:* Mr. Dillow is CEO of Bardin Hill Partners. Together with Kevah Konner, Pratik Desai, and John Greene, Mr. Dillow holds voting control over the shares indirectly held by Bardin Hill Partners in Reorganized GCX Limited. Mr. Dillow is also a limited partner in Bardin Hill Management, with a 57-percent economic interest, and a limited partner in Bardin Hill Partners, with a less than 10-percent economic interest. Mr. Dillow also holds a 100-percent voting and economic interest Halcyon Holdings.

**Kevah Konner**

*Address:* 299 Park Avenue, 24th Floor, New York, NY 10171

*Citizenship:* United States

*Principal Business:* investment management

*Relationship:* Together with Jason Dillow, Pratik Desai, and John Greene, Mr. Konner holds voting control over the shares indirectly held by Bardin Hill Partners in Reorganized GCX Limited. Mr. Konner has less than a 10-percent indirect economic interest in Reorganized GCX Limited through limited partnership interests in Bardin Hill Partners and Bardin Hill Management.

**Pratik Desai**

*Address:* 299 Park Avenue, 24th Floor, New York, NY 10171

*Citizenship:* United States

*Principal Business:* investment management

*Relationship:* Together with Jason Dillow, Kevah Konner, and John Greene, Mr. Desai exercises voting control over the shares indirectly held by Bardin Hill Partners in Reorganized GCX Limited. Mr. Desai has less than a 10-percent indirect economic interest in Reorganized GCX Limited through limited partnership interests in Bardin Hill Partners and Bardin Hill Management.

**John Greene**

*Address:* 299 Park Avenue, 24th Floor, New York, NY 10171

*Citizenship:* United States

*Principal Business:* investment management

*Relationship:* Together with Jason Dillow, Pratik Desai and Kevan Konner, Mr. Greene exercises voting control over the shares indirectly held by Bardin Hill Partners in Reorganized GCX Limited. Mr. Greene has less than a 10-percent indirect economic interest in Reorganized GCX Limited through limited partnership interests in Bardin Hill Partners and Bardin Hill Management.

No other entity or individual will have an attributable 10-percent or greater voting or economic interest in Reorganized GCX Limited through Bardin Hill Partners.

**Christian Petersmann**

*Address:* Europa Residence, Place des Moulins, 98000, Monaco

*Citizenship:* Germany

*Principal Business:* investment management

*Relationship:* Christian Petersmann will hold an 11.46-percent voting interest in Reorganized GCX Limited through signatory authority over Crown Ocean Capital P1 Limited, a British Virgin Islands company, with a 6.77-percent economic and voting interest in Reorganized GCX Limited and Vedra Finance Limited, a British Virgin Islands Company, with a 4.69-percent interest in Reorganized GCX Limited. Mr. Petersmann has a combined indirect economic interest in Reorganized GCX Limited that is less than 10 percent.

**Konstantin Stoyanov**

*Address:* Europa Residence, Place des Moulins, 98000, Monaco

*Citizenship:* Germany

*Principal Business:* investment management

*Relationship:* Konstantin Stoyanov will hold an 11.46-percent voting interest in Reorganized GCX Limited through signatory authority over Crown Ocean Capital P1 Limited, a British Virgin Islands company, with a 6.77-percent economic and voting interest in Reorganized GCX Limited and Vedra Finance Limited, a British Virgin Islands Company, with a 4.69-percent interest in Reorganized GCX Limited. Mr. Stoyanov has a combined indirect economic interest in Reorganized GCX Limited that is less than 10 percent.

No other entity or person will hold a 10-percent-or-greater direct or indirect economic interest in GCX OpCo as a consequence of consummation of the Proposed Transaction. All direct and indirect interest holders are organized in, or are citizens of, member countries of the

World Trade Organization (“WTO”).<sup>20</sup> In Exhibits A and B respectively, the Applicants provide diagrams showing the pre- and post-consummation economic and voting interests in RGL DIP and GCX OpCo, respectively. In Exhibits C and D, the Applicants provide diagrams illustrating the ownership structures of Värde Partners, Inc. and Bardin Hill Investments Partners LP, respectively.

Reorganized GCX Limited has not yet elected the directors for GCX OpCo. Applicants will promptly supplement this Application to disclose any interlocking directorates when the board is elected.

**D. Certification Regarding the Anti-Drug Abuse Act of 1988<sup>21</sup>**

Applicants certify that no party to this application is subject to a denial of federal benefits under Section 5301 of the Anti-Drug Abuse Act of 1988, as amended.<sup>22</sup>

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<sup>20</sup> See World Trade Organization, *Members and Observers* (as of July 29, 2016), [https://www.wto.org/english/thewto\\_e/whatis\\_e/tif\\_e/org6\\_e.htm](https://www.wto.org/english/thewto_e/whatis_e/tif_e/org6_e.htm). The U.S. Government treats all British overseas territories, including Bermuda, the British Virgin Islands and the Cayman Islands, as subject to U.K. WTO commitments. See *Cable & Wireless USA, Inc.*, Order, Authorization, & Certificate, 15 FCC Rcd. 3050, 3052 n.14 (Int’l Bur. 2000) (finding that Bermuda is subject to U.K. WTO commitments), *citing* Letter from Robert E. Dalton, Assistant Legal Adviser for Treaty Affairs, U.S. Department of State, to Rebecca Arbogast, Chief, Telecommunications Division, International Bureau, Federal Communications Commission, File No. ITC-214-19990709-00412 (Feb. 16., 2000) (stating that “it remains the Department’s position that, consistent with the Vienna Convention on the Law of Treaties and actions taken by the United Kingdom in accepting the WTO Agreement, the WTO Agreement applies to all British territories, including Bermuda. The Office of the U.S. Trade Representative concurs in this view.”).

<sup>21</sup> See 47 C.F.R. §§ 1.767(a)(8)(i), 63.18(o).

<sup>22</sup> 21 U.S.C. § 862(a); Anti-Drug Abuse Act of 1988, Pub. L. No. 100-690, § 5301, 102 Stat. 4181, 4310-12 (1988), which related to denial of Federal benefits to drug traffickers and possessors—previously codified at 21 U.S.C. § 853(a)—was renumbered section 421 of the Controlled Substances Act of 1990, Pub. L. No. 101-647, § 1002(d)(1), 104 Stat. 4789, 4827 (1990), and has been recodified as 21 U.S.C. § 862(a). 47 C.F.R. § 63.18(o) does not reflect this recodification.



**E. Certification Regarding Foreign Carrier Status and Foreign Affiliations<sup>23</sup>**

GCX OpCo certifies that upon consummation of the Proposed Transaction: (1) GCX OpCo will not be a foreign carrier in any foreign country; and (2) it will be affiliated with foreign carriers (including foreign carriers that control cable landing stations in foreign countries) listed in Table 2 below, all of which have been previously disclosed to the Commission.

**TABLE 2: POST-CONSUMMATION AFFILIATED FOREIGN CARRIERS AND CABLE LANDING STATION INTERESTS OF GCX OPCO**

Country	Affiliate	Own/Control Cable Landing Station
Australia	Vanco Australasia Pty Limited	N
Belgium	Vanco NV	N
France	Reliance FLAG Atlantic France SAS	Y
	Vanco SAS	N
Germany	FLAG Telecom Deutschland GmbH	N
	Vanco GmbH	N
	Vanco Deutschland GmbH	N
Hong Kong	FLAG Telecom Asia Limited	Y
Ireland	Reliance FLAG Telecom Ireland DAC	N
Italy	Vanco Srl	N
Japan	FLAG Telecom Japan Limited	Y
	Vanco Japan KK	N
Republic of Korea	Seoul Telenet, Inc.	N
Netherlands	FLAG Telecom Nederland B.V.	N
	Vanco BV	N
Singapore	FLAG Telecom Singapore Pte. Limited	N
	Vanco (Asia Pacific) Pte Limited	N
Spain	FLAG Telecom Espana Network SAU	N
	Euronet Spain SA	N
Sweden	Vanco Sweden AB	N
Switzerland	Vanco Switzerland AG	N
Taiwan	FLAG Telecom Taiwan Limited	Y

<sup>23</sup> See 47 C.F.R. § 1.767(a)(8)(ii).

Country	Affiliate	Own/Control Cable Landing Station
United Kingdom	FLAG Atlantic UK Limited	Y
	Vanco UK Limited	N
	Vanco International Limited	N
	Vanco ROW Ltd.	N
	Vanco Global Limited	N
	VNO Direct Limited	N

**F. Certification Regarding Destination Countries<sup>24</sup>**

GCX OpCo certifies that upon consummation of the Proposed Transaction: (1) it will not be a foreign carrier in any of the countries where the FLAG Atlantic-1 system lands; (2) together with its parent, Reorganized GCX Limited, it will control foreign carriers identified in Table 2; and (3) no grouping of two or more foreign carriers (or parties that control foreign carriers in France and the United Kingdom) will own, in aggregate, more than 25-percent of GCX OpCo, and are parties to, or beneficiaries of, a contractual relationship affecting the provision or marketing of arrangements for the terms of acquisition, sale, lease, transfer, and use of capacity on the FLAG Atlantic-1 system in the United States.

**G. Certifications Regarding WTO Status and Affiliations with Foreign Carriers Having Market Power in Foreign Destination Markets<sup>25</sup>**

No response is required, as GCX OpCo did not identify any non-WTO markets in response to 47 C.F.R. § 1.767(a)(8)(iii).

**H. Certification Regarding Routine Conditions<sup>26</sup>**

GCX OpCo certifies that it accepts and will abide by the routine conditions specified in 47 C.F.R. § 1.767(g).

<sup>24</sup> See *id.* § 1.767(a)(8)(iii).

<sup>25</sup> See *id.* § 1.767(a)(8)(iv).

<sup>26</sup> See *id.* § 1.767(a)(9).

## **I. Streamlining<sup>27</sup>**

The Applicants request streamlined processing pursuant to 47 C.F.R. § 1.767(k)(2) and (4). GCX OpCo has certified above that upon consummation of the Proposed Transaction, it will be affiliated with foreign carriers in France and the United Kingdom, as noted in Table 2 above. Each of these foreign carriers lacks market power in its respective geographic market. Each has less than 50-percent market share in either the international transport market or local access market of its respective geographic market. None appears on the Commission's list of foreign telecommunications carriers presumed to possess market power in foreign telecommunications markets.<sup>28</sup> These foreign carriers therefore qualify for presumptions of non-dominance pursuant to 47 C.F.R. § 63.10(a)(3) and exemptions from the dominant carrier safeguards in 47 C.F.R. §§ 63.10(c) through (e).

As this Application does not seek authority for any new or modified submarine cable construction, no certification is required with respect to the Coastal Zone Management Act.<sup>29</sup>

## **J. Certification Regarding Service to Executive Branch Agencies<sup>30</sup>**

The Applicants have served a complete copy of this application to the U.S. Departments of State, Commerce, and Defense, and certified such service in the attached certificate of service.

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<sup>27</sup> See *id.* § 1.767(j), (k).

<sup>28</sup> See *The International Bureau Revises and Reissues the Commission's List of Foreign Telecommunications Carriers that Are Presumed to Possess Market Power in Foreign Telecommunications Markets*, Public Notice, 22 FCC Rcd. 945 (Int'l Bur. 2007).

<sup>29</sup> See 47 C.F.R. § 1.767(k)(4).

<sup>30</sup> See *id.* § 1.767(j).

## CONCLUSION

For the reasons stated above, the Applicants request that the Commission grant consent expeditiously for the assignment of the FLAG Atlantic-1 cable landing license from Reliance Globalcom Limited, Debtor in Possession, to GCX OpCo.

Dated: January 27, 2020

Respectfully submitted,

**Reliance Globalcom Limited, Debtor-in-Possession**



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And: New Equity Holders

*[Signatures continued on following pages]*

**CONCLUSION**

For the reasons stated above, the Applicants request that the Commission grant consent expeditiously for the assignment of the FLAG Atlantic-1 cable landing license from Reliance Globalcom Limited, Debtor in Possession, to GCX OpCo.

Dated: January 27, 2020

Respectfully submitted,

**Reliance Globalcom Limited, Debtor-in-Possession**

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**GCX OpCo**



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Bardin Hill WC Fund LP  
Halcyon Eversource Credit LLC  
Halcyon Vallee Blanche Master Fund LP  
HCN LP  
HDML Fund II LLC

By: Bardin Hill Investment Partners LP, their  
manager



---

Name:      **John Freese**                      **Jacob Fishelis**  
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*[Signatures continued on following pages]*

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**SEVERALLY AND NOT JOINTLY FOR EACH FUND LISTED BELOW:**

By: 

Name: Scott Hartman  
Principal

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**THE VÄRDE FUND VI-A, L.P.**

By Värde Investment Partners G.P., LLC, Its General Partner  
By Värde Partners, L.P., Its Managing Member  
By Värde Partners, Inc., Its General Partner

**VÄRDE INVESTMENT PARTNERS, L.P.**

By Värde Investment Partners G.P., LLC, Its General Partner  
By Värde Partners, L.P., Its Managing Member  
By Värde Partners, Inc., Its General Partner

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MASTER, L.P.**

By: The Värde Asia Credit Fund G.P., L.P., as General Partner  
By: The Värde Asia Credit Fund U.G.P., LLC, its General Partner  
By: Värde Partners, L.P., its Managing Member  
By: Värde Partners, Inc., its General Partner

**THE VÄRDE FUND XII (MASTER), L.P.**

By The Värde Fund XII G.P., L.P., Its General Partner  
By The Värde Fund XII UGP, LLC, its General Partner  
By Värde Partners, L.P., Its Managing Member  
By Värde Partners, Inc., Its General Partner

**VÄRDE INVESTMENT PARTNERS  
(OFFSHORE) MASTER, L.P.**

By Värde Investment Partners G.P., LLC, Its General Partner  
By Värde Partners, L.P., Its Managing Member  
By Värde Partners, Inc., Its General Partner

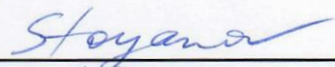
**THE VÄRDE SKYWAY MASTER FUND,  
L.P.**

By The Värde Skyway Fund G.P., LLC, Its General Partner  
By Värde Partners, L.P., Its Managing Member  
By Värde Partners, Inc., Its General Partner

*[Signatures continued on following page]*

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Holders*



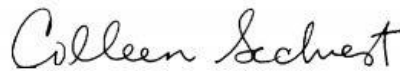
## CERTIFICATE OF SERVICE

I, Colleen Sechrest, hereby certify that consistent with 47 C.F.R. § 1.767(j), I have served copies of the foregoing application for consent to the Proposed Transaction, by hand delivery or electronic mail this 27th day of January, 2020, to the following:

Robert L. Strayer  
U.S. Coordinator and Deputy Assistant  
Secretary of State (Acting)  
Int'l Communications & Information Policy  
Bureau of Economic and Business Affairs  
U.S. DEPARTMENT OF STATE  
EB/CIP : Room 4634  
2201 C Street, N.W.  
Washington, D.C. 20520-4634

Kathy Smith  
Chief Counsel  
U.S. DEPARTMENT OF COMMERCE/NTIA  
14th Street and Constitution Avenue, N.W.  
Room 4713  
Washington, D.C. 20230

William E. Brazis, II  
General Counsel  
DEFENSE INFORMATION SYSTEMS AGENCY  
6910 Cooper Avenue  
Fort Meade, Maryland 20755



---

Colleen Sechrest

# Exhibit A

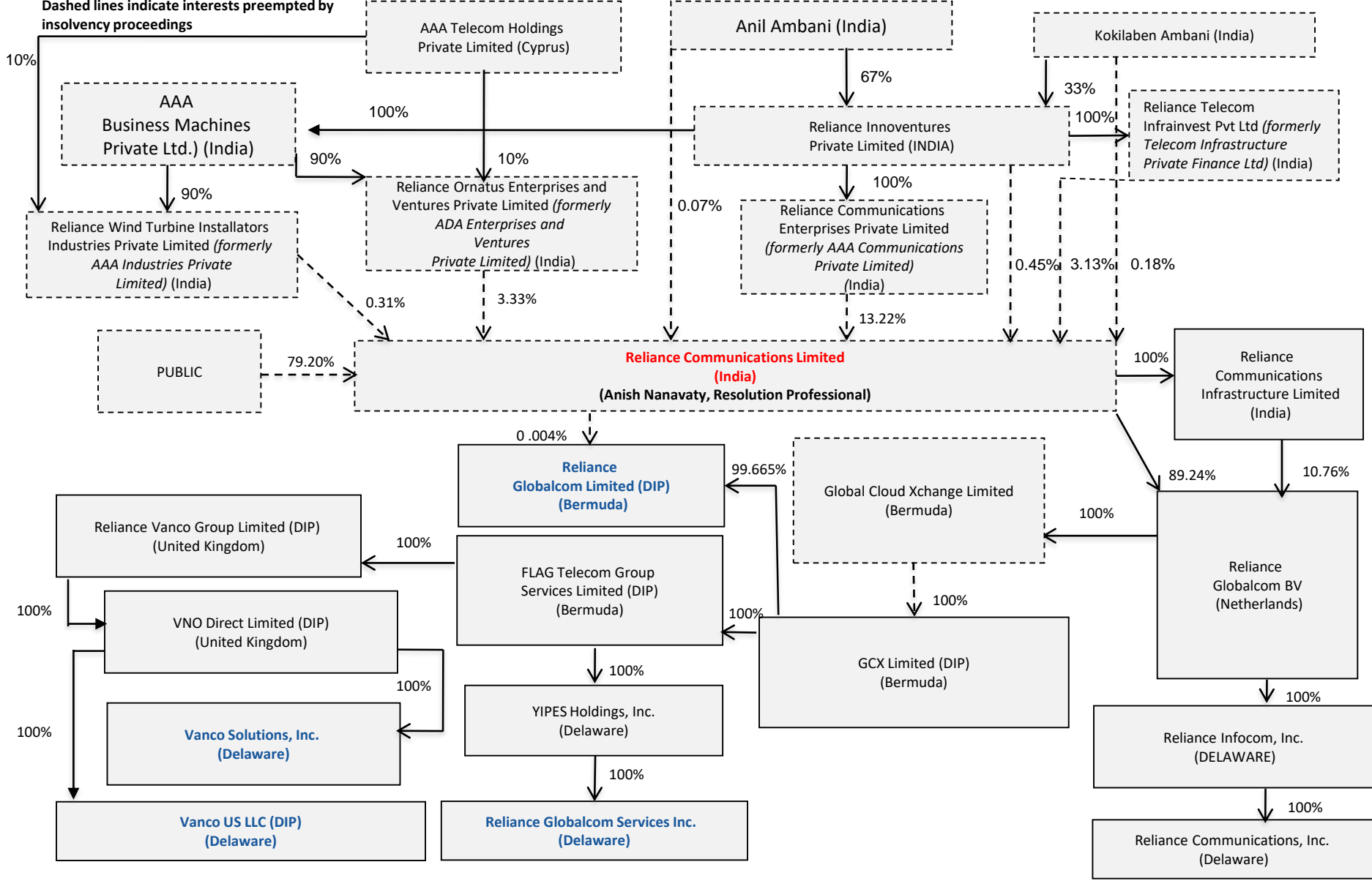
## Reliance Globalcom Limited, Debtor-in-Possession

### Ownership Structure as of September 15, 2019

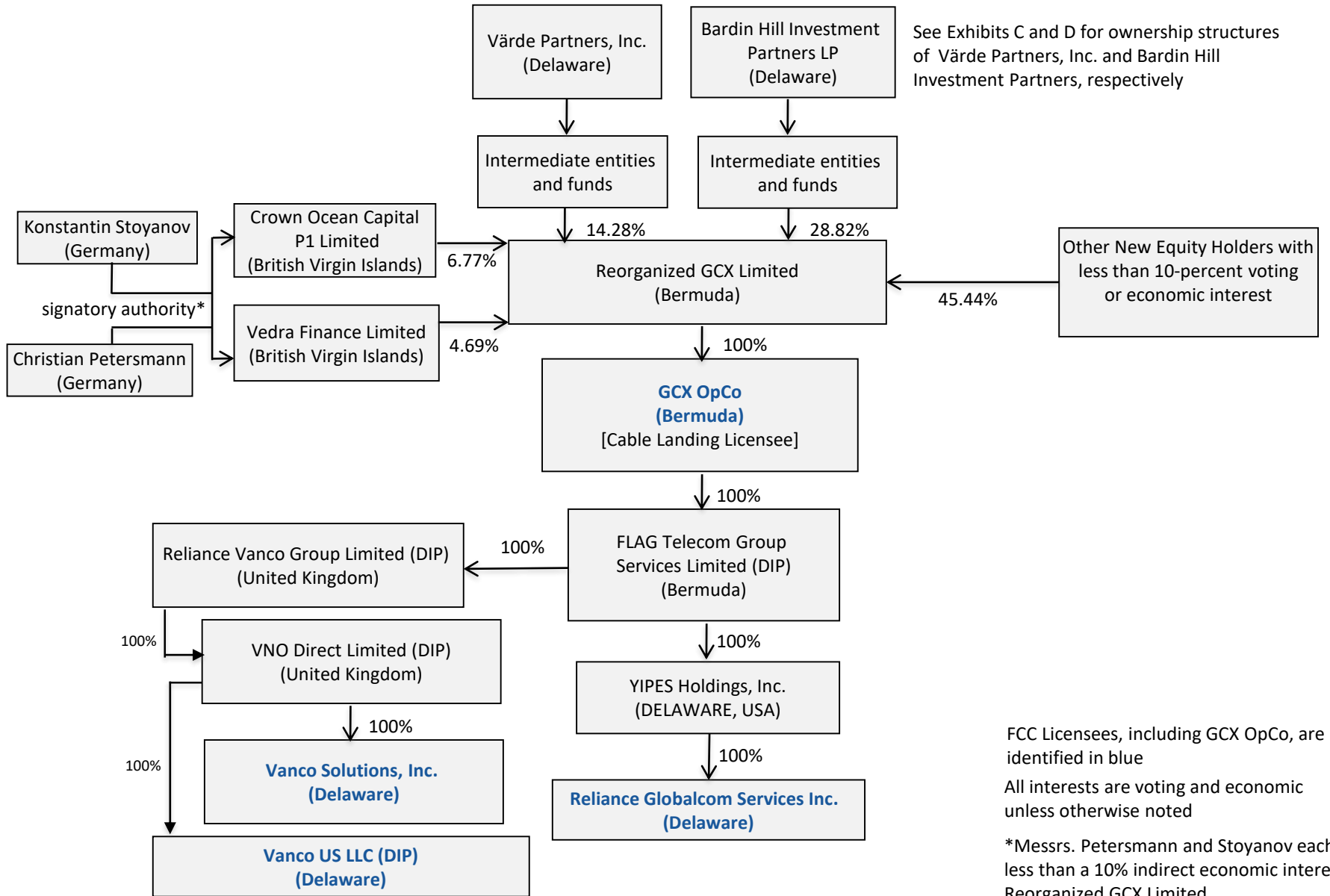
Stated interests are voting and economic

FCC licensees, including RGL DIP, are identified in blue their ultimate Corporate parent, RCOM, is identified in red

Dashed lines indicate interests preempted by insolvency proceedings

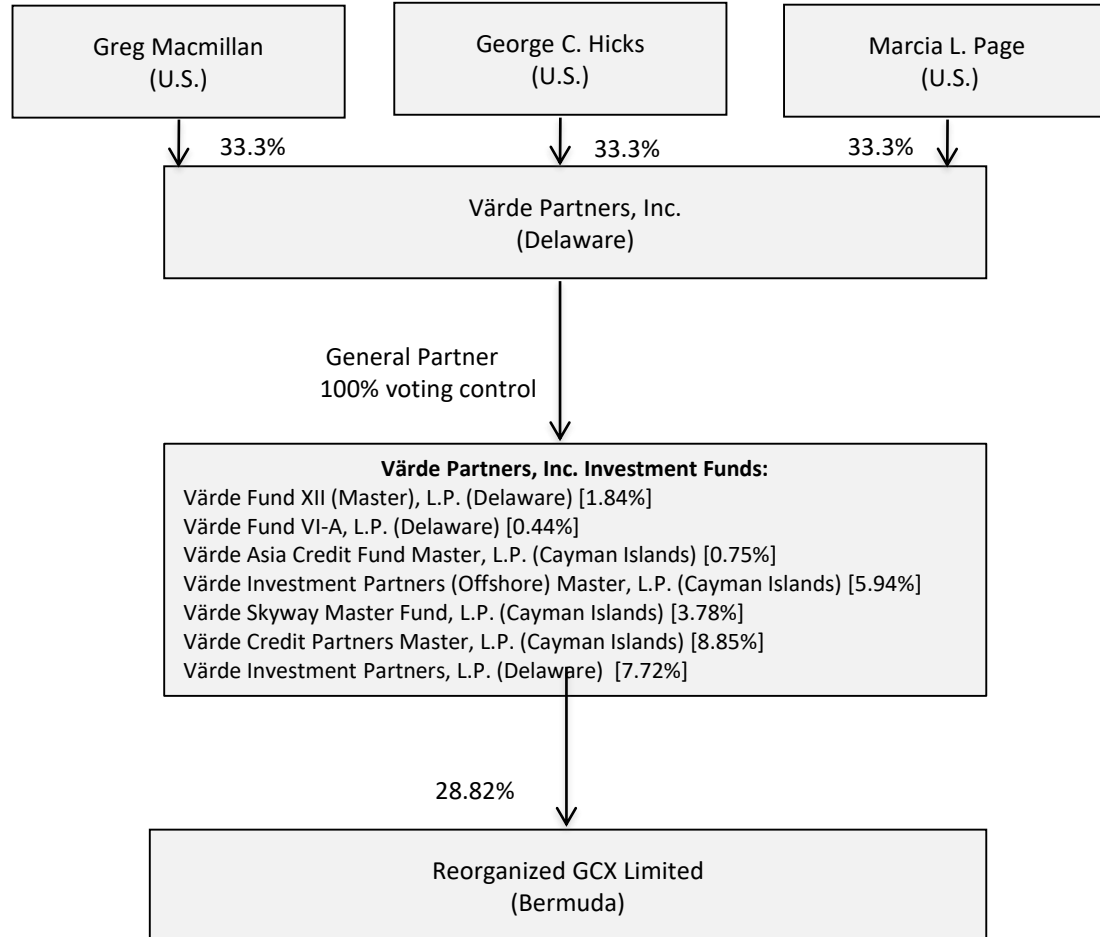


**Exhibit B**  
**GCX OpCo Post-Consummation Ownership Structure**



**Exhibit C**  
**Värde Partners, Inc. Ownership Structure**

All interests are voting and economic unless otherwise stated



## Exhibit D

### Bardin Hill Ownership Structure

