

WASHINGTON, D.C. OFFICE
fifth floor
flour mill building
1000 potomac street nw
washington, d.c. 20007-3501
TEL 202 965 7880 FAX 202 965 1729

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GSBLAW.COM

GARVEY SCHUBERT BARER

Please reply to JOHN WELLS KING jking@gsblaw.com TEL EXT 2520

September 19, 2006

Our File No. 22006-00100-61

### **VIA HAND DELIVERY**

Federal Communications Commission Attention: Marlene H. Dortch, Secretary International Bureau – Policy P.O. Box 358115 Pittsburgh PA 15251-5115

RE:

GUAM CABLE GROUP, INC.

Application For Consent To Transfer Of Control Of An Entity Holding International Section 214 Authorizations, Interests In Cable Landing Licenses,

And Domestic Section 214 Authority

STREAMLINED PROCESSING REQUESTED

Dear Ms. Dortch:

On behalf of Guam Telecom, LLC, I transmit herewith the original and four copies of an application for Commission consent to the transfer of control of Guam Cable Group, Inc., from Startec Global Operating Company to Guam Telecom, LLC.

This firm's check in the amount of \$1,790.00, is enclosed to cover the filing fees due in the amount of \$895.00 each for (a) the international Section 214 application, and (b) the domestic Section 214 application, the fee code for both of which is CUT. Also enclosed is FCC Remittance Advice, Form 159.

Kindly communicate any question regarding the transferor's portion of the application to:

Robert Felgar, General Counsel Startec Global Operating Company 7361 Calhoun Place, Suite 650 Rockville, MD 20855 (301) 610-4646



Kindly communication any questions regarding the transferee's portion of the application directly to the undersigned.

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JWK:yg

cc: Robert Felgar, Esquire (with enclosures)

# FEDERAL COMMUNICATIONS COMMISSION REMITTANCE ADVICE

Approved by OMB 3060-0589 Page <u>1</u> of <u>1</u>

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Garvey Schubert Barer			(3) TOTAL AMOUNT PAID (U.S. Dollars and cents) \$1,790.00						
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CERTIFICATION STATEMENT									
I,	, certify un	der penalty of perjury that	the foregoing and	supporting information is	true and corr	ect to			
the best of my knowledge, information and belief									
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# Before The FEDERAL COMMUNICATIONS COMMISSION Washington DC 20554

In the Matter of	)
Application for Consent To Transfer Of Control Of	)
GUAM CABLE GROUP, INC.,	)
from	)
STARTEC GLOBAL OPERATING COMPANY, Transferor,	)
to	)
GUAM TELECOM, LLC, Transferee.	)

To: The Commission

# APPLICATION FOR CONSENT TO TRANSFER OF CONTROL OF AN ENTITY HOLDING INTERNATIONAL SECTION 214 AUTHORIZATIONS, INTERESTS IN CABLE LANDING LICENSES, AND DOMESTIC SECTION 214 AUTHORITY

Pursuant to Section 214 of the communications Act of 1934, as amended, 47 U.S.C. §214, the Cable landing License Act, 47 U.S.C. §§34-39, and Sections 1.767, 63.04, 63.18(e)(3), and 63.24(e) of the Commission's Rules, 47 C.F.R. §§ 1.767, 63.04, 63.18(e)(3), and 63.24(e), Startec Global Operating Company ("Startec"), as transferor, and Guam Telecom, LLC ("GTL"), as transferee, respectfully request Commission consent to the transfer of control of Guam Cable Group, Inc. ("GCG"), together with the international

Page 2

Section 214 authorizations<sup>1</sup>, minority interests in cable landing licenses<sup>2</sup>, and domestic Section 214 authorizations held by GCG.

#### The Parties

GCG is a Delaware corporation headquartered in Hagåtña, Guam.

Startec is a Delaware corporation headquartered in Rockville, Maryland. Startec owns fifty percent of the outstanding common stock of GCG.

GTL is a Delaware limited liability company headquartered in Dededo, Guam. The Commission has granted GTL international Section 214 authority to provide facilities-based service in accordance with Section 63.18(e)(1) of the rules, and global resale service in accordance with Section 63.18(e)(2) of the Commission's rules.<sup>3</sup>

#### The Transaction

Startec and GTL have entered into a Stock Purchase Agreement pursuant to which GTL will acquire Startec's fifty percent interest in GCG, conditioned upon prior FCC approval thereto.

ITC-91-171, ITC-93-047, ITC-95-394, ITC-96-432, ITC-214-20030404-00169 (ITC-95-394 authorizes operation of facilities on the TPC-5 undersea cable network on a common carrier basis).

<sup>&</sup>lt;sup>2</sup> SCL-92-005 and SCL-92-005(M)-2 (TPC-5 Cable); SCL-LIC-19980309-00005, previous File No. SCL-98-002 (China-U.S. Cable); and SCL-89-004 (Guam-Philippines Cable).

<sup>&</sup>lt;sup>3</sup> ITC-214-20050825-00349, granted September 16, 2005.

### **Public Interest Statement**

GTL is a start-up, Guam-based provider of telecommunications services which inaugurated service in 2005. As the holder of international Section 214 authority in its own right, GTL's acquisition of Startec's interest in GCG will enhance GTL's service capabilities and increase its effectiveness as a provider of telecommunications in the competitive marketplace. The acquisition will strengthen the assurance of the continued provision of service to GCG's customers.

For these reasons, the parties respectfully submit that grant of consent to the transfer of control of GCG is consistent with the public interest, convenience, and necessity, as required by Section 63.18 of the Commission's Rules, 47 C.F.R. §63.18.

The parties further demonstrate below that the application qualifies for streamlined treatment, and they request that the Commission act as expeditiously as possible in reviewing the application and granting consent to transfer of control in order to promote the foregoing objectives.

# Transfer of Control Information Required by Sections 63.18 and 1.767

As noted above, Startec and GTL request Commission consent to the transfer of control of GCG to GTL, and of its international Section 214 authorizations, minority interests in cable landing licenses, and domestic Section 214 authorizations.

Pursuant to Sections 1.767, and 63.18 of the Commission's Rules, 47 C.F.R. §§1.767, 63.18, the applicants submit the following information:

1.767(a)(1), 63.18(a) The name, address, and telephone number of <u>Guam Cable</u> <u>Group, Inc.</u> is:

Guam Cable Group, Inc. 135 Chalan Santo Papa Hagåtña GU 96910 (671) 477-2244

The name, address, and telephone number of the transferor is:

Startec Global Operating Company 7361 Calhoun Place, Suite 650 Rockville MD 20854 (301) 610-4646

The name, address, and telephone number of the transferee is:

Guam Telecom, LLC 600 Harmon Loop Road Calvo Commercial Center Dededo GU 96929 (671) 635-4031

1.767(a)(2), 63.18(b) GCG is organized under the laws of the State of Delaware.

Startec is organized under the laws of the State of Delaware.

GTL is organized under the laws of the State of Delaware.

1.767(a)(3), 63.18(c) The name, title, post office address, and telephone number of the officer and contact point to whom correspondence concerning the application is to be addressed:

Officer:

Craig Thompson, President Guam Telecom, LLC 600 Harmon Loop Road Calvo Commercial Center Dededo GU 96929 (671) 635-4031

Contact Point:

John Wells King, Esquire Garvey Schubert Barer 1000 Potomac Street NW, Fifth Floor Washington DC 20007 (202) 965-7880

With a copy to:

Robert Felgar, General Counsel Startec Global Operating Company 7361 Calhoun Place, Suite 650 Rockville, MD 20855 (301) 610-4646

- 63.18(d) Facilities and services authorized to GCG:
  - (i) ITC-91-171, ITC-93-047, ITC-95-394, ITC-96-432, and ITC-214-20030404-00169 authorize facilities-based and resale services between the United States and all international points except those listed on the Commission's Exclusion List. ITC-95-394 authorizes operation of facilities on the TPC-5 undersea cable network on a common carrier basis.
  - (ii) SCL-92-005 and SCL-92-005(M)-2 (TPC-5 Cable); SCL-LIC-19980309-00005, previous File No. SCL-98-002 (China-U.S. Cable); and SCL-89-004 (Guam-Philippines Cable).

Facilities and services authorized to Startec:

(i) ITC-89-099 and ITC-97-379 authorize facilities-based and resale services between the United States and all international points except those listed on the Commission's Exclusion List.

Facilities authorized to GTL:

- (i) ITC-214-20050825-00349 authorizes facilities-based and resale services between the United States and all international points except those listed on the Commission's Exclusion List.
- 63.18(e) No response required.

63.18(f) No response required.

63.18(g) No response required.

Name, address, citizenship and principal business of the transferee's ten percent or greater direct and indirect shareholders or other equity holders

#### Parent of Guam Telecom, LLC:

Name: MCV Guam Investments, LLC

600 Harmon Loop Rd. Dededo, Guam 96929 Telephone: (671) 635-4

Telephone: (671) 635-4031 Facsimile: (671) 632-6280

Citizenship:

U.S. 100

Percent Ownership: State of Org.:

Delaware

Principal Business:

Investments

## Parent of MCV Guam Investments, LLC:

Name: MCV Guam Holding Corp.

600 Harmon Loop Rd. Dededo, Guam 96929

Telephone: (671) 635-4031 Facsimile: (671) 632-6280

Citizenship:

U.S.

Percent Ownership: State of Org.:

99.7 Guam

Principal Business:

Investments

# Parent of MCV Guam Holding Corp.:

Name:

MCV Acquisition, LLC

600 Harmon Loop Rd. Dededo, Guam 96929

Telephone: (671) 635-4031 Facsimile: (671) 632-6280

Citizenship:

U.S.

Percent Ownership:

100

State of Org.:

Delaware

Principal Business:

Investments

#### Owners of MCV Acquisition, LLC:

Name:

Seaport Capital Partners II, LP

1 Seaport Plaza

199 Water Street, 20th Floor

New York NY 10038

Citizenship:

U.S.

Percent Ownership:

89.9

State of Org.:

Delaware

Principal Business:

Investments

Name:

United Micronesia Development Association

Bank of Hawaii Building

Mariana Heights Business Park

P.O. Box 5235

Saipan, MP 96950

Citizenship:

U.S.

Percent Ownership:

8.3%

State of Org.:

Commonwealth of Northern Mariana Islands

Principal Business:

Investments

# Principals in Seaport Capital Partners II, LP

Name:

California Public Employees' Retirement System

Lincoln Plaza

400 P Street

Sacramento CA 95814

Percent Ownership:

13.7%

(There is no other interest holder with a derivative interest in the transferee

of 10% or greater.)

Principal Business:

Retirement Administrator

Name:

CEA Investment Partners II, LLC

1 Seaport Plaza

199 Water Street, 20th Floor

New York NY 10038

Position:

Sole General Partner

Principal Business:

Investments

# Principals in CEA Investment Partners II, LLC

Name:

Seaport Associates, LLC

1 Seaport Plaza

199 Water Street, 20th Floor

New York NY 10038

Percent Ownership:

75

State of Org.:

Delaware

Principal Business:

Investments

Name:

CEA Seaport Holdings, LLC

1 Seaport Plaza

199 Water Street, 20th Floor

New York NY 10038

Percent Ownership:

25

State of Org.:

Delaware

Principal Business:

Investments

# Principals in Seaport Associates, LLC

Name:

William Luby

1 Seaport Plaza

199 Water Street, 20th Floor

New York NY 10038

Citizenship:

U.S.

Position:

Managing Member

Principal Business:

Investments

Name:

James Collis

1 Seaport Plaza

199 Water Street, 20th Floor

New York NY 10038

Citizenship:

U.S.

Position:

Managing Member

Principal Business:

Investments

# Interests in CEA Seaport Holdings, LLC

Name:

The J. Patrick Michaels Family Trust,

J. Patrick Michaels, Trustee

1 Seaport Plaza

199 Water Street, 20th Floor

New York NY 10038

Citizenship:

U.S.

Principal Business:

Investments

- 63.18(i) GTL is not, nor is it affiliated with, a foreign carrier.
- 63.18(j) GTL does not seek to provide international telecommunications services to any destination country for which any of the circumstances in subsections (1) through (4) of Section 63.18(j) is true.
- 63.18(k)-(m) Not applicable. GTL is not, nor is affiliated with, a foreign carrier.
- 63.18(n) GTL has not agreed to accept special concessions directly or indirectly from any foreign carrier with respect to any U.S. international route where the foreign carrier possesses market power on the foreign end of the roué and will not enter into such agreements in the future.
- No party to the application is subject to a denial of Federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988.
- The application qualifies for streamlined processing pursuant to Sections 1.767(k) and 63.12 of the Commission's Rules, 47 C.F.R. §§ 1.767(k), 63.12. GTL has no affiliation with foreign carriers that possess market power in their destination markets, and indeed, has no affiliation with foreign carriers whatsoever.

Attached hereto as <u>Exhibit A</u> is the additional information required under paragraphs (a)(6) through (a)(12) of Section 63.04 of the Commission's rules.

Application for Transfer of Control Guam Cable Group, Inc. Page 10

#### Conclusion

Wherefore, for the reasons stated herein, applicants respectfully submit that the public interest, convenience and necessity would be furthered by grant of this Application for Commission consent to the transfer of control of Guam Cable Group, Inc., together with its (1) international Section 214 authorizations, (2) minority interests in cable landing licenses, and (3) domestic Section 214 authorizations held by GCG.

Respectfully submitted,

GUAM CABLE GROUP, INC.

rigsident

STARTEC GLOBAL OPERATING COMPANY, Transferor

Chief Executive Officer

GUAM TELECOM, LLC,

Transferee

Date: September 15, 2006

Chief Executive Officer

#### **EXHIBIT A**

Pursuant to Section 63.04(a)(6) - (a)(12) of the Commission's Rules, 47 C.F.R. § 63.04, the applicants submit the following information:

- (a)(6) GTL and Startec entered into a Stock Purchase Agreement dated as of August 10, 2006, pursuant to which Startec agreed to sell all of its stock in GCG.<sup>4</sup> Statrtec completed an evaluation of the future business direction of GCG and Startec. Based on that evaluation, Startec's Board of Directors elected to dispose of its stock sale transaction described herein. GCG's primary assets are interests in the TPC-5, China-U.S. and Guam-Philippines undersea cable networks. GCG also has leases and subleases for fiber optic capacity and collocations in Guam. GTL is acquiring Startec's interest in GCG in order to send traffic over those facilities. The consideration for Startec's stock in GCG is a cash payment to Startec, as well as a release of certain liabilities.
- (a)(7) Startec offers domestic and international long distance services to residential customers nation-wide with its Dial-1, 10-10-719 dial-around and Cellconnect services. Startec's long distance customers tend to be concentrated in major metropolitan areas on the east and west coasts of the United States. Startec also provides its long distance services primarily to small and medium-sized ethnic enterprises, as well as to mid-sized business customers, often in conjunction with dial-up Internet access, domestic and international private line services, and other products.

GTL offers domestic and international long distance services to business and residential customers in the Territory of Guam.

(a)(8) Applicants respectfully submit this Application qualifies for streamlined treatment pursuant to Section 63.03(b)(2)(i) because none of the applicants, nor their affiliates, are dominant with respect to any service. In addition, GTL will have a market share of less than 10 percent in the interstate, interexchange market following the transfer of

The parties also executed a Management Services Agreement pursuant to which GTL agrees to provide certain management services to GCG, subject to GCG's direction and control. After the transaction is approved by the Commission, GTL will assume complete management control of GCG. Applicants will provide the Commission with copies of the Stock Purchase Agreement and/or TSA upon request.

Startec's Cellconnect service allows callers to connect to Startec's network from their cell phones and pay the same low international rates that Startec charges for its Dial-1 service. Callers connect to Startec's network by dialing a 1-800 number.

Application for Transfer of Control Guam Cable Group, Inc. Exhibit A Page 2

assets and will provide services exclusively in geographic areas served by a dominant local exchange carrier that is not a party to the transaction. Consequently, the proposed asset transfer has no potential to result in harm to the public interest.

- (a)(9) Other than the international Section 214 and cable landing license portions of this Application, no other FCC applications relate to the transaction that is the subject of this Application.
- (a)(10) The parties are not seeking special consideration.
- (a)(11) No waiver requests have been filed in conjunction with this transaction.
- (a)(12) GTL's acquisition of Startec's interest in GCG will enhance GTL's service capabilities and increase its effectiveness as a provider of telecommunications in the competitive marketplace. The acquisition will strengthen the assurance of the continued provision of service to GCG's customers.

#### **CERTIFICATE**

The undersigned, Yvette Graves, an employee in the law offices of Garvey Schubert Barer in Washington DC, does hereby certify pursuant to Section 1.767 of the Commission's rules that the foregoing APPLICATION FOR CONSENT TO TRANSFER OF CONTROL OF AN ENTITY HOLDING INTERNATIONAL SECTION 214 AUTHORIZATIONS, INTERESTS IN CABLE LANDING LICENSES, AND DOMESTIC SECTION 214 AUTHORITY has been served this date by First-Class Mail, postage prepaid, on the following:

U.S. Coordinator, EB/CIP U.S. Department of State 2201 C Street, NW Washington DC 20520-5818

Office of Chief Counsel/NTIA U.S. Department of Commerce 14th Street and Constitution Avenue, NW Washington DC 20230

Defense Information Systems Agency Code RGC 701 S. Courthouse Road Arlington VA 22204

September 19, 2006

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GARVEY SCHUBERT BARER
A PARTNERSHIP OF PROFESSIONAL CORPORATIONS
eighteenth floor
1191 second avenue
seattle, washington 98101-2939
206 464 3939

HE COMMERCE BANK OF WASHINGTON 601 UNION STREET, SUITE 3600 SEATTLE, WASHINGTON 98101 (206) 292-3900

19-801/1250

167439

DAY ONE THO

ONE THOUSAND SEVEN HUNDRED NINETY AND 00/100 DOLLARS

DATE

CHECK AMOUNT

09-18-06

\$\*\*\*\*\*1,790.00

T© THE ORDER OF: FEDERAL COMMUNICATIONS COMMISSION

GARVEY SCHUBERT BARER

AUTHORIZED SIGNATURE

# 167439# #12500B013# 0011013B2#

GARVEY SCHUBERT BARER

Request Number: Check Date: 93111 Sep 18/06 Check Number: 167439

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Inv: Date	Invoice #	G/L Acct Client Matter Narrative			Amount Inv. Total	
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